ASX Announcement
FBR Limited

FBR Limited Quarterly Report | March 2023

Friday, 28 April 2023 – Robotic technology company **FBR Limited (ASX: FBR)** ('**FBR**' or '**the Company**') is pleased to provide its quarterly update for the quarter ended 31 March 2023.

Highlights

- FBR receives ICC certification approval for Fastbrick Wall System ahead of USA market entry
- Next-Generation Hadrian X® lays first blocks autonomously as focus turns to increasing lay speed and accuracy
- FBR enters Share Subscription Agreement with M & G Investment Management to acquire 277,000,000 fully paid ordinary FBR shares for an aggregate sum of A$9.14 million to fund FBR's market entry into the USA with three next-generation Hadrian X® robots
- A$17.4 million cash balance at the end of March quarter, excluding A$1.65 million received from M&G in April 2023.

Business Activities Update

ICC Certification Approval for Fastbrick Wall System

On 24 January 2023, the Company advised that it had received confirmation from ICC Evaluation Service, LLC ("ICC-ES"), a subsidiary of the International Code Council®, that its Fastbrick Adhesive™ and its use in the construction of concrete masonry walls is compliant with the provisions of the 2021 and 2018 International Building Code® ("IBC") and the 2021 and 2018 International Residential Code® ("IRC"), the base code standards for the United States and numerous other international jurisdictions.

This confirmation, as evidenced in ICC-ES evaluation report ESR-4273, provides guidance to code officials faced with approving the use of the Fastbrick Adhesive® in concrete masonry construction under these codes.

The International Code Council is the leading global source of model codes and standards and building safety solutions that include product evaluation, accreditation, technology, training, and certification. The Code Council's codes, standards, and solutions are used to ensure safe, affordable, and sustainable communities and buildings worldwide. The I-Codes are the most trusted, widely accepted and comprehensive set of model codes used in the United States. All fifty states, the District of Columbia, and many other countries have adopted the I-Codes at the state or jurisdictional level.

Next-Generation Hadrian X® lays first blocks autonomously

During the quarter, the Company announced that the next-generation Hadrian X® robot had laid its first blocks, autonomously, passing blocks through the entire robotic system before laying them. The next-generation Hadrian X® features a shuttle block delivery system designed to be able to lay at speeds of up to 500 blocks per hour, which would enable the completion of a standard double-brick house in a single day. The next-generation Hadrian X® can lay any existing commercially available blocks, as well as blocks not yet available on the market, including large blocks measuring up to 600mm x 400mm x 300mm and weighing up to 45kg.

Having successfully demonstrated the ability to autonomously lay blocks, the program moved to a testing and calibration phase to optimise the next-generation Hadrian X® system, increasing the laying speed of the Hadrian X® before commencing field testing in the next quarter.

Corporate and Finance

Receipts from customers for the March quarter totalled A$42,267, down from A$135,640 in the previous quarter.

During the quarter, FBR spent A$3.7 million on payroll, overheads and corporate costs, approximately consistent with the previous quarter. FBR spent A$4.3 million directly developing and manufacturing the Hadrian X ®

technology, which was up from the previous quarter due to progress on the second next-generation Hadrian X®. FBR spent approximately A$160,000 developing its house and land properties at Wellard.

Note to item 6 in Appendix 4C: Payments to related parties and their associates were made in the quarter. Approximately A$329,000 was paid to related parties as Executive and Non-Executive Director fees, salary and superannuation.

FBR funded to manufacture three Hadrian X® robots for the USA market

On 13 March 2023, FBR advised that it had entered into a strategic Share Subscription Agreement with UK-based FBR Shareholder, M & G Investment Management to acquire 277,000,000 fully paid ordinary shares in FBR, for an aggregate sum of A$9.14 million, to fund the manufacture and commercial deployment of three additional next-generation Hadrian X® robots designed specifically for expedited use in the USA.

227,000,000 new fully paid ordinary shares were issued to M & G on Friday 17 March 2023 at a price of A$0.033 per share, being an aggregate sum of $A7,491,000, utilising FBR's existing capacity under Listing Rule 7.1 (224,463,828 shares) & 7.1A (2,536,172 shares).

Subsequent to the end of the period, on 24 April, FBR advised that it had completed the funding transaction with a further aggregate sum of A$1,650,000 received from M & G for the remaining 50,000,000 fully paid ordinary shares.

The 50,000,000 fully paid ordinary shares were purchased from Mark Pivac and Michael Pivac and were previously issued to the Executive Directors in 2020 as loan funded shares with the loan term expiring in December 2022. Full proceeds of the sale of these shares went directly and solely to FBR in part repayment of the outstanding loans before being applied towards the manufacture and commercial deployment of the additional next-generation Hadrian X® robots bound for the USA market. The balances of the outstanding non-cash loans were forgiven under the terms of the loan funded share incentive plan.

Events subsequent to the end of the quarter

Subsequent to the end of the quarter, FBR received the keys for two of the properties in its Wellard portfolio. These properties are expected to be on the market for sale shortly. Two further properties in the Wellard portfolio are expected to be completed and put up for sale later this calendar year.

This announcement has been authorised for release to the ASX by the FBR 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 in a safer, more efficient and more sustainable way. 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.

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 March 2023

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	42	768
1.2	Payments for		
	(a) Hadrian Development costs	(509)	(1,799)
	(b) product manufacturing and operating costs	(158)	(1,567)
	(c) advertising and marketing and business development	(121)	(442)
	(d) leased assets	-	-
	(e) staff costs	(2,857)	(9,403)
	(f) administration and corporate costs	(756)	(2,378)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	143	163
1.5	Interest and other costs of finance paid	(138)	(507)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	73
1.8	Other (provide details if material)		
	- R & D rebate	3,845	3,845
1.9	**Net cash from / (used in) operating activities**	**(509)**	**(11,247)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(3,310)	(8,312)
	(d) investments	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 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)		
	- Shuttle Development costs	(192)	(533)
	- R & D rebate	2,036	2,036
	- Intellectual Property, Patents and Trademarks	(321)	(856)
2.6	**Net cash from / (used in) investing activities**	**(1,787)**	**(7,665)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	7,491	30,681
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	(23)	(1,390)
3.5	Proceeds from borrowings	-	293
3.6	Repayment of borrowings	(4,113)	(4,691)
3.7	Transaction costs related to loans and borrowings	(58)	(149)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**3,297**	**24,744**

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 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	16,350	11,519
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(509)	(11,247)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,787)	(7,665)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,297	24,744
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**17,351**	**17,351**

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	1,228	887
5.2	Call deposits	7,291	4,631
5.3	Bank overdrafts	-	-
5.4	Other (provide details)		
	- Guarantee facilities	832	832
	- Term deposits	8,000	10,000
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**17,351**	**16,350**

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	(329)
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	7,850	3,843
7.2	Credit standby arrangements	-	-
7.3	Other (corporate credit cards)	200	-
7.4	**Total financing facilities**	8,050	3,843

7.5	**Unused financing facilities available at quarter end**	4,207

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.

A secured revolving corporate credit card facility with the Commonwealth Bank of Australia at an interest rate of 17.99% p.a.

A senior secured revolving residential construction finance facility with FC Capital at an interest rate of 9.00% p.a., maturing on 31 August 2024

A senior secured revolving R&D tax finance facility with FC Capital at an interest rate of 8.50% p.a., maturing on 31 December 2024.

A senior secured Hadrian construction robot lease finance facility with FC Capital at an interest rate of 12.00% p.a., maturing on 13 May 2025

A secured chattel mortgage equipment loan facility with HP Financial Services (Australia) Pty Ltd at an interest rate of 5.50% p.a., maturing on 30 November 2026.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(4,354)
8.1b	Net cash from / (used in) other investing activities (Item 2.5)	(513)
8.2	Cash and cash equivalents at quarter end (item 4.6)	17,351
8.3	Unused finance facilities available at quarter end (item 7.5)	4,207
8.4	Total available funding (item 8.2 + item 8.3)	21,558
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	4.43

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: 28 April 2023.....

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.