



**FBR LTD**

**APPENDIX 4E  
&  
PRELIMINARY FINAL REPORT  
YEAR ENDED 30 JUNE 2022**

(previous corresponding period being the year ended 30 June 2021)

Please find attached Appendix 4E and the preliminary financial accounts as required pursuant to ASX Listing Rules.

Please note that this report has been prepared based upon unaudited financial information for the year ended 30 June 2022.



# APPENDIX 4E

## Preliminary Final Report to the Australian Securities Exchange

|  |                |
|--|----------------|
| <b>Name of Entity</b>                          | FBR LTD        |
| <b>ABN</b>                                     | 58 090 000 276 |
| <b>Financial Year Ended</b>                    | 30 June 2022   |
| <b>Previous Corresponding Reporting Period</b> | 30 June 2021   |

## Results for Announcement to the Market

|   | \$                         | Percentage increase / (decrease) over previous corresponding period |
|---|----------------------------|---|
| <b>Revenue from Ordinary activities</b>   | 855,884                    | 62%   |
| <b>Profit / (loss) from ordinary activities after tax attributable to members</b>   | (19,978,660)               | (114%)  |
| <b>Net profit / (loss) for the period attributable to members</b>   | (19,978,660)               | (114%)  |
| <b>Dividends (distributions)</b>  | <b>Amount per security</b> | <b>Franked amount per security</b>                                  |
| <b>Final Dividend</b>   | nil                        | N/A   |
| <b>Interim Dividend</b>   | nil                        | N/A   |
| <b>Record date for determining entitlements to the dividends (if any)</b>   | N/A                        |   |
| <b>Brief explanation of any of the figures reported above necessary to enable the figures to be understood:</b>   |                            |   |
| The directors do not intend to declare a dividend as no profit was made during the year ended 30 <sup>th</sup> June 2022. No dividends were paid during the financial year. |                            |   |

## Dividends

|   |     |
|---|-----|
| <b>Date the dividend is payable</b>                         | N/A |
| <b>Record date to determine entitlement to the dividend</b> | N/A |



|   |      |
|---|------|
| <b>Amount per security</b>  | N/A  |
| <b>Total Dividend</b>   | Nil  |
| <b>Amount per security of foreign sourced dividend or distribution</b>                                      | N/A  |
| <b>Details of any dividend reinvestment plans in operation</b>  | None |
| <b>The last date for receipt of an election notice for participation in any dividend reinvestment plans</b> | N/A  |

## Net Tangible Asset Backing

|   | <b>Current Period</b> | <b>Previous Corresponding Period</b> |
|---|-----------------------|--------------------------------------|
| <b>Net tangible asset backing per ordinary security (cents per share)</b> | 0.38                  | 0.64                                 |

*Net Tangible Assets exclude right-of-use property assets with a carrying value of \$1,907,332 as at 30 June 2022*

## Other Significant Information Needed by an Investor to Make an Informed Assessment of the Entity's Financial Performance and Financial Position

N/A

## Commentary on the Results for the Period

Building on the operational success of the 2020/21 financial year, FBR again made significant progress in the commercialisation of its technology in FY22.

On 5 October 2021 FBR announced its first multi-home Wall as a Service® ('WaaS®') contract to supply WaaS® to a 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-story townhouses.

Construction of the St James project is due to commence shortly.

In November 2021, after the announcement of the St James contract, FBR announced that it had entered into a contract with prominent Perth builder Inspired Homes to



supply WaaS® and concrete slabs for 16 townhouses in a development in the Perth suburb of Willagee.

Under the contract, FBR is supplying the load bearing walls, the internal partition walls, and the concrete footings and slabs. Work on the project commenced in December 2021, and FBR is now in the process of constructing the second storey walls.

FBR has also completed the walls of four of the five homes in its Wellard portfolio, including a home constructed using Wienerberger Porotherm clay blocks subsequent to the end of the period. Utilising two Porotherm block types – R25 double leaf blocks (equivalent in volume to 12 standard bricks) for the external walls and single leaf blocks (equivalent in volume to six standard bricks) for the internal walls, this was the first time in the world Wienerberger’s clay blocks have been laid by a robot in the undertaking of commercial, real-world work.

The fifth home in the Wellard portfolio is expected to be built in the coming months, with each home in the portfolio to be sold as they are completed. The first home in the portfolio is due for settlement shortly.

In March 2022, FBR entered into a Memorandum of Understanding (‘MOU’) with Liebherr-Mischtechnik GmbH, a global manufacturer and supplier of high-quality systems for the mixing, batching and pumping of concrete, with the intention of cooperating to industrialise and commercialise the next generation Hadrian X® automated bricklaying robot for the global construction market. Liebherr-Mischtechnik GmbH, based in Germany, is a division of the Liebherr International Group, one of the world’s largest, most diverse and highly regarded equipment manufacturers.

The cooperation is comprised of two phases. Phase 1 is focused on ensuring that the next generation Hadrian X® is suitable for scalable industrialisation and commercialisation. Under Phase 1, Liebherr-Mischtechnik GmbH is supporting FBR in the further development of the Hadrian X®, with the primary goal of ensuring that the Hadrian X® is designed for reliable, continuous operation in tough job site conditions throughout its economic life, and for manufacturing at the scale and cost necessary for serial production and full commercialisation.

It is expected that Phase 1 will be completed in less than two years from the date of signing.

Phase 2 will commence upon execution by both parties of a long-term Manufacturing and Commercialisation Agreement. This agreement will address, among other things, the appointment of Liebherr-Mischtechnik GmbH as exclusive manufacturer of Hadrian X® robots, the scope and implementation of joint commercialisation activities including supply, service and lease structure, and intellectual property licensing. Prerequisites for progressing to Phase 2 include reaching mutual agreement on the business plan, go-to-market strategy, customer service strategy and commercial viability of the Hadrian X® in key markets and achievement of key performance targets.

FBR and Liebherr have agreed to a mutual exclusivity for a period of two years or until the execution of a Manufacturing and Commercialisation Agreement.

In November 2021, FBR announced that it had executed a term sheet with GP Vivienda to supply WaaS® for between 2,000 and 5,000 homes in Mexico using the Company’s revolutionary 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 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.

FBR also announced in November 2021 that the 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. Shortly thereafter, FBR announced it had signed an MOU with the United Arab Emirates Ministry of Energy & Infrastructure. The MOU sees 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.

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.

In March 2022, FBR secured construction financing for robotically built housing to support and grow FBR's construction operations using the Hadrian X® construction robot and the Fastbrick Wall System®. FBR signed an agreement with a subsidiary of FC Capital, one of Australia's largest alternative asset managers, FC Securities Pty Ltd ('FC') for a \$2 million revolving debt facility to finance up to 67.5% of the land and construction cost of five homes FBR is building in Wellard, plus any subsequent FBR residential builds within the 30-month term of the facility. The secured debt facility has an interest rate on drawn funds of 9.00% per annum.

Further, in May 2022 FBR entered into a revolving R&D tax loan facility with FC Capital, in place until 31 December 2024. The facility allows FBR to draw down on a monthly basis as needed, up to 90% of the value of its presently earned R&D tax incentive rebates or \$4.0 million, whichever is lower at the time. It has an initial interest rate of 8.50% per annum during 2022 and then an interest rate of 8.15% per annum plus the published one month bid rate for the Australian Bank Bill Swap Reference Rate (BBSW).

In May 2022 FBR also announced that Fastbrick Engineering Pty Ltd, a wholly owned subsidiary of FBR, had established a Lease Finance Facility with FC Capital to provide asset finance for FBR's two existing Hadrian X® construction robots at \$1.15 million per Hadrian X®. The finance facility has a three-year term and a 40% balloon payment at the end of the term, and an interest rate of 12.0% per annum and placed a General Security Agreement over FBR and Fastbrick Engineering Pty Ltd. The establishment of this facility marked the first time FBR had been provided lease finance over its Hadrian



X® construction robots, and is consistent with the Company's global commercialisation plan to expand its fleet of robots.

One Board of Directors change was made during the period, with Ms Nancy Milne re-appointed to the position of Non-Executive Director in April 2022 following her retirement in January 2020.

In November 2021, FBR completed a \$10.0 million equity placement to institutional and sophisticated investors, and received its R&D tax incentive cash refund of \$4.0 million, \$2.6 million of which was used to repay the advanced payment received from Radium Capital. In June 2022 FBR completed a further \$4.0 million equity placement to institutional and sophisticated investors, and, subsequent to the end of the period, completed a \$1.9 million placement with strategic investor Brickworks, Australia's largest producer of bricks and blocks.

The unaudited loss before tax expense/benefit for the 12 months to 30 June 2022 has increased significantly to \$19,978,660 from the prior period loss of \$9,333,023. This was primarily due to a significant expansion in the size, capability and activities of the company, including the Hadrian 110 program. In November 2021 the Hadrian development asset was assessed as being ready for use and as a consequence amortisation commenced from this date. This also meant costs associated with the asset were no longer capitalised. In addition, the company chose to implement a new ERP system in the year which resulted in the previous ERP assets being impaired.

**Returns to shareholders including distributions and buy backs:**

N/A

**Significant features of operating performance:**

N/A

**The results of segments that are significant to an understanding of the business as a whole:**

N/A

**Discussion of trends in performance:**

|   |
|---|
| N/A   |
| <b>Any other factor which has affected the results in the period or which are likely to affect results in the future, including those where the effect could not be quantified:</b> |
| N/A   |

### Entities sold during the last financial year

| Name of Entity | Date Control Lost | Details |
|----------------|-------------------|---------|
| N/A            | N/A               | N/A     |

### Investments in Associates and Joint Ventures

| Name | % Holding | Contribution to Profits / (Loss) |      |
|------|-----------|----------------------------------|------|
|      |           | 2022                             | 2021 |
| N/A  | N/A       | -                                | -    |
|      |           |                                  |      |

### Audit/Review Status

|   |     |  |    |
|---|-----|--|----|
| <b>This report is based on accounts to which one of the following applies: (Mark with "YES" or "NO")</b>  |     |  |    |
| The accounts have been audited  | NO  | The accounts have been subject to review           | NO |
| The accounts are in the process of being audited or subject to review   | YES | The accounts have not yet been audited or reviewed | NO |
| This report is based on financial accounts for the year ended 30 June 2022 which are in the process of being audited.   |     |  |    |
| <b>If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification:</b> |     |  |    |



N/A

**If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification:**

N/A

**Attachments forming part of Appendix 4E**

| <b>Attachment #</b> | <b>Details</b>   |
|---------------------|--|
| 1                   | Preliminary final report for FBR Limited for the year ended 30 <sup>th</sup> June 2022 (unaudited) |

Michael Pivac

Managing Director & Chief Executive Officer

Date: 31 August 2022





**FBR LTD**

**Preliminary Final Report**

**For the year ended**

**30 June 2022**

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# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2022

|   | Notes | 30 June 2022<br>\$  | 30 June 2021<br>\$ |
|---|-------|---------------------|--------------------|
| <b>Continuing Operations</b>                          |       |                     |                    |
| Revenue   |       | 765,226             | 98,517             |
| Cost of sales   |       | (1,428,536)         | (318,862)          |
| <b>Gross profit</b>                                   |       | <b>(663,310)</b>    | <b>(220,345)</b>   |
| Interest Income                                       |       | 26,441              | 31,502             |
| R&D tax rebate  |       | 3,620,314           | -                  |
| Other income  | 3     | 64,217              | 398,252            |
| Professional services                                 | 4.a   | (826,220)           | (1,119,813)        |
| Directors' and employees' benefits                    | 4.b   | (8,486,511)         | (3,486,493)        |
| Other expenses  | 4.c   | (3,539,370)         | (1,528,733)        |
| Hadrian costs   |       | (2,290,131)         | -                  |
| Share-based payments                                  |       | (3,040,568)         | (2,434,389)        |
| Depreciation  | 8,9   | (1,395,556)         | (688,374)          |
| Amortisation of development costs                     | 11    | (2,021,480)         | -                  |
| Property, plant, equipment and inventory impairment   | 7,8   | (1,426,486)         | (284,630)          |
| <b>Loss before tax</b>                                |       | <b>(19,978,660)</b> | <b>(9,333,023)</b> |
| Income tax (expense)/benefit                          |       | -                   | -                  |
| <b>Loss for the period</b>                            |       | <b>(19,978,660)</b> | <b>(9,333,023)</b> |
| Other comprehensive income for the period, net of tax |       | -                   | -                  |
| <b>Total comprehensive income for the period</b>      |       | <b>-</b>            | <b>-</b>           |
| <b>Total comprehensive loss for the period</b>        |       | <b>(19,978,660)</b> | <b>(9,333,023)</b> |
| Basic loss per share in cents per share               | 17    | 0.85                | 0.45               |
| Diluted loss per share in cents per share             | 17    | 0.85                | 0.45               |

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

# Consolidated Statement of Financial Position

As at 30 June 2022

|   | Notes | 30 June 2022      | 30 June 2021      |
|---|-------|-------------------|-------------------|
| <b>Assets</b>                                       |       |                   |                   |
| <b>Current</b>                                      |       |                   |                   |
| Cash and cash equivalents                           |       | 11,518,907        | 11,128,151        |
| Trade and other receivables                         | 5     | 6,470,410         | 4,545,823         |
| Inventory   | 7     | 1,370,489         | 1,462,536         |
| Other current assets                                |       | 713,216           | 858,348           |
| <b>Current assets</b>                               |       | <b>20,073,022</b> | <b>17,994,858</b> |
| <b>Non-current</b>                                  |       |                   |                   |
| Property, plant and equipment                       | 8     | 4,961,409         | 3,103,599         |
| Right-of-use assets                                 | 9     | 1,907,332         | 1,094,076         |
| Development costs                                   | 11    | 46,394,525        | 46,321,925        |
| <b>Non-current assets</b>                           |       | <b>53,263,266</b> | <b>50,519,600</b> |
| <b>Total assets</b>                                 |       | <b>73,336,288</b> | <b>68,514,458</b> |
| <b>Liabilities</b>                                  |       |                   |                   |
| <b>Current</b>                                      |       |                   |                   |
| Trade and other payables                            | 12    | 3,551,123         | 1,869,425         |
| Provisions  | 13    | 754,846           | 466,725           |
| Lease liabilities                                   | 10    | 1,220,117         | 1,013,852         |
| Loans & borrowings                                  | 14    | 5,740,033         | 2,474,327         |
| <b>Current liabilities</b>                          |       | <b>11,266,119</b> | <b>5,824,329</b>  |
| <b>Non-current</b>                                  |       |                   |                   |
| Provisions  | 13    | 573,906           | 300,815           |
| Lease liabilities                                   | 10    | 716,723           | 20,858            |
| Loans & borrowings                                  | 14    | 2,514,138         | -                 |
| <b>Non-current liabilities</b>                      |       | <b>3,804,767</b>  | <b>321,673</b>    |
| <b>Total liabilities</b>                            |       | <b>15,070,886</b> | <b>6,146,002</b>  |
| <b>Net assets</b>                                   |       | <b>58,265,402</b> | <b>62,368,456</b> |
| <b>Equity</b>                                       |       |                   |                   |
| <i>Equity attributable to owners of the parent:</i> |       |                   |                   |
| Share capital                                       | 15    | 116,567,987       | 101,695,037       |
| Reserves  |       | 3,496,596         | 4,481,204         |
| Accumulated losses                                  |       | (61,799,181)      | (43,807,785)      |
| <b>Total equity</b>                                 |       | <b>58,265,402</b> | <b>62,368,456</b> |

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 2022

|   | SHARE<br>CAPITAL   | PERFORMANCE<br>RIGHT<br>RESERVE | SHARE<br>OPTION<br>RESERVE | ACCUMULATED<br>LOSSES | TOTAL<br>EQUITY     |
|---|--------------------|---------------------------------|----------------------------|-----------------------|---------------------|
|   | \$                 | \$                              | \$                         | \$                    | \$                  |
| Balance at 1 July 2021                                    | 101,695,037        | 3,325,339                       | 1,155,865                  | (43,807,785)          | 62,368,456          |
| Loss for the period                                       | -                  | -                               | -                          | (19,978,660)          | (19,978,660)        |
| Other comprehensive income                                | -                  | -                               | -                          | -                     | -                   |
| <b>Total comprehensive loss for the period</b>            | -                  | -                               | -                          | <b>(19,978,660)</b>   | <b>(19,978,660)</b> |
| <i>Transactions with owners:</i>                          |                    |                                 |                            |                       |                     |
| Shares issued – capital raising (refer to Note 15)        | 14,000,000         | -                               | -                          | -                     | 14,000,000          |
| Capital raising costs – (refer to Note 15)                | (799,304)          | -                               | -                          | -                     | (799,304)           |
| Performance rights converted to shares (refer to Note 15) | 1,672,254          | (1,672,254)                     | -                          | -                     | -                   |
| Performance rights issued to employees                    | -                  | 2,439,080                       | -                          | -                     | 2,439,080           |
| Performance rights expired                                | -                  | (1,769,216)                     | -                          | 1,680,301             | (88,915)            |
| Performance rights forfeited                              | -                  | (324,278)                       | -                          | -                     | (324,278)           |
| Options issued to employees and directors                 | -                  | -                               | 988,686                    | -                     | 988,686             |
| Options expired   | -                  | -                               | (564,584)                  | 257,738               | (306,846)           |
| Options and loan funded shares extended                   | -                  | -                               | (82,042)                   | 49,225                | (32,817)            |
| <b>Balance at 30 June 2022</b>                            | <b>116,567,987</b> | <b>1,998,671</b>                | <b>1,497,925</b>           | <b>(61,799,181)</b>   | <b>58,265,402</b>   |

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<br>CAPITAL   | PERFORMANCE<br>RIGHT<br>RESERVE | SHARE<br>OPTION<br>RESERVE | ACCUMULATED<br>LOSSES | TOTAL<br>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                     | -                  | -                               | -                          | -                     | -                  |
| <b>Total comprehensive loss for the period</b> | -                  | -                               | -                          | <b>(9,333,023)</b>    | <b>(9,333,023)</b> |
| <i>Transactions with owners:</i>               |                    |                                 |                            |                       |                    |
| Shares issued – capital raising                | 16,000,000         | -                               | -                          | -                     | 16,000,000         |
| Capital raising costs                          | (918,377)          | -                               | -                          | -                     | (918,377)          |
| Performance rights converted to shares         | 85,000             | (85,000)                        | -                          | -                     | -                  |
| Performance rights issued to employees         | -                  | 3,293,492                       | -                          | -                     | 3,293,492          |
| Performance rights expired                     | -                  | (270,174)                       | -                          | 30,287                | (239,887)          |
| Performance rights forfeited                   | -                  | (440,427)                       | -                          | 516,845               | 76,418             |
| Options issued to employees and directors      | -                  | -                               | 665,512                    | -                     | 665,512            |
| Shares issued upon exercise of options         | -                  | -                               | -                          | -                     | -                  |
| Options expired                                | -                  | -                               | (1,516,688)                | 1,121,953             | (394,735)          |
| <b>Balance at 30 June 2021</b>                 | <b>101,695,037</b> | <b>3,325,339</b>                | <b>1,155,865</b>           | <b>(43,807,785)</b>   | <b>62,368,456</b>  |

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 2022

|  | Notes | 30 June 2022        | 30 June 2021       |
|--|-------|---------------------|--------------------|
|  |       | \$                  | \$                 |
| <b>Operating activities</b>                      |       |                     |                    |
| Interest received                                |       | 2,883               | 29,963             |
| Receipts from customers                          |       | 924,601             | 12,360             |
| Payments to suppliers and employees              |       | (15,851,622)        | (5,643,012)        |
| Interest paid                                    |       | (417,735)           | (98,572)           |
| Government grants                                |       | -                   | 504,194            |
| <b>Net cash used in operating activities</b>     |       | <b>(15,341,873)</b> | <b>(5,195,067)</b> |
| <b>Investing activities</b>                      |       |                     |                    |
| Development costs                                |       | (4,087,416)         | (7,310,977)        |
| Research and development rebate received         |       | 3,986,814           | 6,937,085          |
| Purchase of property, plant and equipment        |       | (3,277,196)         | (3,135,121)        |
| <b>Net cash provided by investing activities</b> |       | <b>(3,377,798)</b>  | <b>(3,509,013)</b> |
| <b>Financing activities</b>                      |       |                     |                    |
| Proceeds from loans                              |       | 8,334,056           | 2,468,821          |
| Repayment of loans                               |       | (2,561,828)         | (2,800,000)        |
| Proceeds from issue of share capital             |       | 14,000,000          | 16,000,000         |
| Capital raising costs                            |       | (661,801)           | (918,377)          |
| <b>Net cash provided by financing activities</b> |       | <b>19,110,427</b>   | <b>14,750,444</b>  |
| <b>Net change in cash and cash equivalents</b>   |       | <b>390,756</b>      | <b>6,046,364</b>   |
| Cash and cash equivalents, beginning of period   |       | 11,128,151          | 5,081,787          |
| <b>Cash and cash equivalents, end of period</b>  |       | <b>11,518,907</b>   | <b>11,128,151</b>  |

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 and its controlled subsidiaries ('FBR' or 'the Company') is developing technology to build an automated robotic machine with the aim of it being capable of completing the brickwork of a Full Home Structure at potentially significantly lower cost and higher quality than traditional methods. The Company has secured patents to protect its intellectual property in its technology in key markets.

### 2. General information and statement of compliance

The preliminary financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide a full understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report. Accordingly, this report is to be read in conjunction with the accompanying notes, the 2021 Annual Report, the 2022 Interim Financial Report and any public announcements made by FBR Limited in accordance with the continuous disclosure obligations of the ASX listing rules. FBR is a for-profit entity for the purpose of preparing the preliminary financial report.

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.

### 3. Other Income

|                   | Consolidated  |                |
|-------------------|---------------|----------------|
|                   | 30 June 2022  | 30 June 2021   |
|                   | \$            | \$             |
| Government grants | 64,217        | 394,444        |
| Other             | -             | 3,808          |
|                   | <b>64,217</b> | <b>398,252</b> |

### 4. Expenses

#### A. Professional services

|                       | Consolidated   |                  |
|-----------------------|----------------|------------------|
|                       | 30 June 2022   | 30 June 2021     |
|                       | \$             | \$               |
| Marketing             | 81,359         | 143,763          |
| Accountancy & tax     | 358,834        | 571,783          |
| Corporate consultants | 201,485        | 285,386          |
| Legal costs           | 184,542        | 118,881          |
|                       | <b>826,220</b> | <b>1,119,813</b> |



#### 4. Expenses (continued)

##### B. Directors' and employees' benefits

|  | Consolidated     |                  |
|--|------------------|------------------|
|  | 30 June 2022     | 30 June 2021     |
|  | \$               | \$               |
| Wages, salaries and directors' fees          | 9,724,813        | 7,115,547        |
| Superannuation                               | 949,055          | 615,334          |
| Annual leave entitlements                    | 192,382          | 47,557           |
| Long service leave entitlements              | 46,123           | 61,266           |
| Recharge to Hadrian development costs        | (2,106,299)      | (4,353,211)      |
| Recharge to Hadrian WIP                      | (210,964)        | -                |
| Recharge to Shuttle system development costs | (108,599)        | -                |
|  | <b>8,486,511</b> | <b>3,486,493</b> |

##### C. Other expenses

|                               | Consolidated     |                  |
|-------------------------------|------------------|------------------|
|                               | 30 June 2022     | 30 June 2021     |
|                               | \$               | \$               |
| Insurance                     | 254,820          | 163,712          |
| Travel expenses               | 199,042          | 116,078          |
| Compliance costs              | 209,625          | 154,265          |
| Subscriptions                 | 229,685          | 102,471          |
| Staff training costs          | 33,911           | 37,368           |
| Other administration expenses | 2,572,540        | 928,082          |
| Recruitment costs             | 38,247           | 11,537           |
| Website development costs     | 1,500            | 15,220           |
|                               | <b>3,539,370</b> | <b>1,528,733</b> |

#### 5. Trade and other receivables

Trade and other receivables consist of the following:

|                                     | Consolidated     |                  |
|-------------------------------------|------------------|------------------|
|                                     | 30 June 2022     | 30 June 2021     |
|                                     | \$               | \$               |
| Research and development tax rebate | 5,610,921        | 3,986,814        |
| Construction services income        | 128,350          | 100,980          |
| GST receivable                      | 393,630          | 227,322          |
| Interest receivable                 | 1,195            | 70               |
| Director loans                      | 228,236          | 207,499          |
| Grants receivable                   | 61,200           | -                |
| Other receivables                   | 46,878           | 23,138           |
|                                     | <b>6,470,410</b> | <b>4,545,823</b> |

All amounts are short-term. The net carrying value of trade and other receivables is considered a reasonable approximation of fair value. R&D tax rebate is an estimate of the refund amount relating to the tax return not yet lodged for the year ended 30 June 2022.

## 5. Trade and other receivables (continued)

Directors loans includes \$190,000 loan to Mark Pivac (plus interest of \$38,236) in connection with Performance Rights Issued under the Company's Performance Rights Plan. The loan has a maturity date of 31 December 2022 and an interest rate at the higher of 4.52% per annum and the highest interest rate payable by the Company to any financier of the company at the relevant time.

## 6. Financial assets and liabilities

### A. Categories of financial assets and liabilities

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

|                              | Notes | Financial assets<br>at amortised cost<br>\$ | Total<br>\$       |
|------------------------------|-------|---|-------------------|
| <b>30 June 2022</b>          |       |   |                   |
| <b>Financial assets</b>      |       |   |                   |
| Cash and cash equivalents    |       | 11,518,907                                  | 11,518,907        |
| Trade and other receivables  | 5     | 465,859                                     | 465,859           |
|                              |       | <b>11,984,766</b>                           | <b>11,984,766</b> |
| <b>Financial liabilities</b> |       |   |                   |
| Trade and other payables     | 12    | 3,551,123                                   | 3,045,708         |
| Lease liabilities            | 10    | 1,936,840                                   | 1,936,840         |
| R&D tax refund loan          |       | -   | -                 |
|                              |       | <b>5,487,963</b>                            | <b>4,982,548</b>  |
| <b>30 June 2021</b>          |       |   |                   |
| <b>Financial assets</b>      |       |   |                   |
| Cash and cash equivalents    |       | 11,128,151                                  | 11,128,151        |
| Trade and other receivables  | 5     | 331,687                                     | 331,687           |
|                              |       | <b>11,518,907</b>                           | <b>11,518,907</b> |
| <b>Financial liabilities</b> |       |   |                   |
| Trade and other payables     | 12    | 1,869,425                                   | 1,869,425         |
| Lease liabilities            | 10    | 1,034,710                                   | 1,034,710         |
| R&D tax refund loan          |       | 2,474,327                                   | 2,474,327         |
|                              |       | <b>5,378,462</b>                            | <b>5,378,462</b>  |

## 6. Financial assets and liabilities (continued)

### B. Other financial instruments

- The carrying amount of the financial assets and liabilities; trade and other receivables, cash and cash equivalents, trade and other payables and lease payables is considered a reasonable approximation of fair value.

## 7. Inventories

Inventories include the following components:

|  | Consolidated     |                  |
|--|------------------|------------------|
|  | 30 June 2022     | 30 June 2021     |
|  | \$               | \$               |
| Cost                                   | 2,045,133        | 1,747,166        |
| Inventory impairment                   | (674,644)        | (284,630)        |
| <b>Carrying amount at 30 June 2022</b> | <b>1,370,489</b> | <b>1,462,536</b> |

## 8. Property, plant and equipment

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

|  | LAND &<br>BUILDINGS | PLANT &<br>EQUIPMENT | FURNITURE &<br>FITTINGS | ICT<br>EQUIPMENT   | WORK IN<br>PROGRESS | TOTAL              |
|--|---------------------|----------------------|-------------------------|--------------------|---------------------|--------------------|
|  | \$                  | \$                   | \$                      | \$                 | \$                  | \$                 |
| <b>Gross carrying amount</b>           |                     |                      |                         |                    |                     |                    |
| Balance at 1 July 2021                 | -                   | 2,487,054            | 1,011,051               | 2,179,113          | -                   | 5,677,218          |
| Additions                              | -                   | 1,242,460            | 17,309                  | 50,736             | 1,967,782           | 3,278,287          |
| Disposals                              | -                   | -                    | -                       | (1,090)            | -                   | (1,090)            |
| <b>Balance at 30 June 2022</b>         | <b>-</b>            | <b>3,729,514</b>     | <b>1,028,360</b>        | <b>2,228,759</b>   | <b>1,967,782</b>    | <b>8,954,415</b>   |
| <b>Depreciation and impairment</b>     |                     |                      |                         |                    |                     |                    |
| Balance at 1 July 2021                 | -                   | (616,124)            | (833,153)               | (1,124,342)        | -                   | (2,573,619)        |
| Disposals                              | -                   | -                    | -                       | 667                | -                   | 667                |
| Depreciation <sup>1</sup>              | -                   | (376,468)            | (105,804)               | (185,940)          | -                   | (668,212)          |
| Impairment                             | -                   | -                    | -                       | (751,842)          | -                   | (751,842)          |
| <b>Balance at 30 June 2022</b>         | <b>-</b>            | <b>(992,592)</b>     | <b>(938,957)</b>        | <b>(2,061,457)</b> | <b>-</b>            | <b>(3,993,006)</b> |
| <b>Carrying amount at 30 June 2022</b> | <b>-</b>            | <b>2,736,922</b>     | <b>89,403</b>           | <b>167,302</b>     | <b>1,967,782</b>    | <b>4,961,409</b>   |

- \$154,118 of depreciation charges for the current period have been capitalised to development costs.

## 9. Right-of-use assets

|                                 | <b>Land &amp;<br/>Buildings</b> | <b>Consolidated<br/>ICT<br/>Equipment</b> | <b>Total</b>     |
|---------------------------------|---------------------------------|---|------------------|
|                                 | \$                              | \$  | \$               |
| Carrying amount at 1 July 2021  | 1,021,250                       | 72,826                                    | 1,094,076        |
| Lease modification              | 2,055,743                       | -   | 2,055,743        |
| Depreciation <sup>1</sup>       | (1,189,347)                     | (53,140)                                  | (1,242,487)      |
| Carrying amount at 30 June 2022 | <u>1,887,646</u>                | <u>19,686</u>                             | <u>1,907,332</u> |

1. \$361,025 of depreciation charges for the current period in relation to the right-of-use assets have been capitalised to development costs, with \$881,462 being expensed for the period

## 10. Lease liabilities

|                                 | <b>Consolidated</b> |                     |
|---------------------------------|---------------------|---------------------|
|                                 | <b>30 June 2022</b> | <b>30 June 2021</b> |
|                                 | \$                  | \$                  |
| Lease liabilities (current)     | 1,220,117           | 1,013,852           |
| Lease liabilities (non-current) | 716,723             | 20,858              |
|                                 | <u>1,936,840</u>    | <u>1,034,710</u>    |

|                           | <b>Within one<br/>year</b> | <b>One to five<br/>years</b> | <b>After 5<br/>years</b> | <b>Total</b>     |
|---------------------------|----------------------------|------------------------------|--------------------------|------------------|
|                           | \$                         | \$                           | \$                       | \$               |
| <b>30 June 2022</b>       |                            |                              |                          |                  |
| Lease payments            | 1,286,471                  | 731,420                      | -                        | 2,017,891        |
| Finance expenses          | (66,354)                   | (14,697)                     | -                        | (81,051)         |
| <b>Net present values</b> | <u>1,220,117</u>           | <u>716,723</u>               | <u>-</u>                 | <u>1,936,840</u> |

## 11. 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 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 and the Shuttle system:

|                                | <b>Hadrian</b>        |                     |
|--------------------------------|-----------------------|---------------------|
|                                | <b>30 June 2022</b>   | <b>30 June 2021</b> |
|                                | <b>\$</b>             | <b>\$</b>           |
| Gross carrying amount          | 46,321,925            | 43,236,917          |
| Additions                      | 3,973,503             | 10,008,907          |
| R&D tax incentives             | (1,942,242)           | (6,923,899)         |
| Amortisation expense           | (2,021,480)           | -                   |
|                                | <b>46,331,706</b>     | <b>46,321,925</b>   |
| <b>Additions</b>               |                       |                     |
| Consultants                    | 248,266               | 657,173             |
| Employee benefits              | 2,106,299             | 4,198,434           |
| Equipment hire                 | -                     | 41,213              |
| Materials                      | 267,960               | 1,122,882           |
| Occupancy expense              | 482,706               | 1,416,358           |
| Share-based payments           | (365,659)             | 966,410             |
| Patents and trademarks         | 744,166               | 694,359             |
| Overheads and other            | 489,765               | 912,078             |
| <b>Total additions</b>         | <b>3,973,503</b>      | <b>10,008,907</b>   |
|                                |                       |                     |
|                                | <b>Shuttle System</b> |                     |
|                                | <b>30 June 2022</b>   | <b>30 June 2021</b> |
|                                | <b>\$</b>             | <b>\$</b>           |
| Gross carrying amount          | -                     | -                   |
| Additions                      | 111,184               | -                   |
| R&D tax incentives             | (48,365)              | -                   |
|                                | <b>62,819</b>         | <b>-</b>            |
| <b>Additions</b>               |                       |                     |
| Employee benefits              | 108,599               | -                   |
| Materials                      | 2,585                 | -                   |
| <b>Total additions</b>         | <b>111,184</b>        | <b>-</b>            |
|                                |                       |                     |
| <b>Total Development costs</b> | <b>46,394,525</b>     | <b>46,321,925</b>   |

## 12. Trade and other payables

Trade and other payables consist of the following:

|                  | Consolidated     |                  |
|------------------|------------------|------------------|
|                  | 30 June 2022     | 30 June 2021     |
|                  | \$               | \$               |
| Trade creditors  | 2,185,771        | 1,600,925        |
| Accrued expenses | 873,065          | 108,682          |
| Other payables   | 492,287          | 159,818          |
|                  | <b>3,551,123</b> | <b>1,869,425</b> |

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

## 13. Provisions

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

|  | Consolidated   |                |
|--|----------------|----------------|
|  | 30 June 2022   | 30 June 2021   |
|  | \$             | \$             |
| <b>Current</b>                             |                |                |
| Employee entitlements – Annual leave       | 570,442        | 466,725        |
| Employee entitlements – Long service leave | -              | -              |
| Other provisions                           | 184,404        | -              |
|  | <b>754,846</b> | <b>466,725</b> |
| <b>Non-Current</b>                         |                |                |
| Employee entitlements – Annual leave       | 178,810        | 90,145         |
| Employee entitlements – Long service leave | 256,793        | 210,670        |
| Other Provisions                           | 138,303        | -              |
|  | <b>573,906</b> | <b>300,815</b> |

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

## 14. Loans & borrowings

The carrying amounts in the loans and borrowings accounts are as follows:

|  | Consolidated     |                  |
|--|------------------|------------------|
|  | 30 June 2022     | 30 June 2021     |
|  | \$               | \$               |
| <b>Current</b>                           |                  |                  |
| Chattel mortgage equipment loan facility | 166,265          | -                |
| Construction loan facility               | 1,163,412        | -                |
| R&D tax refund loan                      | 4,000,000        | 2,474,327        |
| Hadrian lease finance facility           | 410,356          | -                |
|  | <b>5,740,033</b> | <b>2,474,327</b> |

## 14. Loans & borrowings (continued)

### Non-Current

|  |                  |          |
|--|------------------|----------|
| Chattel mortgage equipment loan facility | 656,531          | -        |
| Hadrian lease finance facility           | 1,857,607        | -        |
|  | <b>2,514,138</b> | <b>-</b> |

During the period FBR secured construction financing for robotically built housing to support and grow FBR's construction operations using the Hadrian X<sup>®</sup> construction robot and the Fastbrick Wall System<sup>®</sup>. FBR signed an agreement with FC Securities Pty Ltd for a \$2 million revolving debt facility to finance up to 67.5% of the land and construction cost of five homes FBR is building in Wellard, plus any subsequent FBR residential builds within the 30-month term of the facility. The secured debt facility has an interest rate on drawn funds of 9.00% per annum, a 2.25% setup fee, and a 3.00% line fee.

During the period FBR entered into a revolving R&D tax loan facility with FC Capital, in place until 31 December 2024. The facility allows FBR to draw down on a monthly basis as needed, up to 90% of its presently earned R&D tax incentive rebates or \$4.0 million, whichever is lower at the time. It has an initial interest rate of 8.50% per annum during 2022 and then an interest rate of 8.15% per annum plus the published one month bid rate for the Australian Bank Bill Swap Reference Rate (BBSW).

During the period FBR entered into a Lease Finance Facility with FC Capital to provide asset finance for FBR's two existing Hadrian X<sup>®</sup> construction robots at \$1.15 million per Hadrian X<sup>®</sup>. The finance facility has a three-year term and a 40% balloon payment at the end of the term, with a 2.0% establishment fee and an interest rate of 12.0% per annum.

## 15. Share capital

### Ordinary shares

|                             | 2022        |               | 2021        |               |
|-----------------------------|-------------|---------------|-------------|---------------|
|                             | \$          | No.           | \$          | No.           |
| Ordinary shares, fully paid | 116,567,987 | 2,651,028,536 | 101,695,037 | 2,179,170,092 |

### Movement in ordinary shares on issue

| <i>Movement in ordinary shares on issue</i>      | \$                 | No.                  |
|--|--------------------|----------------------|
| Shares on issue at 1 July 2021                   | 101,695,037        | 2,179,170,092        |
| Capital raising                                  |                    |                      |
| 3 December 2021 Placement (at \$0.045 per share) | 10,000,000         | 222,222,222          |
| 24 June 2022 Placement (at \$0.018 per share)    | 4,000,000          | 222,222,222          |
| Capital Raising Costs                            | (799,304)          | -                    |
| Performance rights converted (7 July 2021)       | 1,672,254          | 27,414,000           |
| <b>Shares on issue at 30 June 2022</b>           | <b>116,567,987</b> | <b>2,651,028,536</b> |

## 15. Share capital (continued)

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.

### Performance shares

There were no performance shares issued during the current year (2021: nil). There were nil performance shares that converted to ordinary fully paid shares during the current year (2021: 21).

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

|  | <b>2022</b>   | <b>2021</b>   |
|--|---------------|---------------|
|  | <b>Number</b> | <b>Number</b> |
| Outstanding at 1 July                            | -             | 166,666,666   |
| Granted during the year                          | -             | -             |
| Converted during the year                        | -             | (21)          |
| Cancelled/forfeited/consolidated during the year | -             | (166,666,645) |
| <b>Performance Shares at 30 June</b>             | <b>-</b>      | <b>-</b>      |

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.

## 16. Share based payments

### Ordinary shares

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



## 16. Share based payments (continued)

### 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.

|                           | 2022<br>Number | Weighted<br>Average<br>exercise price<br>(c) | 2021<br>Number   | Weighted<br>Average<br>exercise price<br>(c) |
|---------------------------|----------------|--|------------------|--|
| Outstanding at 1 July     | 5,800,000      | 30   | 26,600,000       | 25   |
| Granted during the year   | -              |  | -                |  |
| Converted during the year | -              | -  | -                | -  |
| Expired during the year   | (5,800,000)    |  | (20,800,000)     | 25   |
| Forfeited during the year | -              |  | -                |  |
| <b>Options at 30 June</b> | <b>-</b>       | <b>-</b>                                     | <b>5,800,000</b> | <b>30</b>                                    |

### Performance rights

There were 38,620,000 performance rights issued during the current year (2021: 61,220,000).

The weighted average fair value of the performance rights granted during the current year is \$0.039 (2021: \$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.

|                                      | 2022<br>Number    | 2021<br>Number    |
|--------------------------------------|-------------------|-------------------|
| Outstanding at 1 July                | 78,970,028        | 27,387,736        |
| Granted during the year              | 38,620,000        | 61,220,000        |
| Converted during the year            | (27,414,000)      | (500,000)         |
| Expired during the year              | (32,273,256)      | (1,733,332)       |
| Forfeited during the year            | (5,554,572)       | (7,404,376)       |
| <b>Performance rights at 30 June</b> | <b>52,348,200</b> | <b>78,970,028</b> |

## 17. 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 2022 and 30 June 2021.

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:

|  | <b>30 June 2022</b>  | <b>30 June 2021</b>  |
|--|----------------------|----------------------|
|  | \$                   | \$                   |
| Weighted average number of shares used in basic earnings per share                 | 2,336,881,258        | 2,087,492,553        |
| Shares deemed to be issued for no consideration in respect of share-based payments | -                    | -                    |
| <b>Weighted average number of shares used in diluted earnings per share</b>        | <b>2,336,881,258</b> | <b>2,087,492,553</b> |

**END OF PRELIMINARY FINAL REPORT.**