



31 October 2023

## Quarterly report to 30 September 2023

- Strong group revenue cashflows of \$2.6m predominantly from Projectos Dinamicos (PD) camp construction business maintained in the Quarter.
- PD Camp leasing model to be further developed and rolled out.
- RADX-TSK accommodation camp contract at Temane complete. Handover effected post Quarter end.
- Construction of Futuro Business Park and Lodge secure camp accommodation, office facilities and planned dedicated training facility underway at Temane.
- Expansion of Business Park and Lodge model, encompassing accommodation, training, and business park facilities across Mozambique now underway.
- Next site location planned for Pemba, Cabo del Gado province.
- Futuro Group (FG) entities continue to experience increased interest from engineering recruitment and construction companies planning expansion or mobilisation to Mozambique.
- \$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 September 2023.

**RBR Group's Executive Chairman, Ian Macpherson, commented:** *"The Company remains focussed on revitalising and growing its existing business in Mozambique. This has included ensuring the Company and its local entities are ready for the recommencement of LNG development activities in Cabo del Gado as well as establishing business offerings to other parts of the country."*

*A pleasing example of the regional diversification effort has been the supply and construction of two separate camp facility projects and the Futuro Business Park and Lodge near the town of Temane, Inhamitanga Province. Having demonstrated our ability to successfully construct camp facilities, RBR has now begun construction of a fleet of rental camp buildings which can be quickly deployed to, and removed from, site once the rental contract has ended. We see this camp construction and rental business model as providing the potential for significant business growth.*

*We continue to pursue the alliance relationship with regional partner Tennant Group with a view to securing additional funding and project delivery capability. Whilst this work is yet to capture any specific project opportunities, we have been pleased with the demonstration of financial support from Tennant Group which has provided RBR Group with additional working capital and facilitated the repayment of an amount of outstanding convertible notes.*

*The initial level of investment and support provides the Company with a great deal of confidence in the potential benefits the growing alliance with Tennant Group will bring to RBR Group in the future."*

### **RBR GROUP LIMITED**

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**Temane, Central Mozambique, LNG***RADX-TSK Contract*

Camp construction entity PD successfully completed construction of the 420-person camp and associated services facility for the TSK-CTT consortium with handover to the client effected post quarter end. The PD team is rightly proud of this achievement, with the team's efforts showcasing excellence in project management and timely delivery despite the challenges of a remote field location. Pleasingly, the finalisation of this project has yielded a healthy gross revenue over the contract, exceeding US\$5m dollars, demonstrating the financial viability of the camp construction business.

An additional positive feature of this project has been PD's commitment to corporate and social responsibility during the construction of the camp. The Company is proud of the engagement and upskilling of 140 Mozambican workers in 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. Importantly, the social engagement will continue post construction with selected workforce members undertaking further training and development via an uplift program.

*Space Rental Facility*

As part of its growth plans, PD has commenced the construction of a rental fleet of Relocatable Prefabricated Buildings. The facilities include construction site amenities such as office space, ablution facilities and trailers which can be quickly deployed to projects in the Temane area on a short, medium, or long-term rental basis. PD views the ability to construct and rent flexible, temporary structures to projects on short notice as providing a strong offering to the growing number of projects in the area.

Upon successful implementation of the offering in Temane, the Company believes that this rental facility offering can be deployed more widely in Mozambique and beyond. Investigations and discussions with interested parties are ongoing.

*Futuro Business Park and Lodge*

Construction of the Group owned and operated Business Park has commenced, with completion targeted to take place by the end of 2023. Facilities within the Business Park include:

- Five Workshop/Warehouses available for rental with first tenant secured.
- Futuro Skills Training Centre, whereat Futuro will be able to conduct training for projects in the Temane area.
- Provision of Worker's Camp facilities with the ability to accommodate 10 Senior Executive Ensuite Rooms and 45 Junior Beds.

The Company has been receiving strong interest in the Business Park facilities from a number of potential tenants/customers and expects to secure clients across the different offerings to coincide with the planned opening at the end of the year.

The Lodge development has also commenced with civils and earthworks underway. Long lead procurement for the Restaurant and ancillary facilities has likewise commenced.

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The Business Park 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.



(Site plan of Futuro Business Park and Lodge)



(Advertising of rental of rental facilities and training services as Temane)

## **Pemba, Northern Mozambique**

The restart of operations at the significant LNG projects in the North of Mozambique is gathering momentum. The Company sees significant opportunities to support the Total and Exxon Mobil operations in the areas in and around Pemba and the Cabo del Gado region. Recently, the 6<sup>th</sup> licensing round for new oil and gas concession contracts in Mozambique was completed, with concessions being awarded to ENI and CNOOC. The continued interest in exploration in the region bodes well for further growth in the camp services, labour hire and training sectors.

The PD team sees the potential for significant contracting opportunities, including the Company's new offering of Space Rental Facilities and is currently investigating bringing a Futuro Business Park and Lodge facility to the area to provide accommodation, workspace and training facilities to take advantage of the reinvigoration of what are major development projects with national significance to Mozambique.

## ***RBR Group – Tennant Group Alliance***

RBR'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 a 3-year convertible note facility was announced on 28 July 2023 and approved by Shareholders on 19 September 2023. Tennant Group has confirmed its intent to provide further growth capital to broaden and deliver the Futuro Group businesses and discussions in this regard are continuing. In addition to the provision of capital, Tennant Group and RBR continue to explore pathways to jointly roll out enhanced services offerings in training, labour supply and management, and administration.

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### *Training*

As regards training, the Group has commenced roll-out of the Virtual Reality (VR) training modules in Mozambique. These modules, available in Portuguese, directly cater to the Mozambican market, enabling workers with language constraints to benefit from our cutting-edge training solutions.

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.

### **Revenue and Balance Sheet**

Following on from the successful June 2023 Quarterly, RBR can report continuing strong cash inflows from group revenues in an amount of \$2.6m, 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.

The Company concluded a capital raising of \$1,000,000 via the issuance of 1 million 3-year convertible notes. At the date of reporting, \$2m in convertible notes remain outstanding (including 1.0 million of convertible notes issued in September 2023). Repayment of an amount of \$500,000 of outstanding notes also took place in September.

The Company remains focussed on redeeming the balance of the \$2 million issued convertible notes 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 \$361k. This includes:

- LBH Africa, a transport and logistics operator related to Director Athol Emerton of \$12K for logistics and import management services and \$304K for additional short-term funding of import duties incurred; and
- Part payment of outstanding Directors' fees of \$45k.

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 September 2023

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	2,642	2,642
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(1,503)	(1,503)
(c) advertising and marketing	-	-
(d) leased assets	(62)	(62)
(e) staff costs	(320)	(320)
(f) administration and corporate costs	(481)	(481)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	(37)	(37)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>240</b>	<b>240</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	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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</b>	<b>Net cash from / (used in) investing activities</b>	-	-

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	1,000	1,000
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Convertible note repayment)	(500)	(500)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>500</b>	<b>500</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	299	299
4.2	Net cash from / (used in) operating activities (item 1.9 above)	240	240
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	500	500

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	14	14
4.6	Cash and cash equivalents at end of period	1,053	1,053

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	454	146
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (Africa Subsidiaries)	599	153
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,053	299

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	361
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</p> <ul style="list-style-type: none"> <li>LBH Africa, a transport and logistics operator related to Director Athol Emerton of \$12K for logistics and import management services and \$304K for additional short-term funding of import duties incurred.</li> <li>Part payment of outstanding Directors' fees including, \$20K paid to Director Ian Macpherson, \$11K to Director Matthew Worner and \$14K paid to Director Athol Emerton.</li> </ul>		

<b>7.</b>	<b>Financing facilities</b> <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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (Convertible Notes)	2,000	2,000
7.4	<b>Total financing facilities</b>	2,000	2,000
7.5	<b>Unused financing facilities available at quarter end</b>		-
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 1 of Convertible Notes has a value of \$1,000,000 is unsecured with an interest rate of 11% pa. 500,000 of the Tranche 1 convertible notes will mature on 30 November 2023 with the remaining 500,000 Tranche 1 convertible notes will mature on 26 April 2024.</p> <p>Tranche 2 of Convertible Notes has a value of \$1,000,000 is unsecured with an interest rate of 11% pa. Maturity on 21 September 2026.</p>		

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	240
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,053
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	1,053
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	N/A
	<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 October 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.