ASX Announcement
FBR Limited

FBR Limited Quarterly Report | December 2021

Monday, 31 January 2022 – Robotic technology company **FBR Limited (ASX: FBR)** ('**FBR**' or '**the Company**') is pleased to provide its quarterly update for the three months ending December 31, 2021.

Business Activities Update

Progress at Willagee

FBR has deployed the Hadrian X® to a residential construction in Willagee, Western Australia, and has commenced robotically building the walls of 16 townhouses for prominent Western Australian builder Inspired Homes.

FBR is constructing the load bearing walls, the internal partition walls, and the concrete footings and slabs for the 16 townhouses. The Hadrian X® is making good progress on the construction activities, having completed the first stages on both the north and south sides of the project.

Outdoor testing of H01

FBR's first Hadrian X® has been undergoing outdoor testing at FBR's facility, in preparation for deployment to an 8-townhouse project in St James, Western Australia in the coming months. Testing of the new system designed to generate zero waste on site will continue in the lead up to deployment.

Completion of walls of home in Wellard

During 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.

Wienerberger outdoor pilot build completed

In November 2021 FBR completed its first house structure using Wienerberger Porotherm clay blocks in an outdoor environment.

Built on the outdoor test slab at FBR's premises, the house structure was built in a style commonly found in Europe, featuring gable ends approximately five metres high. The Wienerberger blocks used in the structure were the largest blocks ever used by the Hadrian X® and the largest produced by Wienerberger, and the first clay blocks to be passed through the robot. FBR used two different block types – double leaf blocks for the external walls and single leaf blocks for the internal walls to form a monolithic wall system already approved for use in European markets. Each R25 Porotherm is equivalent to 12 standard bricks.

While FBR and Wienerberger had intended to complete a Pilot Building Program in Europe, the parties undertook an Australian-based Pilot Building Program to enable FBR and Wienerberger to continue to develop their collaboration within the limitations of the economic conditions and travel restrictions resulting from the COVID-19 pandemic, with a view to progressing the commercialisation of FBR's technology with Wienerberger's clay block products in key international territories by demonstrating the commercial operation of the Hadrian X® with Wienerberger clay blocks in Australia.

Commercial Update

Commercial contracts signed

In October 2021, FBR signed its first multi-home Wall as a Service® contract to supply Wall as a Service® to a third-party residential property developer using the Hadrian X® construction robot, on an 8-unit development site in St James, Western Australia. The value of the contract is approximately $500,000, which is due to commence shortly.

In November 2021, FBR signed a contract with prominent Perth builder Inspired Homes to supply Wall as a Service® and concrete slabs for 16 townhouses in a development in Willagee, Western Australia. The project commenced in December 2021, with the contract value in excess of $630,000.

Non-Binding Term Sheet signed for up to 5,000 homes in Mexico

In November 2021, FBR executed a non-binding term sheet with GP Vivienda to supply Wall as a Service® for between 2,000 and 5,000 homes in Mexico using the Company's Hadrian X® construction robot. Subject to a number of milestones that must be completed within the first 24 months, FBR will supply WaaS® for a minimum of 2,000 and a maximum of 5,000 homes in Mexico (dependent on market conditions and GP Vivienda's pipeline of work). FBR will also supply all associated retaining walls and other brick and block structures on one or more greenfield residential development sites in Mexico within five years of completion of the milestones.

The order, timing and locations of all sites on which WaaS® will be supplied in Mexico is to be agreed between the parties beforehand to ensure that the Hadrian X® is deployed in a reasonably efficient manner and to minimise the time, cost and distance that the Hadrian X® is required to travel between development sites. For each site on which the Hadrian X® is deployed, the parties will commit to the supply of WaaS® on at least 100 homes. FBR will supply WaaS® at a rate that ensures the overall completed cost of the structural component of each home is commercially competitive. The works will be supplied by FBR or an affiliate, including a North American subsidiary or branch of FBR. The term sheet contains a binding exclusivity period of 24 months in which FBR and GP Vivienda will deal exclusively with each other in relation to the agreement in Mexico, with the remainder of the term sheet non-binding until formal documentation is completed.

The milestones for completion include receiving confirmation that FBR's Hadrian X® and Fastbrick Wall System® are compliant with all relevant codes and regulations in Mexico, completion of a collaborative commercial model, completion of a pilot building program of 20 homes in Mexico with the Hadrian X® using concrete masonry unit (CMU) blocks, and COVID-19 travel restrictions easing.

Memorandum of Understanding with the Kingdom of Saudi Arabia discontinued; collaboration ongoing

In November 2021 FBR advised that the Memorandum of Understanding ('MOU') between FBR and the Kingdom of Saudi Arabia's Ministry of Housing has been discontinued, with a view to replacing it with a more suitable formal agreement with revised targets in due course.

One of the original objectives of the MOU was to construct the walls of 50,000 homes using the Hadrian X® in Saudi Arabia by 2022, which now appears unfeasible in the timeframe, and the difficulties the parties have faced in converting the non-binding MOU to a binding contract caused in part by the uncertainty of COVID-19 restrictions has led to FBR and the Ministry of Housing mutually agreeing to discontinue the

non-binding MOU effective immediately. The parties still intend to collaborate on FBR's market entry to Saudi Arabia and remain in ongoing dialogue about a new MOU with revised objectives.

Memorandum of Understanding signed with the United Arab Emirates Ministry of Energy & Infrastructure
In November 2021 FBR entered into a Memorandum of Understanding with the United Arab Emirates Ministry of Energy & Infrastructure.

FBR and the Ministry have been exchanging information and collaborating and cooperating in relation to the application of modern building methods, smart support systems and other construction technologies in the housing and construction sectors of the UAE, with a particular focus on the Hadrian X® and what it could deliver to the region.

The MOU will see FBR and the Ministry identifying opportunities for the introduction and adoption of FBR's robotic construction technology, solutions and services to serve the construction sector in the UAE and exploring the potential for local manufacturing.

FBR and the Ministry also intend to collaborate on the demonstration of the utility and the effectiveness of the Hadrian X® and other robotic technologies to various stakeholders in the UAE through the implementation of pilot building programs in Australia and/or the UAE. FBR and the Ministry will complete a feasibility study of the Hadrian X® in the construction sector in the UAE, with a view to the Ministry becoming an early adopter of the Hadrian X® in the UAE. This feasibility study process is expected to take 12 months. In due course, FBR will establish a Wall as a Service® ('WaaS®') operating entity in the UAE to facilitate the introduction of a Hadrian X® to the GCC region, where the interest in FBR's technology has been strong, particularly during the COVID-19 pandemic. FBR will establish this operating entity at an appropriate time in order to meet the demand for robotically constructed walls in the region, likely in 24 to 36 months.

Corporate and Finance
FBR's receipts from customers for the quarter totalled $39,000.

During the quarter, FBR received a research and development tax incentive cash refund of $3,986,814 for the 12-month period ended 30 June 2021. After making a repayment of $2,610,014 to Radium Capital for the advance payment received on 30 June 2021 secured against FBR's research and development tax incentive refund, the net cash received by FBR was $1,376,800.

During the quarter, FBE spent $1.9 million on corporate costs, up slightly from the previous quarter due to a small increase in staffing levels. FBR spent $4.2 million developing the Hadrian technology, which was significantly up from the previous quarter in accordance with the increased activity of manufacturing new Hadrian robots. FBR spent approximately $319,000 delivering WaaS and developing its house and land properties at Wellard and approximately $40,000 acquiring plant and equipment for manufacturing Hadrian technology components.

FBR also announced in November 2021 that the company had received firm commitments to raise $10 million via the issue of 222,222,222 shares at 4.5c, representing a 14% discount to the 5-day VWAP and an 11% discount to the 30-day VWAP. The placement was completed on 3 December 2021.

Note to item 6 in Appendix 4C: Payments to related parties and their associates were made in the quarter. Approximately $307,000 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

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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	31 December 2021

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	39	660
1.2	Payments for		
	(a) Hadrian Development costs	(1,764)	(1,764)
	(b) Staff costs – Hadrian Development	(1,037)	(1,037
	(c) product manufacturing and operating costs	(319)	(575)
	(d) advertising and marketing and business development	(95)	(200)
	(e) leased assets	-	-
	(f) staff costs - administration	(765)	(1,745)
	(g) administration and corporate costs	(916)	(1,635)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(150)	(159)
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**	**(5,007)**	**(6,455)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(43)	(117)
	(d) investments	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
	(e) intellectual property	-	-
	(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	(426)	(1,198)
	- Staff costs – Hadrian Development	(866)	(2,027)
	- R & D rebate	3,987	3,987
	- Intellectual Property, Patents and Trademarks	(106)	(239)
2.6	**Net cash from / (used in) investing activities**	**2,546**	**406**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	10,000	10,000
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	(575)	(575)
3.5	Proceeds from borrowings	903	903
3.6	Repayment of borrowings	(2,469)	(2,469)
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**	**7,859**	**7,859**

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 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	7,540	11,128
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(5,007)	(6,455)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	2,546	406
4.4	Net cash from / (used in) financing activities (item 3.10 above)	7,859	7,859
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**12,938**	**12,938**

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	1,367	918
5.2	Call deposits	4,739	5,790
5.3	Bank overdrafts	-	-
5.4	Other (provide details)		
	- Guarantee facilities	832	832
	- Term deposits	6,000	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**12,938**	**7,540**

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	(307)
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	903	903
7.2	Credit standby arrangements	-	-
7.3	Other (corporate credit cards)	200	-
7.4	**Total financing facilities**	1,103	903

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.

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)	(5,007)
8.1b	Net cash from / (used in) other investing activities (Item 2.5)	(1,398)
8.2	Cash and cash equivalents at quarter end (item 4.6)	12,938
8.3	Unused finance facilities available at quarter end (item 7.5)	200
8.4	Total available funding (item 8.2 + item 8.3)	13,138
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	2.05

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: 31 January 2022.....

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.