

31 January 2023

December 2022 Quarterly Report

Key Points

- **Projectos Dinamicos (PD) US\$2.0m WBHO Contract at Temane progressing on time and on budget**
- **Infrastructure in place and construction commenced for PD owned/operated “Shankara Lodge” accommodation camp, labour training and Building Assembly facility (MBA) adjacent to SASOL-Temane Project**
- **Progress with South African based Tennant Group on business alignment and growth in Africa and Australia following initial investment in RBR**
- **Insurance claims totalling US\$0.9m relating to damaged and stolen assets from the groups former Wentworth Camp in Palma, Mozambique, now the subject of formal Arbitration process for resolution**
- **Maturity on \$1.35m of existing \$1.75m convertible note rolled over to 25 April 2023. \$160k in additional notes repaid with balance of \$240k proposed for settlement in this March quarter**
- **Futuro Group maintain readiness for re-deployment to the LNG onshore facility in Afungi for a potential project restart H1 2023**
- **Post Quarter, PD awarded 2nd accommodation camp contract at Temane. Contract value circa \$US5.0m**

Labour and training specialist RBR Group Limited (**RBR or Company**) is pleased to present its December 2022 Quarterly Report.

RBR’s Executive Chairman, Ian Macpherson commented: “As foreshadowed in our September Quarterly report; Group operating entities PD and Futuro continued to build on the early contract success at the Sasol PSA project based at Temane, Inhambane province of Mozambique.

Post quarter end we secured our 2nd significant accommodation camp contract whilst maintaining development “on time-on budget” under the WBHO temporary facilities contract.

In addition, initial ground works commenced, and infrastructure has been installed at the group’s wholly owned Shankara Lodge property, located within 5km of the PSA Project site.

These are significant steps forward for PD and the Futuro group as we build our reputation for supply, construction and management of large-scale camp facilities aligned with contracting, upskilling and deployment of the local Mozambiquan work force”.



Temane - Central Mozambique Gas Project Area

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www.rbrgroup.com.au

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Temane - Central Mozambique LNG

Through the Quarter, the Group maintained its focus on pursuing contract opportunities at existing projects in Temane, being: Globetech 450 gasower plant, SASOL PSA Project and existing corporate camp expansion.

Via PD, RBR Group has secured two significant contracts to service ongoing gas and power projects at Temane.

WBHO Contract

The first of these contracts, sees PD as service provider to international group WBHO in the construction and delivery of WBHO's temporary services facility.

The WBHO contract has progressed strongly since execution. The PD team mobilised to Vilankulos early September 2022, to begin pre-contract preparations. Unskilled and semi-skilled local Mozambiquan workers were sourced and engaged in the last week of September and the team moved to site on 12 October 2022.

The contract value is circa US\$2.0m with completion and handover of the temporary facilities scheduled for March 2023. The scope of the WBHO project is to build and erect the following buildings:

- Site Establishment offices consisting of two 12m x 3m Open space offices and one 9m x 3m office block with three offices. These offices are built on chassis and placed on plinths.
- Project Managers Building which is 478 sqm and has 19 rooms, made up of offices and boardrooms.
- Induction Hall which is 240 sqm. This is a training facility with two large training rooms and two offices.
- Male and Female Ablution facility with toilets, showers, and hand basins. This building is 223 sqm.
- Mess Hall is a steel structure with a serving kitchen under the roof and is 1450 sqm.

All the buildings are prefabricated and made out of imported panels that are then assembled on site.



Establishment Offices



Induction Centre

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Mess Hall and Service facility Steel Structure

At the time of writing contract construction is approximately 60% complete, on budget and on schedule for completion by the end of February 2023.

RADX/TSK---CTT Contract

The PSA gas project developers being a consortium of Sasol (SA), Globetech and EDM (Electricidade de Mocambique) have established an operating entity Central Térmica de Temane (**CTT**) as the project principal contractor during development. The RADX/TSK contract was issued by CTT.

PD was awarded preferred contractor status late December 2022 with contract secured and executed effective 23 January 2023. The contract entails supply and construction of a 420-person accommodation camp and site work facilities at the Sasol-PSA project with a contract value of circa \$US5.0m. Project completion and handover is scheduled for July 2023.

Additional contract terms are being finalised in relation to a possible further engagement for ongoing facilities management post construction with revenues based on a US\$ per person/per day rate.

The Temane Projects construction is forecast to require a 3000 plus workforce providing significant scope for larger contract opportunities for PD/Futuro Group in labour hire, training, and construction.

Shankara Lodge - Wentworth Camp re-deployment

As outlined in the Company's September Quarterly; in the absence of a clear timeframe for re-commencement of the TotalEnergies LNG project at Afungi, the Group resolved to demobilise from Wentworth and moved essential camp assets and related infrastructure south to be used in the development of RBR Group's planned "Shankara Lodge" accommodation, training and Mobile Buildings Assembly located on land secured within 5km of the Temane PSA Project.

During the quarter, PD completed initial earthworks and installed basic security infrastructure as stage 1 assembly of an accommodation camp facility for up to 100 persons.



Planned Futuro Temane camp development incorporating 100-person multiuser accommodation, MBA and training Facility

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As previously reported Futuro group are expanding their service offering in terms of skills training with a dedicated training facility to be established within the footprint at the new Shankara lodge accommodation camp.

Futuro Skills has continued to engage and upskill Temane locals working on both the PD/WBHO construction contract and the initial earth works at Shankara over the quarter.

The plan to establish a training centre within the camp area has already attracted several enquiries from parties operating on the Temane PSA project.



WBHO Project PD Team

Northern Mozambique LNG – Update

Activities related to the near term lifting of the “force majeure” by Total and recommencement of early-stage construction at the Afungi LNG project site continue. Futuro Group continues to closely monitor the developments in Northern Mozambique being in readiness for the restart of the mega Mozambique LNG (TotalEnergies) project at Afungi, Palma.

Tennant Group Alliance

Further to the investment into RBR Group from the Tennant Group, the partnership has expanded on the ground in Africa.

The Company is actively reviewing opportunities alongside Tennant Group with positive introductions and idea generation in the areas of training, health and safety being pursued.

In addition, the Tennant Group has allocated dedicated staff to assist Futuro Skills personnel to enhance and expand their service offering in Payroll, Retirement Funding Administration systems and Financial Services via the Futuro platform in Mozambique.

These are the first steps of a broader strategic roadmap that RBR and Tennant Group are developing to expand their combined business service offerings to Australia and other developing countries.

The Tennant Group confirms that the funding discussed in September 2022 of up to US\$ 2.0m is now close to being finalised and funds are anticipated to start flowing in the first half of 2023.

Insurance Claim Wentworth Camp Assets

PD has lodged two separate claims for Insurance covering loss from vandalism and theft at the former Wentworth camp site in Palma, northern Mozambique.

The claims totalling US\$0.9m have to date been disputed by the Insurers Global Alliance on grounds that the company strongly disputes. This matter is now the subject of formal Arbitration to be commenced in South Africa in the coming weeks.

Revenue and Balance Sheet

Cashflows from group operations continued to improve during the quarter with commencement of the WBHO contract and growth in our existing Futuro business generating \$1.529m in cash flow receipts.

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At quarter end cash reserves were \$1.93million with \$109k in Australia and \$1.82m in Mozambique.

The Company was able to repatriate \$276k from loan funds advanced to Mozambique operations during the quarter. This capital injection in conjunction with the Tennant investment enabled the Company to retire an amount of \$400,000 convertible notes in October 2022 and an additional \$160,000 of the remaining \$1.75m notes in December 2022.

The Board successfully negotiated a roll over on the maturity of \$1.35m of these Notes to 25 April 2023. A balance of \$240,000 notes remain due for repayment, conversion or potentially extension in this March Quarter. The Company is in continued contact with note holders and remains confident that positive solutions will be put in place.

Included in the cash flow report are payments to related parties of the entity and their associates of \$122k for Director's fees and salaries plus supplier payments to related parties.

For more information, please contact:

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For the purpose of ASX Listing Rule 15.5, this announcement has been authorised for release by the Board.

The information in this announcement has been disclosed by RBR and is the responsibility of RBR.

Appendix 4C

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

Name of entity

RBR Group Limited

ABN

38 115 857 988

Quarter ended ("current quarter")

31 December 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,529	1,676
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(504)	(912)
(c) advertising and marketing	-	-
(d) leased assets	(23)	(64)
(e) staff costs	(350)	(527)
(f) administration and corporate costs	(764)	(1,176)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(47)	(102)
1.6 Income taxes paid	-	(196)
1.7 Government grants and tax incentives	-	-
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	(159)	(1,301)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(58)	(210)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
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)	-	-
2.6	Net cash from / (used in) investing activities	(58)	(210)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	120	120
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	(58)	(58)
3.5	Proceeds from borrowings	305	305
3.6	Repayment of borrowings	-	(287)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Convertible note repayment)	(460)	(460)
3.10	Net cash from / (used in) financing activities	(93)	(380)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,333	3,765
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(159)	(1,301)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(58)	(210)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(93)	(380)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(94)	55
4.6	Cash and cash equivalents at end of period	1,929	1,929

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	109	160
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (Africa Subsidiaries)	1,820	2,173
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,929	2,333

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	122
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><i>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.</i></p> <p>Item 6.1 includes aggregate amounts paid to directors including salary and director's fees.</p>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (Convertible Notes)	1,590	1,590
7.4	Total financing facilities	1,590	1,590
7.5	Unused financing facilities available at quarter end		-
7.6	<p>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> <p>Tranche 2 of Convertible Notes has a value of \$1,590k is unsecured with an interest rate of 11% pa. Maturity on 25 April 2023.</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(159)
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,929
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	1,929
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	12.1
	<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	
	<i>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.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 January 2023

Authorised by: By the Board

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.