

## FBR Limited Quarterly Report | June 2023

**Monday, 31 July 2023** – Robotic technology company **FBR Limited (ASX: FBR)** ('FBR' or 'the Company') is pleased to provide its quarterly update for the period ended 30 June 2023.

### Highlights

- June quarter receipts from customers of A\$1.2 million
- FBR sells two homes from the Company's Wellard Portfolio for a total of A\$1.1 million
- Next-generation Hadrian X<sup>®</sup> achieves lay speed record of over 300 blocks per hour
- FBR completes A\$9.14 million funding transaction with M & G Investment Management for three next-generation Hadrian X<sup>®</sup> robots for expedited use in the U.S.
- A\$13.4 million cash balance at the end of June quarter

### Business Activities Update

#### Next-generation Hadrian X<sup>®</sup> update

On 8 May 2023, FBR advised that the Company's first next-generation Hadrian X<sup>®</sup> robot had achieved a new sustained lay speed record of over 300 blocks per hour, with U.S. format concrete masonry blocks, far surpassing the highest ever recorded peak lay speed of its predecessor, the Hadrian 109.

Achieved during the testing and calibration program of the next-generation Hadrian X<sup>®</sup>, the new lay speed record demonstrated the commercial potential of FBR's robotic construction technology, with lay rates equating to over 70 vertical square metres of wall per hour if using the largest format blocks the Hadrian X<sup>®</sup> is designed to handle.

#### Lay-path vectoring

In addition to achieving a new lay speed record, work was undertaken to implement new lay-path vectoring protocols which enable the next-generation Hadrian X<sup>®</sup> to virtually eliminate perpendicular gaps between adjacent blocks on a course. The closing of perpendicular gaps between blocks provides an ESG benefit in jurisdictions with extreme hot or cold climates as it improves the thermal properties of the wall.

#### Final testing

Outdoor build activities are planned at FBR's facilities in the coming months, after which the next-generation Hadrian X<sup>®</sup> will be available for commercial work.



Next-generation Hadrian X<sup>®</sup> (H03), operated by tablet, laying blocks utilising new lay-path vectoring protocol

# ASX Announcement

## FBR Limited



### **FBR funded to manufacture three Hadrian X<sup>®</sup> robots for expedited use in the U.S.**

On 24 April, FBR advised that it had completed the two-part funding transaction with M & G Investment Management to fund the manufacture and commercial deployment of three additional next-generation Hadrian X<sup>®</sup> robots designed specifically for expedited use in the U.S.

Initially announced on 13 March 2023, the strategic Share Subscription Agreement raised an aggregate sum of A\$9.14 million comprised of:

- The issue of 227,000,000 new fully paid ordinary shares (issued to M & G on Friday 17 March 2023) at a price of A\$0.033 per share, being an aggregate sum of A\$7,491,000, utilising FBR's existing capacity under Listing Rule 7.1 (224,463,828 shares) & 7.1A (2,536,172 shares); and
- The purchase of 50,000,000 ordinary fully paid shares, for an aggregate sum of A\$1,650,000.

### **Loan fund shares**

The 50,000,000 fully paid ordinary shares referred to above, 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<sup>®</sup> robots bound for the USA market. The balance of the outstanding non-cash loans were forgiven under the terms of the loan funded share incentive plan.

### **Wellard Portfolio**

During the quarter, two properties from the Company's Wellard portfolio (Wellard #2 and Wellard #4) were sold, for A\$520,000 and A\$555,000 respectively.

Wellard #2 is a double leaf cavity walled, four-bedroom, two-bathroom family home with a double garage. Total wall area equated to 355m<sup>2</sup>, which was completed in 29 laying hours, utilising standard concrete masonry units (CMU).



**Wellard #2 (Lot 863 Coracina Vista, Wellard)**

Wellard #4 was built utilising Wienerberger Porotherm clay blocks, marking the first time in the world Wienerberger's clay blocks had been laid by a robot in the undertaking of commercial real-world work. This build followed the outdoor pilot build testing undertaken in November 2021, which sought to demonstrate Hadrian X<sup>®</sup>'s ability to address the European clay-block low-rise housing market, which has the potential for 700,000 new homes annually.



# ASX Announcement

## FBR Limited



**Wellard #4 (Lot 866 Coracina Vista, Wellard)**

Two properties remain in FBR's Wellard portfolio, which are expected to be completed and sold in the coming months.

### **Corporate and Finance**

Receipts from customers for the June quarter totalled A\$1.2 million, up significantly from A\$0.04 million in the previous quarter.

During the quarter, FBR spent A\$5.0 million on payroll, overheads and corporate costs and increase from the previous quarter. FBR spent A\$3.9 million directly developing and manufacturing the Hadrian X<sup>®</sup> technology, approximately consistent with the previous quarter. FBR spent approximately A\$0.7 million developing its house and land properties in Western Australia.

Note to item 6 in Appendix 4C: Payments to related parties and their associates were made in the quarter. Approximately A\$384,000 was paid to related parties as Executive and Non-Executive Director fees, salary and superannuation.

### **Extraordinary General Meeting**

On 17 July 2023, the Company issued a Notice of Extraordinary General Meeting (EGM) advising Shareholders that a meeting will be held at the Mount Lawley Golf Club on 21 August 2023 at 11:00AM (AWST). The Company is seeking Shareholder approval to ratify equity placements undertaken by the Company in its capacity under Listing Rules 7.1 and 7.1A. Further information can be found in the Notice of Extraordinary General Meeting/Proxy Form and EGM Letter to Shareholders & Proxy Form announcements released to the ASX on 17 July 2023.

### **Events subsequent to the end of the quarter**

Subsequent to the end of the quarter, FBR expanded its \$4.0 million revolving R&D tax loan facility with FC Capital previously announced to the ASX on 13 May 2022 to \$6.0 million, in line with the anticipated R&D tax incentive cash rebate of over \$6.0 million for FY23. FBR has drawn down on the additional \$2.0 million. Additional fees incurred are a \$15,000 establishment fee for the expanded facility and an increase in interest rate of 1%.

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

**Ends**



# ASX Announcement

## FBR Limited



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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<sup>®</sup> (DST<sup>®</sup>).

The first application of DST<sup>®</sup> is the Hadrian X<sup>®</sup>, a bricklaying robot that builds structural walls faster, safer, more accurately and with less wastage than traditional manual methods. The Hadrian X<sup>®</sup> provides Wall as a Service<sup>®</sup>, FBR's unique commercial offering, to builders on demand.

To learn more please visit [www.fbr.com.au](http://www.fbr.com.au)



## Appendix 4C

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

**Name of entity**

FBR Limited

**ABN**

58 090 000 276

**Quarter ended ("current quarter")**

30 June 2023

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,218	1,987
1.2 Payments for		
(a) Hadrian Development costs	(1,047)	(2,846)
(b) product manufacturing and operating costs	(702)	(2,270)
(c) advertising and marketing and business development	(37)	(479)
(d) leased assets	-	-
(e) staff costs	(3,873)	(13,276)
(f) administration and corporate costs	(1,111)	(3,489)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	78	241
1.5 Interest and other costs of finance paid	(92)	(599)
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
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(5,566)</b>	<b>(16,813)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(2,397)	(10,709)
(d) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 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	(153)	(686)
- R & D rebate		2,036
- Intellectual Property, Patents and Trademarks	(378)	(1,234)
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(2,928)</b>	<b>(10,593)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	1,650	32,331
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	(333)	(1,723)
3.5 Proceeds from borrowings	4,000	4,293
3.6 Repayment of borrowings	(795)	(5,486)
3.7 Transaction costs related to loans and borrowings	23	(126)
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>4,545</b>	<b>29,289</b>

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	17,351	11,519
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(5,566)	(16,813)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,928)	(10,593)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	4,545	29,289
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>13,402</b>	<b>13,402</b>

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	2,031	1,228
5.2	Call deposits	10,366	7,291
5.3	Bank overdrafts	-	-
5.4	Other (provide details)		
	- Guarantee facilities	1,005	832
	- Term deposits	-	8,000
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>13,402</b>	<b>17,351</b>

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	(384)
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.*

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>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.</i>		
7.1 Loan facilities	7,706	7,090
7.2 Credit standby arrangements	-	-
7.3 Other (corporate credit cards)	200	-
<b>7.4 Total financing facilities</b>	<b>7,906</b>	<b>7,090</b>
<b>7.5 Unused financing facilities available at quarter end</b>		<b>816</b>
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.	
	<p>A secured revolving corporate credit card facility with the Commonwealth Bank of Australia at an interest rate of 17.99% p.a.</p> <p>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</p> <p>A senior secured revolving R&amp;D tax finance facility with FC Capital at an interest rate of 16.34% p.a., maturing on 31 December 2024.</p> <p>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</p> <p>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.</p>	

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(5,566)
8.1b Net cash from / (used in) other investing activities (Item 2.5)	(531)
8.2 Cash and cash equivalents at quarter end (item 4.6)	13,402
8.3 Unused finance facilities available at quarter end (item 7.5)	816
8.4 Total available funding (item 8.2 + item 8.3)	14,218
<b>8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	<b>2.33</b>
<i>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.</i>	
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 July 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.