



31 July 2023

## Quarterly report to 30 June 2023

- **Projectos Dinamicos (PD) continues strong performance within its camp construction business, with projects completed and new enquiries being received.**
- **RADX-TSK accommodation camp contract at Temane (contract value circa \$US5.0m) now complete with handover to the client in progress.**
- **Shankara Lodge infrastructure successfully expanded to include site fabrication activities, secure camp accommodation and messing, office facilities and planned dedicated training facility.**
- **RBR continues to explore plans to expand Shankara Lodge model, encompassing accommodation, training, and business park facilities across Mozambique.**
- **RBR in discussions to form African agency agreement with Australian based personnel logistics technology Company providing integrated, best in class solutions for workforce travel and support coordination.**
- **Futuro Group (FG) entities continue to experience increased interest from engineering recruitment and construction companies planning expansion or mobilisation to Mozambique.**
- **Post Quarter end, additional \$1.0m working capital raised to support the proposed Tennant RBR-alliance.**

Labour services & training specialist RBR Group Limited (**RBR or Company**) is pleased to present this Quarterly report to 30 June 2023.

**RBR Group's Executive Chairman, Ian Macpherson, commented:** *"Following the review of major LNG developments in 2023, multinational operators in Mozambique have continued to take necessary steps to restart the world class energy projects in country.*

*Mozambique is experiencing increased activity, with Total Energies (**Total**) actively collaborating with prime contractors on logistics planning, community engagement, and security strategies to recommence the Mozambique LNG project (Area 1). At the same time, ExxonMobil and Eni, the partners in Area 4, are working on a revised design for the Rovuma LNG project. The Coral South FLNG unit in Area 4 has been in production throughout 2023, and the feasibility of another FLNG vessel is currently under assessment.*

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*Further to the South, Projectos Dinamicos (PD) has made excellent progress on supply and construction of two facility projects in the Temane project area, delivering high class outcomes for their clients in addition to expansion and upgrade of the group owned Shankara Lodge.*

*After successfully completing the WBHO workshop and facilities project for Client SASOL PSA, which generated revenue in the 1st Quarter of 2023, the RADX-TSA 420-man camp is now at practical completion and in the process of handover as scheduled.”*

### **Temane, Central Mozambique, LNG**

#### *RADX-TSK contract:*

Camp construction entity PD has successfully completed and is in the process of hand-over of the 420-person camp and associated services facility for the TSK-CTT consortium. This construction activity began in January, showcasing excellence in project management, ensuring timely delivery despite the challenges of a remote field location.

One of the standout features of this project has been PD's commitment to corporate and social responsibility. Notably, approximately 140 Mozambican workers have been engaged and upskilled for various roles, including supervisory and technical positions. Emphasizing the value of working with local communities, PD constructed and assembled modules on site, and utilized local suppliers for materials such as timber, furniture components, pavers, and other components.

Selected identified workers will undergo further training as part the upliftment programme and our “train the trainers” programme.



*Above: TSK 420-man camp with support facilities near ready for handover*

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### *Shankara Lodge – Temane:*

The RBR Group owned Shankara Lodge facility, located approximately 3km from the Temane PSA project area, to be renamed as the Futuro Business Office, Accommodation and Training Centre, has undergone significant development over the past quarter, a testament to the ingenuity of the RBR project management team. This facility has provided cost-effective housing for workers resulting in reduced project expenses, shorter commuting times, and minimized health, safety, and environment exposure during travel. The addition of a kitchen, laundry, and other support facilities has further enhanced its functionality.

Moreover, the Shankara Lodge facility played a crucial role in supporting project execution by offering a fabrication and assembly yard. This allowed for the construction of camp modules, which were then transported and installed at the client's facility.

The site boasts secure fencing, power supply, lighting, and utilities, making it a reliable and practical asset within the RBR Group portfolio in Mozambique. As part of RBR's ongoing identification of opportunities to participate in the LNG development in Central Mozambique, various opportunities for utilization are being explored. These include the potential leasing of the 150-man camp and registering the facility for local training operations. Office and storage facilities will also be developed. The site office, catering facilities, and secure yard space are well-suited for such purposes, and they are appropriately segregated from the Camp facilities, ensuring smooth operations.

### **Operational Capabilities Strengthened for Enhanced Growth**



*Above: Shankara Lodge facility, showing camp modules for TSK being assembled prior to transportation to site. The start of the 80-man camp is shown in the top left area of the photograph*

During the Quarter, Futuro Group continued to build and reinforce its operational capabilities to capitalise on the surge in business activity within Mozambique. The approach is focussed on strategically positioning Futuro for the upcoming relaunch of mega projects in the Cabo Delgado region. As part of this strategy, we are focussed on actions to expand our business activity in core functions, a move that will bolster cashflow and enhance our internal capabilities, thereby paving the way for significant growth opportunities.

The successful refresh of our candidate databases will allow Futuro Group to respond promptly and positively to an increased volume of queries. Industrial service companies, seeking to establish or expand their presence in Mozambique, continue to approach us for our expertise; this includes companies involved in gas and power projects

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in Temane, as well as support contractors operating in Pemba. The rising interest from these companies presents an exciting prospect for future collaborations and further strengthens RBR Group's position in the market. An additional focus is also to engage with prior clients who reduced operations in Mozambique following the rise of insurgency activity but are now actively planning to recommence operations.

### **Growth through Strategic Partnerships**

#### *RBR Group – Tennant Group alliance:*

RBR Group's relationship with regional partner Tennant Group has continued to mature, and the parties continue to work towards unlocking new opportunities for growth.

Tennant and supporters of the proposed Tennant-RBR Group alliance have to date invested approximately \$1.3m in working capital to support the RBR group operations in Mozambique and Australia. The latest investment of \$1.0m via 3-year convertible note facility was announced on 28 July 2023.

Tennant has confirmed its intent to provide further growth capital to broaden and deliver the Futuro Group businesses and discussions in this regard are continuing.

As previously reported, and in addition to the provision of capital, Tennant and RBR are continuing to explore pathways to jointly roll out enhanced services offerings in training, labour supply and management and administration.

#### *Training:*

As regards training, RBR is excited to introduce Virtual Reality (VR) training modules in Mozambique. These modules, now available in Portuguese, directly cater to the Mozambican market, enabling workers with language constraints to benefit from our cutting-edge training solutions. Our recent visit to the Australian developers of the VR product further solidified our conviction that these modules hold immense potential for saleability and market penetration.

Efficiency and embracing technology remain top priorities for Futuro Group, and to this end, we are working on integrating our initiatives into a unified system. The concept of the "Futuro Card" will serve as the linchpin, efficiently maintaining worker records throughout the recruitment, training, and operational HR processes. This integrated approach will streamline operations and enhance overall effectiveness, aligning our resources and efforts for sustainable growth.

#### *Workforce logistics:*

As part of its growth plans, RBR Group continues to look to identify business opportunities within Australia. In this regard, RBR Group is exploring potential opportunities with an Australian workforce logistics technology company that offers cutting-edge technology solutions to clients, which seamlessly integrates the entire process of moving and supporting field personnel along the journey from home to worksite. Additionally, the technology encompasses site authorizations and prequalification, commercial and charter air travel, accommodation, ground movement, and emergency planning functions.

Both companies are enthusiastic about the partnership's potential and discussions continue in relation to future business collaborations and opportunities.

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## **Revenue and Balance Sheet**

Following on from the successful March 2023 Quarterly, RBR can report continuing strong cash inflows from group operations in an amount of \$1.88 million, primarily as a result of the highly successful camp supply and construction business of PD.

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 require considerable capital investment including contract completion guarantees and retention allowances.

Post the Quarter, and in late July, the Company concluded a capital raising of \$1.0m via the issuance of 1 million 3 year convertible notes. At the date of reporting, \$1.5 million in convertible notes remain outstanding. In accordance with discussions with the note holders it is intended to apply up to \$500k of this to redemption of existing convertible notes due to mature end of August 2023. The balance will be subject to further rollover in maturity or repayment should the Group successfully repatriate surplus funds from Mozambique or raise additional capital for that purpose.

Included in the cash flow report are payments to related parties of the entity and their associates of \$44,000 for Director's fees and salaries plus supplier payments to related parties. No director fees were 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")**

30 June 2023

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,880	5,716
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(1,960)	(4,256)
(c) advertising and marketing	-	-
(d) leased assets	(59)	(210)
(e) staff costs	(450)	(1,326)
(f) administration and corporate costs	(539)	(2,734)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	2
1.5 Interest and other costs of finance paid	(51)	(197)
1.6 Income taxes paid	(5)	(201)
1.7 Government grants and tax incentives	-	-
1.8 Other	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,183)</b>	<b>(3,206)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(1)	(210)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 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)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(1)</b>	<b>(210)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	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	(2)	(114)
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)	-	(550)
<b>3.10 Net cash from / (used in) financing activities</b>	<b>(2)</b>	<b>(115)</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	1,479	3,765
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,183)	(3,206)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(1)	(210)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(2)	(115)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	6	65
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>299</b>	<b>299</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	146	322
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (Africa Subsidiaries)	153	1,157
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>299</b>	<b>1,479</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	44
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 \$44k. No directors fees were paid during the quarter.



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

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (Convertible Notes)	1,500	1,500
<b>7.4 Total financing facilities</b>	<b>1,500</b>	<b>1,500</b>
<b>7.5 Unused financing facilities available at quarter end</b>		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
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.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,183)
8.2 Cash and cash equivalents at quarter end (item 4.6)	299
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	299
<b>8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	<b>0.25</b>
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: Net operating cashflows expected to be retained or improve over the course of the September 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 raised \$1.0m on 28 July 2023 in long-term convertible debt	
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; based on the proceeds received and due as 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: 31 July 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.