



FBR Limited Quarterly Report | March 2024

Tuesday, 30 April 2024 – Robotic technology company **FBR Limited (ASX: FBR)** ('FBR' or 'the Company') is pleased to provide its quarterly update for the period ended 31 March 2024.

Highlights

- FBR executes binding US Agreement with CRH Ventures Americas
- FBR successfully completes Factory Acceptance Test for CRH Ventures ahead of Hadrian X[®] deployment to United States
- FBR commences trading on U.S. OTCQB Market
- FBR receives A\$8.7 million R&D Tax Incentive Cash Rebate
- A\$11.1 million cash balance at the end of March quarter

Business Activities Update

FBR Executes Binding United States Agreement with CRH Ventures Americas, Inc.

On 18 January 2024, the Company advised that it had executed a binding suite of agreements with CRH Ventures Americas, Inc. ('CRH Ventures'), a subsidiary of CRH plc ('CRH'), one of the largest concrete block suppliers in the United States. Affiliates of CRH Ventures and FBR have executed a Demonstration Program agreement to jointly construct up to 10 houses in the United States with FBR's Hadrian X[®] construction robot, while FBR has granted CRH Ventures an exclusive Option to enter into an exclusive joint venture for the supply of Wall as a Service[®] in the United States following the successful achievement of the milestones of the Demonstration Program. This venture is the result of significant collaboration between industry leaders, driving innovation in construction for a better-built future. Robotics is seen as playing a key part in re-shaping construction sites to create safer, more efficient and sustainable environments.

Demonstration Program and Option Agreements

Affiliates of CRH Ventures and FBR have executed a Demonstration Program agreement to test and evaluate the use of the Hadrian X[®] to supply Wall as a Service[®] in the United States. FBR will provide one Hadrian X[®] built to Australian specifications to complete the test builds. Under the Option agreement, CRH Ventures has purchased an Option for further collaboration with FBR pending the success of the Demonstration Program aimed at constructing up to 10 houses in Florida. Upon execution of the Demonstration Program and Option Agreements, 10% of the US\$2.0 million Option fee was paid; 40% was then paid upon the completion of the Factory Acceptance Test on 21 February 2024; 30% will be payable upon completion of a Site Acceptance Test in the United States; and the remaining 20% will be payable immediately upon the completion of the Demonstration Program. All milestone payments are non-refundable.

Once the Option is exercised, the joint venture will immediately place an order to FBR for a further 20 Hadrian X[®] construction robots, to be funded through a US\$40 million loan facility provided to the joint venture by CRH Americas.

For further details on the joint venture and the path to 300 Hadrian X[®] robots in the United States, please refer to ASX announcement released 18 January 2024.

Hadrian X[®] successfully completes Factory Acceptance Test for CRH Ventures

During the quarter, FBR advised that it had completed the Factory Acceptance Test for CRH Ventures, achieving an effective lay rate of 330 blocks per hour for the duration of the build.

The Factory Acceptance Test criteria under the JV option program were as follows:



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- Completion of a test structure comprised of 751 rectified US-format concrete masonry blocks at an effective lay rate of 285 blocks per hour or more (measured from the time of the placement of the first block in the structure to the time of the placement of the last block in the structure, regardless of Hadrian X[®] uptime);
- utilising the tablet-based Human Machine Interface to operate the Hadrian X[®]; and
- with a crew of no more than three personnel to load and operate the Hadrian X[®].

For completion of the Factory Acceptance Test at an effective lay rate of 330 blocks per hour, FBR received the second Demonstration Program progress payment of US\$800,000 from CRH Ventures, in line with the announcement released to the ASX on 18 January 2024.

Having completed the Factory Acceptance Test, preparations are underway for the next-generation Hadrian X[®] to be shipped to Florida, United States to conduct a Site Acceptance Test.

The Site Acceptance Test criteria under the JV option program are as follows:

- Completion of the same structure built in the Factory Acceptance Test, this time incorporating bond beam blocks, at an effective lay rate of 285 blocks per hour or more;
- at an agreed location in Florida, United States;
- with a crew of no more than three personnel to load and operate the Hadrian X[®]; and
- with confirmation from an independent structural engineer that the constructed walls of the test build are consistent with the design and meet applicable building standards.

A further payment of US\$600,000 will become payable by CRH Ventures upon completion of the Site Acceptance Test, with the remaining US\$400,000 payable upon completion of the Demonstration Program.

FBR to utilise Liebherr facilities in the USA for Hadrian X[®] operations

During the quarter, FBR advised that Liebherr USA Co. and FBR have agreed (subject to contract) to use Liebherr facilities in Miami, Florida as a service and maintenance base for the next-generation Hadrian X[®] robots initially deployed to the United States.

FBR's Hadrian X[®] robots will be serviced and maintained by FBR at the Liebherr facilities, and the parties will engage in knowledge transfer of the Hadrian X[®] mechanical and electrical systems and maintenance and service requirements with a view to accelerating the manufacturing ramp up upon execution of a long-term Manufacturing and Commercialisation Agreement. Given the timing of the deployment of Hadrian X[®] robots to the United States to complete the recently announced Demonstration Program with CRH Ventures, with a view to FBR and CRH subsequently forming a joint venture to deliver Wall as a Service[®] in the United States, FBR and Liebherr have agreed to extend Phase One of the Memorandum of Understanding by 12 months to allow sufficient time to commence operations, validate achievement of key performance targets, and for the agreement of commercial terms for the manufacturing and commercialisation of the Hadrian X[®] globally.

Construction Activities

During the quarter FBR continued construction of the St James project, with the ground floors of eight townhouses nearing completion. Following completion of the ground floors, the second storey slabs will be poured. With curing time, this is expected to take several weeks.

Outdoor test building at FBR's premises with the next-generation Hadrian X[®] continues ahead of its transfer to the port for shipping to the United States.

Corporate and Finance

In January 2024, the Company completed an institutional Placement to raise approximately A\$12.6 million, comprising the issue of approximately 466.4 million shares at an issue price of A\$0.027 per share. The Placement received strong interest and support from Australian and international investors including FBR's largest shareholders such as Brickworks Limited.



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During the quarter, FBR received payment from the Australian Taxation Office of FBR's A\$8.7 million R&D Tax Incentive cash rebate for the year ended 30 June 2023. The A\$8.7 million revolving tax loan facility with FC Capital was subsequently fully repaid. FBR may draw again on this revolving loan facility against its expected tax refund for the year ending 30 June 2024, and drew down \$1.8m during the quarter.

Receipts from customers for the September quarter was A\$1,646,000, which included \$124,000 related to construction works and \$1,522,000 proceeds from milestone payments for the Option fee with CRH Ventures Americas.

During the quarter, FBR spent A\$5.5 million on payroll, overheads and corporate costs, an increase from the previous quarter. FBR spent A\$2.9 million directly developing and manufacturing the Hadrian X[®] technology, a decrease from the previous quarter. FBR spent approximately A\$0.4 million developing its house and land properties in Western Australia.

Note to item 6 in Appendix 4C: Payments to related parties and their associates were made in the quarter. Approximately A\$336,000 was paid to related parties as Executive and Non-Executive Director fees, salary and superannuation.

Events subsequent to the end of the quarter

FBR commences trading on US OTCQB Market

Subsequent to the end of the quarter, FBR advised that the Company's shares have commenced trading on the OTCQB Venture Market under the ticker "FBRKF".

The OTCQB Venture Market is a U.S. trading platform operated by OTC Markets Group in New York, United States. The structure provides U.S. investors with live-market access to OTC-listed securities during North American trading hours, in U.S. dollar denominated terms. FBR's listing on the OTCQB Venture Market comes as part of the Company's planned market entry into the United States, where it will undertake a 5-10 house Demonstration Program in Florida with CRH Ventures (refer ASX announcement dated 18 January 2024). It is expected that FBR's planned activities in the U.S. will increase exposure to, and generate increased interest from, U.S. domiciled retail and institutional investors and by listing on the OTCQB Venture Market, the Company can improve accessibility to FBR for that investor base.

OTCQB compliance requirements such as financial reporting and disclosure requirements, and ongoing compliance in relation to the company's capital structure and market capitalisation, will be satisfied by FBR through ongoing satisfaction of ASX primary listing obligations. There will be no additional disclosure requirements in respect of the OTCQB listing.

FBR Board appointments

Subsequent to the end of the quarter, FBR announced the appointment of Ms Shannon Robinson and Mr Glenn Cooper as Independent Non-Executive Directors of the Company and the retirement of Mr Grant Anderson and Mr Greg Smith from the Board.

Ms Robinson is an experienced company director and a former corporate lawyer with 20 years of corporate experience. Ms Robinson is a graduate member of the Australian Institute of Company Directors (AICD) and a fellow of the Governance Institute of Australia (GIA). Ms Robinson has been a director of several ASX-listed technology companies, including as Chair of FBR Limited from 2015 to 2018, and is currently a Non-Executive Director of Yojee Limited (ASX:YOJ).

Mr Cooper has an engineering, sales and business operations background with over 25 years' experience as a senior executive in the construction, manufacturing and quarrying industries working with and for global OEMs such as Liebherr, Sandvik and Hitachi. He is experienced across all business functions in the construction equipment industry including sales, commercialisation and operational management. Mr Cooper has held previous (and current) directorships and senior executive roles at regional and global levels for major global OEMs and has recently been group CEO of ASX listed company, Bisalloy Steel Group Limited (ASX:BIS). Mr Cooper is a Member of the AICD.



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This announcement has been authorised for release to the ASX by the FBR Board of Directors.

Ends

For more information please contact:

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About FBR Limited

FBR Limited (ASX: FBR) designs, develops and builds dynamically stabilised robots to address global needs in a safer, more efficient and more sustainable way. These robots are designed to work outdoors using the company's core Dynamic Stabilisation Technology[®] (DST[®]).

The first application of DST[®] is the Hadrian X[®], a bricklaying robot that builds structural walls faster, safer, more accurately and with less wastage than traditional manual methods. The Hadrian X[®] provides Wall as a Service[®], FBR's unique commercial offering, to builders on demand.

To learn more please visit www.fbr.com.au



Appendix 4C

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

Name of entity

FBR Limited

ABN

58 090 000 276

Quarter ended ("current quarter")

31 March 2024

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	1,646	2,287
1.2 Payments for		
(a) Hadrian Development costs	(1,484)	(2,994)
(b) product manufacturing and operating costs	(408)	(1,009)
(c) advertising and marketing and business development	(252)	(787)
(d) leased assets	-	-
(e) staff costs	(3,584)	(9,868)
(f) administration and corporate costs	(1,662)	(3,844)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	167	262
1.5 Interest and other costs of finance paid	(421)	(1,003)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	73
1.8 Other (provide details if material) - R & D rebate	8,768	8,768
1.9 Net cash from / (used in) operating activities	2,770	(8,115)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(713)	(6,173)
(d) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	113
(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)		
- Shuttle Development costs	(189)	(544)
- Intellectual Property, Patents and Trademarks	(518)	(1036)
2.6 Net cash from / (used in) investing activities	(1,420)	(7,640)
3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	12,592	18,792
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	(994)	(1,443)
3.5 Proceeds from borrowings	1,871	6,873
3.6 Repayment of borrowings	(8,906)	(9,577)
3.7 Transaction costs related to loans and borrowings	(61)	(192)
3.8 Dividends paid	-	-
3.9 Other (provide details if material)		
3.10 Net cash from / (used in) financing activities	4,502	14,453

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	5,243	12,397
4.2	Net cash from / (used in) operating activities (item 1.9 above)	2,770	(8,115)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,420)	(7,640)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	4,502	14,453
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	11,095	11,095

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	2,767	729
5.2	Call deposits	8,328	1,746
5.3	Bank overdrafts	-	-
5.4	Other (provide details)		
	- Guarantee facilities	-	2,768
	- Term deposits	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	11,095	5,243

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	(336)
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.

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	6,873	4,707
7.2	-	-
7.3	200	-
7.4 Total financing facilities	7,073	4,707
7.5 Unused financing facilities available at quarter end		2,366
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.	
	<p>A secured revolving corporate credit card facility with the Commonwealth Bank of Australia at an interest rate of 17.99% p.a.</p> <p>A senior secured revolving residential construction finance facility with FC Capital at an interest rate of 9.00% p.a., maturing on 31 August 2024</p> <p>A senior secured revolving R&D tax finance facility with FC Capital at an interest rate of 12.50% p.a., maturing on 31 December 2024.</p> <p>A senior secured Hadrian construction robot lease finance facility with FC Capital at an interest rate of 15.00% p.a., maturing on 13 May 2025</p> <p>A secured chattel mortgage equipment loan facility with HP Financial Services (Australia) Pty Ltd at an interest rate of 5.50% p.a., maturing on 30 November 2026.</p> <p>A secured chattel mortgage equipment loan facility with HP Financial Services (Australia) Pty Ltd at an interest rate of 9.04% p.a., maturing on 31 August 2028.</p>	

8. Estimated cash available for future operating activities	\$A'000
8.1	(5,998)
8.1b	(707)
8.2	11,095
8.3	2,366
8.4	13,461
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1 and 8.1b)	2.01
<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

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.

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: 30 April 2024.....

Authorised by: Aidan Flynn, Company Secretary.....
(Name of body or officer authorising release – see note 4)

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.