



28 April 2023

Quarterly Report to 31 March 2023

- Record quarterly revenues of \$2.16m from Projectos Dinamicos (PD) camp construction business.
- RADX-TSK accommodation camp contract at Temane (contract value circa \$US5.0m) progressing on schedule.
- Shankara Lodge infrastructure installed as 1st stage workers camp accommodating 40 workers, office, and assembly facilities for Temane RADX-TSK camp project.
- WBHO Contract at Temane completed post Quarter end on time, on budget.
- Futuro Group (FG) entities experiencing a significant lift in business activity, with engineering recruitment and construction contract enquiries increasing.
- Post Quarter end Total and EPC contractor, Saipem, host significant gathering of senior contractor representatives in Maputo to update on Rovuma Project restart in Afungi.

Labour services & training specialist RBR Group Limited (**RBR or Company**) is pleased to present this Quarterly report to 31 March 2023.

RBR's Executive Chairman, Ian Macpherson commented: "After a 2-year hiatus in the development of the world class Rovuma LNG project and a broader stagnation in business activities across Mozambique the Company is experiencing a very real revitalisation and growth across its Mozambique businesses.

As outlined in our recent Operations Update, Projectos Dinamicos continues to build its revenue base with a focus on increased provision of camp accommodation and local labour supply services at the SASOL PSA project in Temane. The successful completion of works for the handover of the WBHO camp and the timely progress on the SASOL PSA camp project, has resulted in record quarterly revenues from customers this quarter. With additional post completion payments due and the RADX-TSK contract progressing on schedule the outlook for the June quarter and beyond is encouraging.

The positive outlook is amplified by the strengthening signs of increased activity surrounding all aspects of a restart at Rovuma LNG."

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Temane, Central Mozambique, LNG

WBHO contract:

Post Quarter end, PD has completed works on the WBHO camp and services project and is in the process of handover of the facility to the customer.



Map 1 - Temane - Central Mozambique Gas Project Area



Figure 1 - Equipment Assembly Facility

Works were completed on time and budget notwithstanding significant challenges as a result of flash flooding from tropical Cyclone Freddy that inundated the central-east coast of Mozambique during February. With handover underway, PD staff and additional local workers have moved to assist additional staff dedicated to the RADX-TSK camp project.



Figure 2 - Mess Hall/Kitchen



Figure 3 - Accommodation Units

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RADX-TSK contract:

PD commenced this camp supply/construction contract for a 420-person camp and associated services facility for the TSK-CTT consortium in January to support the CTT 450mw Gas Powered Plant project. At the time of writing, PD has delivered a number of individual and dormitory style accommodation units, ablution block, kitchen, and laundry facilities units and met the contract Milestone 1 delivery schedule. Milestone 2 will see an effective doubling of the various units on site and is scheduled for completion early May. There are in excess of 100 workers involved in construction.



Figure 4 – RADX-TSK Site Layout

Shankara Lodge – Temane:

During the Quarter PD was able to establish initial infrastructure at the group's Shankara property located approximately 5 km from the Temane PSA project area.

The camp has been utilised to house up to 40 local workers and with the impact of flooding from Cyclone Freddy restricting movement on the Temane PSA project site in February, was a critical staging point for operational administration offices and assembly lay down area.



Figure 5 - Shankara Lodge Workers Accommodation



Figure 6 - Shankara Lodge and Assembly Lay Down Area

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Futuro Group - Tennant Alliance

With the increased business momentum across Mozambique, led by the likely near-term restart of the Rovuma LNG project, Futuro Group has moved to improve their operational capabilities, particularly in the areas of training and updating of previously held data bases of skilled/semiskilled Mozambique workers.

At the time of the initial Rovuma development; Futuro had established both directly and via alliances a data base in excess of 100,000 Mozambiquan workers, a significant number of which had developed skills applicable in the construction and mining sectors in South Africa.

The Group is now revisiting those data bases, updating, and seeking to build a workforce of local labour that can be readily deployed to the contractors/subcontractors working both directly on the Northern Mozambique projects in addition to ancillary supporting infrastructure.

An integral value add to the data base will be the planned use of the Futuro Card* to be distributed to local workers providing up to date identification of the holder together with their skills qualification.

It is clear that training of locals and local content are a primary focus of both Government and the project developers to ensure community “buy-in” and assistance in maintaining security and continuity of the construction activities once work recommences.

To this end, Futuro and Tennant Group are instigating a business plan for the roll out of an integrated services platform encompassing the common group services of:

- Payroll software support and outsourcing, company secretarial services and, accounting software support and accounting outsourcing; and
- Health and Safety Training and labour supply.

Tennant clearly sees potential to benefit from the software that Futuro has to create a training information card (Futuro Card*) for each individual trained.

Under the planned alliance both groups believe they can substantially grow the Futuro footprint in Mozambique in the above areas. The next steps are:

- To finalise a plan of action that will include exposure of Tennant’s Virtual Reality (VR) training systems, to select Futuro staff, to identify what additional changes (including the translation into Portuguese) need to be made to the VR modules currently available under license from the Australian based developers.
- Tennant will immediately hire additional Portuguese speaking staff in South Africa to strengthen the team in both South Africa and Mozambique.
- Tennant has entered into preliminary discussions with an identified payroll provider that has both South African and Mozambican operations. If negotiations are successfully concluded, it will result in an opportunity for a significant increase in revenue from this business unit of Tennant and Futuro.

Tennant and Futuro hope to conclude a working agreement before the end of May 2023. Tennant’s commitment to support RBR via a capital funding facility of up to US\$2.0m is reconfirmed and remains on track to roll out the funding in the second half of 2023.

Rovuma LNG

As previously reported the February 2023 visit by Total Energies CEO Patrick Pouyanne to the Afungi peninsula sparked a new dynamic for the stalled development of the Rovuma LNG mega project. Futuro Group management have reported a significant lift in enquiries, in particularly in labour hiring across multiple skill levels.

At a Mining and Energy conference in Maputo this past week President Nyusi encouraged the developers to recommence work, declaring Cabo Delgado and the Afungi Peninsula “safe”.

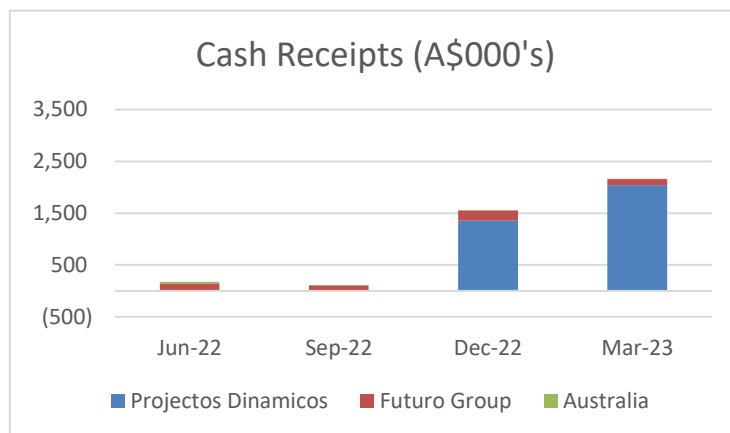
Whilst Total and its partners are yet to make an official announcement on the lifting of Force Majeure on the project as recently as this week the Company arranged a forum with senior contractor representatives; the strongest indication yet of an imminent decision by the project developers.

Recent developments both in Cabo Delgado and additional port cities include:

- Increased interest and on ground activities by O&G majors to develop shore-based facilities in Pemba and or Nacala in addition to the significant infrastructure existing at Afungi. Futuro Group have access to prime locations in both Port cities.
- Port development in Northern Mozambique continues with cargo terminal development in Pemba and Nacala. Nacala port has virtually doubled its container capacity with clear opportunities and vision for servicing the LNG developments.
- On March 23rd ExxonMobil issued a public statement for expression of interest for Front End Engineering and Design and potential EPC for an onshore LNG plant of up to 18 mtpa at Afungi for Area 4.
- Commercial rentals and property values lift in the capital Maputo as international contractors return.

Revenue and Balance Sheet

Cash inflows from group operations have improved quarter on quarter as a result of the completion of the WBHO contract, commencement of the RADX—TSK camp contract and growth in existing Futuro business administration services generating \$2.16m in cash flow receipts.



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The Group anticipates the positive trend on receipts and overall revenues continuing over coming quarters however cash and capital management remain a focus as the camp projects in particular require considerable capital investment including contract completion guarantees and retention allowances. At quarter end cash reserves were \$1.479m with \$322k in Australia and \$1.157m in Mozambique.

The Company concluded a capital raising of \$575k in March of which \$90k was applied to repayment of convertible notes outstanding.

At the date of reporting \$1.5m in convertible notes remain outstanding and subject to a further rollover in maturity until 25 August 2023. The Company maintains contact with note holders and remains confident that positive solutions will be put in place for repayment or conversion.

Included in the cash flow report are payments to related parties of the entity and their associates of \$24k for supplier payments to related parties. There were no Director fees paid during the quarter.

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.

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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 March 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	2,160	3,836
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(1,384)	(2,296)
(c) advertising and marketing	-	-
(d) leased assets	(87)	(151)
(e) staff costs	(349)	(876)
(f) administration and corporate costs	(1,166)	(2,195)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	(44)	(146)
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	(869)	(2,023)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(17)	(209)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 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	(17)	(209)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	575	695
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	(54)	(112)
3.5 Proceeds from borrowings	-	300
3.6 Repayment of borrowings	-	(446)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (Convertible note repayment)	(90)	(550)
3.10 Net cash from / (used in) financing activities	431	(113)

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	1,929	3,765
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(869)	(2,023)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(17)	(209)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	431	(113)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	5	59
4.6	Cash and cash equivalents at end of period	1,479	1,479

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	322	109
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (Africa Subsidiaries)	1,157	1,820
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,479	1,929

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	24
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.

Item 6.1 includes aggregate amounts paid to Related parties of Director Athol Emerton is \$24k. No directors fees were paid during the quarter.

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (Convertible Notes)	1,500	1,500
7.4 Total financing facilities	1,500	1,500
7.5 Unused financing facilities available at quarter end		-
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.		
Tranche 2 of Convertible Notes has a value of \$1,500k is unsecured with an interest rate of 11% pa. Maturity on 25 August 2023.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(869)
8.2 Cash and cash equivalents at quarter end (item 4.6)	1,479
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	1,479
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.7
<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: Cash inflows expected to be retained or improved over the course of the next Quarter.	
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: The Company is considering funding options as outlined in the Activities Report which will allow it to further progress its projects. The Company believes it will be able to raise further equity or debt, if and as required, as exhibited by the successful completion of placements of \$575,000 during the Quarter.	
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: Yes, the Company expects to be able to continue its operations and to meet its business objectives based on its response to items 1 and 2 above.	
<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: 28 April 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.