



FBR LTD

Financial Statements

**For the year ended
30 June 2024**

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Directors' Report

The Directors present their report together with the financial statements of FBR LTD ('FBR' or the 'Company') and its controlled entities ('the Group') for the year ended 30 June 2024.

Directors' details

The following persons were directors of the Company during or since the end of the financial year:

Mr Richard Grellman AM

Independent Non-Executive Chairman

Appointed: 15 July 2018

Qualifications: FCA

Experience and expertise: Mr Grellman previously worked with accounting firm KPMG for 32 years and was a member of KPMG's National Board from 1995 to 1997 and a member of the National Executive Committee from 1997 to 2000. Since then he has held numerous positions as a non-executive director of both listed and unlisted companies.

In 2007, Mr Grellman was appointed a member of the Order of Australia for service to the community (particularly through leadership roles with Mission Australia and fundraising with Variety, The Children's Charity) and to the finance and insurance sectors. He is the Lead Independent Director of The Salvation Army in Australia and a director of the National Health Medical Research Council for Institute for Dementia Research.

Other current listed company directorships: Non-Executive director of Simonds Group Ltd (ASX:SIO).

Former listed company directorships (last 3 years): Non-Executive Chairman of IPH Limited (ASX: IPH), Lead Independent Director of NYSE listed F45 Training Holdings Inc, Non-Executive Chairman of Bisalloy Steel Group Limited (ASX: BIS).

Special responsibilities: Remuneration Committee member and Audit Committee member.

Interests in shares: 1,024,408

Interests in Performance rights: Nil

Mr Michael Pivac

Managing Director & Chief Executive Officer

Appointed: 18 November 2015

Qualifications: Business Management

Experience and expertise: Michael Pivac is the Managing Director and Chief Executive Officer of FBR. He spent 20 years in the aviation sector as an Airborne Mission Coordinator with Australian Border Protection and Search and Rescue, specializing in Electronic Detection Systems and strategic and tactical mission planning, working closely with Australian and International Government and Military Agencies. He has been key to developing FBR's technology, business plan and machine development strategy, and has forged relationships with investors, builders, product suppliers and future customers.

Other current listed company directorships: Nil

Former listed company directorships (last 3 years): Nil

Special responsibilities: Nil

Interests in shares: 127,589,371 (includes 50,000,000 Loan Funded Shares)

Interests in Performance rights: Nil

Mr Mark Pivac

Chief Technical Officer, Executive Director and Founder

Appointed: 18 November 2015

Qualifications: B.Eng (Aero) Hons.

Experience and expertise: Mark Pivac is the primary inventor of FBR's automated bricklaying technology. He is an aeronautical and mechanical engineer with over 34 years' experience working on the development and manufacturing of high technology equipment ranging from lightweight aircraft to heavy off road equipment and 19 years' experience in construction robotics.

Mr Pivac has 31 years' experience with 3D CAD software. He also has high level mathematical skills and extensive design, commissioning and fault finding experience on servo controlled motion systems achieving very high dynamic performance.

Mr Pivac has led the technical development of Hadrian X since its beginning and is the inventor of a large portion of FBR's intellectual property.

Other current listed company directorships: Nil

Former listed company directorships (last 3 years): Nil

Special responsibilities: Nil

Interests in shares: 333,205,167 (includes 50,000,000 Loan Funded Shares)

Interests in performance rights: Nil

Ms Nancy Milne OAM

B. Law, FAICD

Non-Executive Director

Appointed 26 April 2022

Qualifications: B.Law, FAICD

Experience and expertise: Ms Milne has extensive business experience as a non-executive director and lawyer specialising in insurance, corporate governance, risk management and commercial dispute resolution. She was a partner at Clayton Utz from 1997 to 2003, and a consultant until 2012, and was awarded the Order of Australia Medal in 2008 for services to the legal sector and to the community. Ms Milne has significant experience in risk management, safety, compliance and property development.

Ms Milne is the Chair of the Accounting Professional and Ethical Standards Board, Deputy Chair of the NSW State Insurance Regulatory Authority, and a director of the Benevolent Society.

Previously, she was Chair of the Securities Exchanges Guarantee Corporation, a director of ALE Property Group Limited and a director of Pacific Opera.

Other current listed company directorships: Nil

Former listed company directorships (last 3 years): Nil

Special responsibilities: Remuneration

Committee Chair and Audit Committee member.

Interests in shares: 1,182,000

Interests in performance rights: Nil

Ms Shannon Robinson

Non-Executive Director

Appointed 23 April 2024

Qualifications: B. Law, MAICD, FGIA

Experience and expertise: 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 Ltd from 2015 to 2018.

Other current listed company directorships: Non-Executive Director of Yojee Limited (ASX:YOJ).

Former listed company directorships (last 3 years): Nil

Special responsibilities: Remuneration Committee member and Audit Committee chair.

Interests in shares: Nil

Interests in performance rights: Nil.

Mr Glenn Cooper

Non-Executive Director

Appointed 23 April 2024

Qualifications: GAICD, Dip. Eng.

Experience and expertise: 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 graduate of the AICD.

Other current listed company directorships: Nil.

Former listed company directorships (last 3 years): Managing Director of Bisalloy Steel Group Limited (ASX:BIS).

Special responsibilities: Remuneration Committee and Audit Committee member.

Interests in shares: Nil

Interests in performance rights: Nil.

Mr Grant Anderson

Independent Non-Executive Director

Appointed: 23 October 2019

Ceased: 23 April 2024

Qualifications: FAICD, CPM - FAMI

Experience and expertise: Grant Anderson has over 40 years of experience in the design and manufacturing sectors, at the level of executive, CEO and managing director for a number of public and private best practice international companies. Grant also has extensive Board experience in both ASX-listed and private companies across multiple industries including automation, technology and robotics. He has experience as a Director in multiple countries including joint venture companies. Previous Board experience has included Berklee Limited (Deputy Chairman), Techni Waterjet Pty Ltd. (Chairman) and The ANCA Group Pty Ltd. which included multiple international subsidiaries.

Grant is a Fellow of the Australian Institute of Company Directors, and a life member of the FAPM.

Other current listed company directorships: Nil.

Former listed company directorships (last 3 years): Nil.

Mr Greg Smith

Independent Non-Executive Director

Appointed: 5 August 2020

Ceased: 23 April 2024

Qualifications: MBA, Grad Dip Management

Experience and expertise: Greg Smith has 39 years' experience in the building products industry in manufacturing, technical and sales across the clay and concrete products sectors.

Greg specialises in operations and project management, safety transformation leadership, lean implementation and contract negotiation. Mr Smith is also an Officer in the Australian Army Reserve and has served for 40 years, specialising in Operations and Training.

Mr Smith holds a Master of Business Administration (Exec) from the University of Queensland, a Graduate Diploma in Management from the University of Queensland, a Certificate of Applied Science – Industrial Ceramics from the Holmesglen College of TAFE, a Certificate in Quality Control from the School of Mines Ballarat TAFE, and is a graduate of the Company Directors Course run by the Australian Institute of Company Directors.

Other current listed company directorships: Nil

Former listed company directorships (last 3 years): Nil

Company Secretary

Mr Aidan Flynn B Comm (B Sc, CPA, PGrad Dip Energy, GAICD, Grad Dip Applied Corporate Governance) was appointed as the Company Secretary on 30 June 2021. He was also the Chief Financial Officer until 22 January 2024.

Principal activities

FBR is the inventor of the Hadrian X®, the world's first automated end-to-end bricklaying robot. Functioning like a 3D printer, the Hadrian X® builds brick structures in situ, course by course, using adhesive to bond the bricks together. The Hadrian X® is capable of working in outdoor environments thanks to the unique Dynamic Stabilisation Technology®, or DST®, which rapidly measures and adjusts for dynamic interference caused by uncontrolled environmental conditions. The Hadrian X® has completed a number of suburban builds under commercial contract, demonstrating its ability to build brick structures safer, faster, and more accurately than traditional bricklaying methods.

Significant changes in the state of affairs

No other significant changes were made in the state of affairs during the period, other than as follows.

In January 2024, the Company 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 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 granted CRH Ventures an 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. Under the agreement, FBR is providing one Hadrian X® built to Australian specifications to complete the demonstration builds.

Upon execution of the agreements, US\$200,000 of the US\$2.0 million Option fee was paid; US\$800,000 was subsequently paid upon completion of a Factory Acceptance Test on 20 February 2024; and US\$600,000 was paid upon completion of the US Site Acceptance Test in August 2024.

The remaining 20% (US\$400,000) will be payable immediately upon the completion of the Demonstration Program. Milestone payments are non-refundable.

Review of operations and financial results

Wellard

FBR's Wellard portfolio initially comprised of five undeveloped blocks of land that were purchased by FBR and developed utilising its Hadrian X® robot with a selection of Perth builders. Of the five homes built in Wellard, four have been sold, and the final home is expected to reach practical completion shortly.

Willagee

FBR completed robotic construction activities at the Willagee Project in March 2024. The build, located in the Perth suburb of Willagee, comprised building the walls for 16 two-storey townhouses, for Inspired Homes, a large builder of both residential and multi-unit dwellings, and Satterley, who are one of Australia's largest land developers, on one of their premier developments in the state.

Located in two groups across the development, the northern and southern sides each contain eight two-storey units for a total of 16 units. The previous generation Hadrian X[®] is robotically constructing the load bearing walls and internal partition walls.

Given the complexity of the project, which included a number of first-time accomplishments for FBR such as common party walls between each townhouse, a triple-leaf cavity wall system, acoustic brick ties, as well as steel reinforcements and fireproofing, FBR adopted a staged approach, completing all the first storey courses before the formation and installation of the second storey slabs and then completing the second storey walls, including up to a record height of 9.2 metres. The townhouses are located on a rising site with each townhouse standing on a different level. This meant that the Hadrian X[®] was situated on the adjacent block building below ground level, moving to continue work on the opposite side once a side is complete, enabling the next concrete slab to be poured.

Construction of the project utilised almost 70,000 concrete masonry units (CMUs) equating to over 350,000 standard brick equivalents, making up wall area of 6km².

St James

The St James Project comprises eight two-storey townhouses for developer Riculallo Pty Ltd, in the Perth suburb of St James. FBR mobilised to site in January 2024 and promptly completed the first four stages, ready for the second storey slabs to be poured. Work on the second storey walls began once the slabs were poured and ready, with completion of FBR's work on the project expected shortly.

Next-generation Hadrian X[®] Development

Over the first half of financial year 2024 (FY24), having completed manufacture of the first of its next-generation Hadrian X[®] robots, testing and optimisation activities became the main focus of the engineering team and in September 2023 the next-generation Hadrian X[®] completed its first compliant structure.

The next-generation Hadrian X[®] features a modular design with distributed control architecture which allows work on individual modules to progress independently, while also providing greater levels of customisation, quicker repair work and interchangeability once in service. Additionally, the next-generation Hadrian X[®] features a new and simplified tablet-based Human Machine Interface (HMI), used throughout the testing and commissioning phase, and is intended to greatly enhance user experience and provide greater accessibility to machine operators when in the field.

As noted above, in January 2024, the Company executed a binding suite of agreements with CRH Ventures one of the largest concrete block suppliers in the United States. Affiliates of CRH Ventures and FBR 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 granted CRH Ventures an 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. Under the agreement, FBR is providing one Hadrian X[®] built to Australian specifications to complete the demonstration builds.

Upon execution of the agreements, US\$200,000 of the US\$2.0 million Option fee was paid; US\$800,000 was subsequently paid upon completion of a Factory Acceptance Test on 20 February 2024; and US\$600,000 was paid upon completion of the US Site Acceptance Test in August 2024.

The remaining 20% (US\$400,000) will be payable immediately upon the completion of the Demonstration Program. Milestone payments are non-refundable.

For the year ended 30 June 2024, the Company reported a pre-tax loss of \$27,773,437, compared to a loss of \$26,652,562 in 2023. The increased loss was mainly attributed to continued expenditure on the Hadrian X program and the expansion of activities into the USA.

Dividends

No dividends were proposed or paid during the period or up to the date of signing this report.

Subsequent Events

15 July 2024 – The Company issued 12,000,000 fully paid ordinary shares upon exercise of unquoted employee options in accordance with the Company's Employee Securities Incentive Plan.

17 July 2024 – 50,000,000 fully paid ordinary shares previously issued as loan funded shares to the Executive Directors were sold to an institutional investor at a price of \$0.041 per share to raise a total of \$2.05 million for FBR. The incentive loan period in respect of which the director equity incentive loan-funded shares were issued expired during the year. Full proceeds of the sale of these shares went directly and solely to FBR in part repayment of the outstanding loans. The balance of the outstanding non cash loans was forgiven under the terms of the loan funded share incentive plan.

22 July 2024 – The Company issued 8,000,000 fully paid ordinary shares upon exercise of unquoted employee options in accordance with the Company's Employee Securities Incentive Plan.

7 August 2024 – The Company sold a block of residential land (classified as Inventory) for \$436,000 and applied the proceeds, net of taxes and selling costs, to repayment of the Construction Loan Facility. The balance of the Construction Loan Facility was repaid in September.

9 August 2024 – The Company issued 328,947,368 fully paid ordinary shares to new and existing institutional, sophisticated and strategic investors at an issue price of \$0.038 per share to raise a total of \$12.5 million before costs.

14 August 2024 – The Company received confirmation from CRH Ventures that the first next-generation Hadrian X® has successfully met their requirements and has completed Site Acceptance Testing at the Fort Myers facility in Florida, United States. An independent structural engineer provided confirmation that the walls of the test build were consistent with the design and met applicable building standards. Completion of Site Acceptance Testing triggered a US\$600,000 payment by CRH Ventures to FBR.

10 September 2024 – The Company completed the walls of the first home in its US Demonstration program with CRH Ventures, with the walls certified as compliant with the design and building code in Florida.

Other than the events described above there are no other adjusting or significant non-adjusting events that have occurred between reporting date and the date of authorisation.

Material Business Risks

The following is a summary of the material business risks of the Company. Any of these risks may adversely impact on the financial and operating performance and prospects of the group and on the ability of the group to continue operating as a going concern. These are not listed in any order of importance and do not constitute an exhaustive list.

Technology risk

The Company is developing and commercialising brand new ground breaking technology. The technology development cycle contains significant unknown and variable factors, some beyond the control of the Company. The Hadrian technology being developed is not yet fully commercialised. There is a significant risk that the Company is unable to commercialise the technology to the level required.

Competition risk

Globally there are other companies developing robotic/automated construction technology solutions, such as 3D concrete printing. Any increase in robotic/automated competition could result in significant loss of potential revenue-generating opportunities and the devaluation of the Company's technology in the marketplace.

Supply chain risk

The Company contracts primarily from Perth, Western Australia with a number of key international suppliers on which it relies for the supply of equipment and equipment parts. A significant disruption or delay in supply could cause a delay in the availability of the Company's products, leading to a potential loss of commercialisation opportunities.

Intellectual property and data loss, theft or corruption risk

The Company's business relies on its ability to protect its intellectual property and any improvements to it. The intellectual property may not be capable of being legally protected, may be the subject of unauthorised disclosure, may be unlawfully infringed and/or the Company may incur substantial costs in protecting its intellectual property rights. Hacking or exploitation of some unidentified vulnerability in the Company's network could lead to loss, theft or corruption of data and breach of privacy. Although the Company has extensive strategies and protections in place to protect its intellectual property rights, minimise security breaches, protect data and ensure cyber resilience, these strategies may not be successful which could have a material adverse impact on the Company's financial position.

Liability for defect risk

The Company is exposed to risks relating to structural and building defects as it pertains to the components of construction the Company has completed as a sub-contractor as part of the statutory warranty of new construction. Any structural or building defect may result in a negative customer experience, potential brand damage and financial costs to the Company for repairs and rectification.

Funding risk

The continued technology development and commercialisation and operations of the Company are dependent on its ability to generate sufficient cash flows from future operations or obtain financing through debt and/or equity means. There is a risk that the Company may not be able to access sufficient funds, which could have a material adverse impact on the Company's business and financial condition.

Likely developments, business strategies and prospects

FBR commenced its international expansion in FY24, deploying the first next-generation Hadrian X[®] to the United States to undertake a Demonstration Program in Fort Myers, Florida. Upon successful completion of the Demonstration Program, CRH Ventures has up to 45 days in which to exercise the Option to form a joint venture with Fastbrick Americas. Upon exercise of the Option, the joint venture will immediately place an order 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.

FBR currently maintains 100% ownership and control of its global intellectual property and global commercial opportunity, giving the Company a monopoly position as the only enabling technology for autonomous brick and block wall construction.

Key Relationships – In parallel with the Hadrian X[®] program, FBR will continue to develop its existing relationships with key partners as well as attracting new partners to help deliver on strategic objectives.

FBR continue to maintain strong relationships with domestic and international block suppliers, including the aforementioned Demonstration Program and JV Option with CRH Ventures, the investment subsidiary of global leading building materials provider CRH Plc.

In March 2024, Liebherr USA Co. and FBR agreed to use Liebherr facilities in Miami, Florida as a service and maintenance base for the next-generation Hadrian X[®] robots deployed to the United States. FBR will use the Liebherr facilities to service and maintain Hadrian X[®] robots, 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 agreed to extend Phase One of the Memorandum of Understanding between the parties 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.

The period of exclusivity for the negotiation of an agreement relating to the delivery of Wall as a Service in Mexico granted to GP Vivienda under a non-binding Term Sheet ended in November 2023. FBR turned its strategic focus to the high-margin market of the United States and associated preparations for its first international deployment there.

Intellectual Property Portfolio – FBR's proprietary combined Hadrian X[®], DST[®] and Fastbrick Wall System[®] technology is protected by a broad and expanding portfolio of intellectual property rights in key markets including Australia, USA, Europe and the GCC region.

In November 2023, the Company advised that it had filed nine new International PCT patent applications covering a range of technologies involved in the next-generation Hadrian X®, bringing the total number of patent families covering the Hadrian X®, DST®, the Fastbrick Wall System® and adjacent outdoor robotics applications utilising FBR’s core technology to over 40. The filing of these applications further strengthened FBR’s leading position within the construction robotics space and is in line with the Company’s strategy of securing the commercial opportunity for dynamically stabilised placement of product in outdoor, uncontrolled environments through long-term patent protection.

FBR Employees – As FBR progresses the commercialisation of the Hadrian X® technology and expands into domestic and international markets, it anticipates increasing staff numbers in order to meet the needs of respective areas of the business.

New Applications for FBR’s core technology

Subject to successfully executing key components of the Company’s Hadrian X® program, FBR intends to seed new Research & Development projects to utilise the Company’s core DST®. FBR has previously completed preliminary testing on the viability of its existing platform in the delivery of 3D concrete printing applications and has held discussions with various parties about DST® licensing opportunities for 3D concrete printing and other applications. In the immediate term, FBR remains focused on delivering on the Hadrian X® program, however at an appropriate time the Company will increase its allocation of resources to progress some of the new applications and commercialisation opportunities for DST®.

Directors’ meetings

The number of Directors’ Meetings (including meetings of Committees of Directors) held during the year, and the number of meetings attended by each Director is as follows:

Director	Board Meetings		Audit Committee		Remuneration Committee	
	A	B	A	B	A	B
Mr Richard Grellman	7	7	7	6	6	6
Mr Michael Pivac	7	7	N/A	N/A	N/A	N/A
Mr Mark Pivac	7	7	N/A	N/A	N/A	N/A
Ms Nancy Milne	7	7	7	5	6	6
Ms Shannon Robinson	1	1	1	1	1	1
Mr Glenn Cooper	1	1	1	1	1	1
Mr Grant Anderson	6	6	6	6	5	5
Mr Greg Smith	6	6	6	5	5	5

The current Audit Committee and Remuneration Committee consists of Nancy Milne (Chair of Remuneration Committee), Shannon Robinson (Chair of Audit Committee), Richard Grellman and Glenn Cooper. The executives are invited to the Committee meetings at the discretion of the respective Committee Chair.

Where:

- **column A** is the number of meetings the Director was entitled to attend
- **column B** is the number of meetings the Director attended

Unissued shares under option

Unissued ordinary shares of FBR under option as at 30 June 2024.

Date options granted	Expiry date	Exercise price of shares	Number under option
24 October 2023	31 December 2024	\$0.026	84,000,000
28 May 2024	31 December 2024	\$0.026	3,000,000
Total		\$0.026	87,000,000

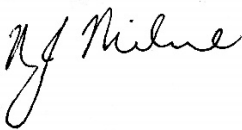
Remuneration Report (audited)

On behalf of the Directors of FBR Ltd, I am pleased to present the Remuneration Report for the year ended 30 June 2024.

The Board is committed to a Remuneration framework that drives superior performance, attracts and appropriately rewards and retains high performing Executives, delivers shareholder value and encourages decision-making focused on the longer term.

Short term incentive targets have been set at challenging levels designed to drive innovation, continual value creation and long term business sustainability and growth. The Board exercises its discretion to recognise outstanding levels of achievement.

The information provided in the Remuneration Report has been prepared in accordance with the requirements under the Corporations Act 2001, ASX Corporate Governance Principles and Recommendations and Accounting Standards.

A handwritten signature in black ink, appearing to read 'Nancy Milne', is positioned above a faint rectangular stamp.

Nancy Milne

Chair of Remuneration Committee

Remuneration Report (audited)- CONTINUED

The Directors of FBR Ltd ('FBR' or 'the Company' or 'the Group') present the Remuneration Report for the year ended 30 June 2024, for the Non-Executive Directors, Executive Directors and other Key Management Personnel, prepared in accordance with the Corporations Act 2001 and the Corporations Regulations 2001.

The Remuneration Report is set out under the following main headings:

- a. Principles used to determine the nature and amount of remuneration;
- b. Details of remuneration;
- c. Service agreements;
- d. Share-based remuneration;
- e. Bonuses included in remuneration; and
- f. Other information.

a Principles used to determine the nature and amount of remuneration

Key Management Personnel are responsible for the management, planning and execution of the activities of FBR and other executives. The Key Management Personnel for FBR, in accordance with S300A of the *Corporations Act 2001*, are outlined on page 20.

FBR's remuneration strategy has been designed to build a high-performance culture and attract, retain and motivate its employees, encouraging them to meet their full potential. In line with this strategy, FBR provides market competitive fixed remuneration and incentives. At this stage of the Company's commercialisation journey, incentives offered are share-based.

The principles of FBR's executive strategy and supporting incentive programs and frameworks are:

- to align rewards to business outcomes that deliver value to shareholders;
- to drive a high performance culture by setting challenging objectives and rewarding high performing individuals; and
- to ensure remuneration is competitive in the relevant employment marketplace to support the attraction, motivation and retention of executive talent.

FBR has a remuneration framework that is market competitive and complementary to the reward strategy of the Group.

The Board, with the assistance and guidance of the Remuneration Committee, who operate in accordance with its Board approved charter, is responsible for determining and reviewing compensation arrangements for the Group.

The Remuneration Committee is chaired by Ms Nancy Milne and is comprised of three (3) other Independent Non-Executive Directors. The Remuneration Committee met six (6) times during the year.

The remuneration structure that has been adopted by the Group consists of the following components:

- Fixed remuneration being annual salary;
- Employee Loan Facility provided to executive directors; and

Remuneration Report (audited) - CONTINUED

- a share option and performance rights Scheme for employees.

a Principles used to determine the nature and amount of remuneration - CONTINUED

The Non-Executive Directors on the Board assess the appropriateness of the nature and amount of remuneration on a periodic basis by reference to recent employment market conditions, with the overall objective of ensuring maximum stakeholder benefit by the retention of a high quality Board, as well as a high retention of overall employees, Key Management Personnel and other Executives.

The payment of bonuses, share options, share performance rights and other incentive payments are to be reviewed by the Non-Executive Directors annually as part of the review of executive remuneration. All bonuses, options and incentives must be linked to pre-determined performance criteria.

Fixed Remuneration

Fixed Remuneration consists of base remuneration (which is calculated on a total cost basis), as well as employer contributions to superannuation funds. Fixed Remuneration is reviewed against relevant market benchmarking of comparator companies, in addition to considering the individual contribution and competence levels.

Employee Loan Facility

The Company offered a loan facility to FBR's employees (Employee Loan Facility) for the purpose of assisting the Group's employees and officers with meeting any tax liabilities which may become due and payable as a result of the Company issuing the employee equity-based incentives.

The Board previously engaged an external law firm to ensure the Employee Loan Facility was permissible under Australian law, including the *Corporations Act 2001* (Cth) (the Act) and the ASX Listing Rules.

Loyalty Leave Program

As the Group is committed to providing benefits that encourage both engagement and well-being, it implemented a Loyalty Leave Program that provides employees with an additional type of leave benefit called "Loyalty Leave", which is over and above existing annual leave and carer's leave entitlements.

The Leave Loyalty Program is designed to reward FBR employees' tenure with the Group through the provision of additional leave each year in reflection of the length of time they have been with the Group. For every year of employment up to a cap of five years, an employee will earn one (1) additional day of leave per year which is awarded on the anniversary of an employee's start date.

Short Term Incentive (STI)

STI awards to FBR Personnel and executives are made under the performance rights plan and employee securities incentive plan rules and are delivered in the form of Share Performance Rights (Rights) or share options.

Each Right entitles the holder (subject to achievement of the specified performance conditions) to one fully paid ordinary share in the Group for nil consideration. The purpose of the equity-based Short Term Incentive (STI) is to incentivise and reward FBR employees (including Key

Remuneration Report (audited) - CONTINUED

a Principles used to determine the nature and amount of remuneration - CONTINUED

Management Personnel) for achieving Group and individual performance objectives that drive shareholder value whilst simultaneously conserving the Group's cash.

The STI is awarded based on an annual assessment of Group and Individual performance linked to the Group's performance and strategic development, focusing on core drivers of shareholder value, to drive both a short and long term perspective on performance, and protect the long term interests of the shareholders.

FBR monitors staff performance to ensure key objectives are being met. The performance measures involve the use of annual performance objectives, metrics, performance appraisals and continuing emphasis on living the Group values.

As part of the continued growth of the Group, it will look to introduce financial performance incentives whereby performance measures will be set annually after consultation with the Directors and Executives and will be specifically tailored to the areas where each executive has a level of control. The measures will target areas the Board believes hold the greatest potential for expansion and profit and cover financial and non-financial measures.

The most recent STI's were issued with a performance period from 28 May 2024 to 30 June 2025. Performance Rights are granted at the commencement of the period with awards vesting to shares at the end of the performance period subject to performance against the specified performance conditions in the case of personal objectives, or upon satisfaction of the requisite performance conditions in the case of Group objectives.

The Key Performance Indicators (KPI's) for FBR's personnel are summarised as follows:

- **financial** – not applicable for FY23 & FY24, however it is expected future financial years will have revenues, operating profit and earnings per share; and
- **non-financial** – safety, strategic technical and commercial growth and development and corporate goals set individually based on job descriptions and the attainment of the Group's overall strategic and corporate objectives.

The Board may, at its discretion, award bonuses for exceptional performance in relation to each individual.

The number of performance rights and options granted in respect to the FY24 STI are determined based on the VWAP at the start of the performance period.

The value of performance rights is therefore aligned with shareholder interests as executives receive value aligned with share price movements. Value is not realised until the vested rights are exercised into shares.

Performance objectives are set by the FBR Board in line with the annual business planning and budgeting process. The weighting for each target is reviewed annually and may vary from year to year to reflect its criticality, effort to achieve and impact on the business.

In FY24, Group objectives accounted for 50% of the performance objectives with personal objectives accounting for the remaining 50%.

Remuneration Report (audited) - CONTINUED

a Principles used to determine the nature and amount of remuneration - CONTINUED

Long Term Incentive (LTI)

LTI awards to staff are made under the performance rights plan and employee securities incentive plan rules and are delivered in the form of Performance Rights (Rights) and options. Each Right entitles the holder (subject to achievement of the specified performance conditions) to one fully paid ordinary share in the Company for nil consideration.

The most recent LTI's were issued with a performance period from 1 July 2022 to 30 June 2025. Performance Rights are granted at the commencement of the three (3) year period with awards vesting to shares at the end of the three-year performance period subject to performance against the specified performance conditions in the case of personal objectives, or upon satisfaction of the requisite performance conditions in the case of Group objectives.

In the event of a change of control of the Company, the performance period end date will be generally accelerated and brought forward to the date of the change of control and awards will vest over this shortened period, subject to ultimate Board discretion.

Non-Executive Directors

Total remuneration for all Non-Executive Directors, last voted upon by shareholders at the Annual General Meeting in November 2023, is not to exceed A\$550,000 per annum and is set based on advice from external advisors with reference to the fees paid to other Non-Executive Directors of comparable companies. Non-Executive Directors' fees are presently up to A\$500,000 per annum.

Non-Executive Directors do not receive performance related remuneration. Directors' fees cover all main Board and Committee activities.

Executive Directors

Executive Director fees are disclosed in part (b) of the Remuneration Report.

Use of remuneration consultants

Remuneration is compared with the external market by industry salary surveys and during recruitment activities generally. the Remuneration Committee considers the industry benchmarking of executive remuneration to ensure the effective alignment with business requirements, market practice and key shareholder group expectations.

During the period or prior period no remuneration recommendations, as defined by the Corporations Act, were provided by independent remuneration consultants.

Voting and comments made at the Company's last Annual General Meeting

FBR received 98.54% of 'FOR' votes on its Remuneration Report for the 2023 Annual General Meeting.

Remuneration Report (audited) - CONTINUED

a Principles used to determine the nature and amount of remuneration - CONTINUED

Consequences of performance on shareholder wealth

In considering the Group's performance and benefits for shareholder wealth, the Board have regard to the following indices in respect of the current financial year and the previous four (4) financial years:

ITEM	2024	2023	2022	2021	2020
EPS loss (cents)	0.68	0.81	0.85	0.45	0.68
Dividends (cents per share)	-	-	-	-	-
Net loss (\$'000)	27,773	26,652	19,979	9,333	10,997
Share price (\$)	0.024	0.026	0.017	0.040	0.032

b Details of remuneration

Details of the nature and amount of each element of the remuneration of each Key Management Personnel (KMP) of each entity are shown in the following tables:

Remuneration Report (audited) – CONTINUED

b Details of remuneration - CONTINUED

DIRECTOR AND OTHER KEY MANAGEMENT PERSONNEL REMUNERATION											
Employee	Year	SHORT-TERM EMPLOYEE BENEFITS			POST-EMPLOYMENT BENEFITS	LONG-TERM BENEFITS	TERMINATION BENEFITS	SHARE-BASED PAYMENTS		TOTAL (\$)	PERFORMANCE BASED PERCENTAGE OF REMUNERATION
		CASH SALARY AND FEES (\$)	CASH BONUS (\$)	OTHER BENEFITS (\$)	SUPERANNUATION (\$)	ANNUAL LEAVE & LONG SERVICE LEAVE (\$)	TERMINATION (\$)	Value of Short Term Incentives (\$)	Value of Long Term Incentives (\$)		
Executive Directors											
Mr Michael Pivac	2024	438,901	-	-	27,500	34,272	-	182,461	304,304	987,438	49%
Managing Director & Chief Executive Officer	2023	416,536	-	-	27,500	15,587	-	298,049	312,185	1,069,857	57%
Mr Mark Pivac	2024	454,168	-	58	27,500	39,550	-	182,461	304,304	1,008,041	48%
Executive Director & Chief Technical Officer	2023	449,586	-	414	27,500	49,650	-	298,049	312,185	1,137,384	54%
Non-Executive Directors											
Mr Richard Grellman AM	2024	153,153	-	-	16,847	-	-	-	-	170,000	0%
Non-Executive Chairman	2023	146,251	-	-	15,356	-	-	-	-	161,607	0%
Ms Nancy Milne OAM	2024	99,099	-	-	10,901	-	-	-	-	110,000	0%
Non-Executive Director	2023	86,979	-	-	9,133	-	-	-	-	96,112	0%
Mr Glenn Cooper	2024	16,771	-	-	1,845	-	-	-	-	18,616	0%
Non-Executive Director	2023	-	-	-	-	-	-	-	-	-	-
Ms Shannon Robinson	2024	16,771	-	-	1,845	-	-	-	-	18,616	0%
Non-Executive Director	2023	-	-	-	-	-	-	-	-	-	-
Former Non-Executive Directors											
Mr Greg Smith	2024	82,710	-	-	9,098	-	-	-	-	91,808	0%
Non-Executive Director	2023	86,979	-	-	9,133	-	-	-	-	96,112	0%
Mr Grant Anderson	2024	82,710	-	-	9,098	-	-	-	-	91,808	0%
Non-Executive Director	2023	86,979	-	-	9,133	-	-	-	-	96,112	0%
Executives											
Mr Rowan Caren	2024	105,769	-	-	11,080	7,283	-	26,731	-	150,863	18%
Chief Financial Officer	2023	-	-	-	-	-	-	-	-	-	0%
Mr Jonathan Lawe Davies	2024	239,937	-	-	24,700	27,735	-	239,533	119,126	651,031	55%
General Counsel	2023	219,178	-	-	23,014	799	-	297,533	149,621	690,145	65%
Mr Kiel Chivers	2024	265,490	-	-	26,895	22,404	-	264,908	148,908	728,605	57%
Chief Operating Officer	2023	250,000	-	-	25,292	819	-	371,916	166,139	814,166	66%
Former Executives											
Mr Aidan Flynn	2024	209,214	-	18,818	16,905	(20,192)	28,552	238,176	111,681	603,154	58%
Company Secretary, Chief Financial Officer	2023	291,415	-	881	25,292	18,384	-	371,916	166,139	874,027	62%
2024 Total	2024	2,164,693	-	18,876	184,214	111,052	28,552	1,134,270	988,323	4,629,980	46%
2023 Total	2023	2,033,903	-	1,295	171,353	85,239	-	1,637,463	1,106,269	5,035,522	54%

Remuneration Report (audited) – CONTINUED

b Details of remuneration - CONTINUED

- i. Ms Shannon Robinson was appointed as Non-Executive Director on 23 April 2024
- ii. Mr Glenn Cooper was appointed as Non-Executive Director on 23 April 2024
- iii. Mr Greg Smith resigned as a Non-Executive Director on 23 April 2024
- iv. Mr Grant Anderson resigned as a Non-Executive Director on 23 April 2024
- v. Mr Aidan Flynn ceased to be CFO and a KMP on 22 January 2024
- vi. Mr Rowan Caren was appointed CFO on 22 January 2024

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

Name	Fixed remuneration	At risk – STI Equity Plan	At risk – LTI Equity Plan
Executive Directors			
Mr Michael Pivac	\$438,901 + \$27,500 superannuation	25,000,000 Loan Funded Shares ³	50,000,000 Loan Funded Shares ⁴
Mr Mark Pivac	\$460,771 + \$27,500 superannuation	25,000,000 Loan Funded Shares ³	50,000,000 Loan Funded Shares ⁴
Non-Executive Directors			
Mr Richard Grellman	\$170,000 including statutory superannuation	Nil	Nil
Mr Glenn Cooper ¹	\$110,000 including statutory superannuation	Nil	Nil
Mrs Shannon Robinson ²	\$110,000 including statutory superannuation	Nil	Nil
Ms Nancy Milne	\$110,000 including statutory superannuation	Nil	Nil

1. Mr Glenn Cooper was appointed as Non-Executive Director on 24 April 2024
2. Ms Shannon Robinson was appointed as Non-Executive Director on 24 April 2024
3. Loan Funded Shares have a loan value of 4.0 cents per share
4. Loan Funded Shares have an average loan value of 4.25 cents per share

The Company is reviewing its salary mix to ensure the Company's Executives and Non-Executives are benchmarked to its peers and comparable technology companies. The Board acknowledges that the above two Executive Directors have a substantial equity position and are incentivised via their Loan Funded Shares, some of which were issued following shareholder approval at the Company's 2020 AGM. The remainder of the Loan Funded Shares were issued following shareholder approval at the Company's 2022 AGM, half of which were extended by 12 months at the Company's 2023 AGM.

c Service agreements

Remuneration and other terms of employment for the Executive Directors and other Key Management Personnel are formalised in an Executive Service Agreement or employment contract. The major provisions of the agreements relating to remuneration are set out below:

Remuneration Report (audited) – CONTINUED

c Details of remuneration - CONTINUED

Personnel	Base salary	Term of agreement	Notice period
Executive Directors			
Mr Michael Pivac	\$438,901	Unspecified	Six months
Mr Mark Pivac	\$460,771	Unspecified	Six months
Non-Executive Directors			
Mr Richard Grellman	\$153,153	Unspecified	None
Mr Grant Anderson	\$99,099	Unspecified	None
Mr Greg Smith	\$99,099	Unspecified	None
Ms Nancy Milne	\$99,099	Unspecified	None
Executives			
Mr Jonathan Lawe-Davies ¹	\$333,333	Unspecified	Three months
Mr Rowan Caren	\$275,000	Unspecified	Three months
Mr Kiel Chivers	\$273,973	Unspecified	Three months

1. Base salary is based on normal full time working hours and is pro rated down only, depending on the actual hours worked.

d Share-based remuneration

No new shares were issued to Directors during the year. During the year, the Company issued 58,680,000 fully paid ordinary shares to employees, as a result of the achievement of vesting conditions associated with performance milestones in accordance with the Company's Performance Rights Plan.

During the year, the Company did not issue any ordinary shares as loan funded shares to the two Executive Directors, however, following shareholder approval, the term of the loan in respect of 50,000,000 ordinary shares was extended by 12 months to 28 December 2024. The incentive loan period in respect of a separate 50,000,000 ordinary shares expired on 28 December 2023 and the underlying ordinary shares were then subsequently sold to a third party on 17 July 2024. Full proceeds of the sale were received by the Company and there was no benefit to the Executive Directors.

Loan Funded Shares on issue	NUMBER ISSUED	GRANT DATE	INCENTIVE LOAN PERIOD DUE DATE	LOAN AMOUNT (CENTS PER SHARE)	FAIR VALUE AT GRANT DATE (CENTS PER SHARE)
Mr Michael Pivac	25,000,000	24 December 2020	24 December 2023	4.5	2.5
Mr Mark Pivac	25,000,000	24 December 2020	24 December 2023	4.5	2.5
Mr Michael Pivac	25,000,000	28 December 2022	28 December 2024	4.0	1.2
Mr Mark Pivac	25,000,000	28 December 2022	28 December 2024	4.0	1.2
Mr Michael Pivac	25,000,000	28 December 2022	28 December 2025	4.0	2.5
Mr Mark Pivac	25,000,000	28 December 2022	28 December 2025	4.0	2.5

Remuneration Report (audited) – CONTINUED

d Share-based remuneration – CONTINUED

Options Approved by the Board during the year

No new options were issued to Directors during the year. There were 87,000,000 unlisted options approved and issued by the board during the year.

Performance rights granted during the year

No new performance rights were issued to Directors during the year. During the year, the Company issued 30,000,000 unlisted performance rights to the Key Management Personnel of FBR. These performance rights have no escrow period and are split in the following classes.

CLASS A	NUMBER ISSUED	GRANT DATE	MILESTONE DATE	EXPIRY DATE	EXERCISE PRICE (CENTS)	FAIR VALUE AT GRANT DATE (CENTS)
Mr Rowan Caren	5,000,000	28 May 2024	30 June 2025	31 July 2026	Nil	2.3
Mr Jonathan Lawe-Davies	5,000,000	28 May 2024	30 June 2025	31 July 2026	Nil	2.3
Mr Kiel Chivers	5,000,000	28 May 2024	30 June 2025	31 July 2026	Nil	2.3

CLASS B	NUMBER ISSUED	GRANT DATE	MILESTONE DATE	EXPIRY DATE	EXERCISE PRICE (CENTS)	FAIR VALUE AT GRANT DATE (CENTS)
Mr Rowan Caren	5,000,000	28 May 2024	30 June 2025	31 July 2026	Nil	2.3
Mr Jonathan Lawe-Davies	5,000,000	28 May 2024	30 June 2025	31 July 2026	Nil	2.3
Mr Kiel Chivers	5,000,000	28 May 2024	30 June 2025	31 July 2026	Nil	2.3

i. 15,000,000 Performance Rights Class A

Vesting conditions for 15,000,000 Performance Rights of Class A; By 30 June 2025, the Company has received binding purchase orders for its products and services with a cumulative total value of \$30 million AUD.

All Class A Performance Rights have a milestone date of 30 June 2025 and an expiry date of 31 July 2026. If unconverted, Class A Performance Rights will expire on the expiry date.

ii. 15,000,000 Performance Rights Class B

Vesting condition for Class B; Performance review results based on successful completion of employee individual performance goals.

Milestone date is 30 June 2025. Expiry date is 31 July 2026.

If unconverted, Class B Performance Rights will expire on the expiry date.

Remuneration Report (audited) – CONTINUED

d Share-based remuneration - CONTINUED

The performance rights were valued using the spot price on grant date. The spot price was \$0.023 per share at the close of trade on 28 May 2024, being the date the acceptance offers were signed and dated by the employees. The fair value of these 30,000,000 performance rights granted during the current year, assuming that 100% of the performance rights will vest, was \$690,000 of this \$80,196 was expensed during the year.

e Bonuses included in remuneration

At present, the Company does not have a formal cash STI structure in place, as the Company continues to mature, it may review whether a cash STI plan is suitable.

f Other information

Options held by Key Management Personnel

During the year the Company issued 87,000,000 options to Key Management Personnel, including their related parties. Details of movements in options balances during the year are set out below:

YEAR ENDED 30 JUNE 2024					
PERSONNEL	BALANCE AT START OF YEAR	GRANTED AS REMUNERATION	EXERCISED	EXPIRY	HELD AT THE END OF REPORTING PERIOD
Mr Michael Pivac	-	-	-	-	-
Mr Mark Pivac	-	-	-	-	-
Mr Rowan Caren	-	-	-	-	-
Mr Jonathan Lawe Davies	16,000,000	27,000,000	-	(16,000,000)	27,000,000
Mr Kiel Chivers	20,000,000	30,000,000	-	(20,000,000)	30,000,000
Mr Aidan Flynn (Ex KMP)	20,000,000	30,000,000	-	(20,000,000)	30,000,000
Total	56,000,000	87,000,000	-	(56,000,000)	87,000,000

Remuneration Report (audited) – CONTINUED

f Other information – CONTINUED

Shares held by Key Management Personnel

The number of ordinary shares in the Company during the 2024 reporting period held by each of the Group's Key Management Personnel, including their related parties, is set out below:

YEAR ENDED 30 JUNE 2024

PERSONNEL	BALANCE AT START OF YEAR	PURCHASED	GRANTED AS REMUNERATION	RECEIVED ON CONVERSION OF RIGHTS	RECEIVED ON EXERCISE OF OPTIONS	DISPOSALS	HELD AT THE END OF REPORTING PERIOD
Mr Richard Grellman	1,020,408	4,000	-	-	-	-	1,024,408
Mr Glenn Cooper	-	-	-	-	-	-	-
Ms Shannon Robinson	-	-	-	-	-	-	-
Ms Nancy Milne	1,182,000	-	-	-	-	-	1,182,000
Mr Michael Pivac	152,589,371	-	-	-	-	-	152,589,371
Mr Mark Pivac	358,205,167	-	-	-	-	-	358,205,167
Mr Jonathan Lawe Davies	6,008,200	-	-	3,080,000	-	(4,500,000)	4,588,200
Mr Kiel Chivers	5,804,000	-	-	3,850,000	-	(9,500,000)	154,000
Mr Aidan Flynn (ex KMP)	5,744,000	-	-	3,850,000	-	(9,594,000)	-
Mr Grant Anderson (ex KMP)	1,250,000	-	-	-	-	-	1,250,000
Mr Greg Smith (ex KMP)	205,000	-	-	-	-	-	205,000
Total	532,008,146	4,000	-	10,780,000	-	(23,594,000)	519,198,146

Loan Funded Shares held by Key Management Personnel

During a prior year, on 24 December 2020, the Company issued 50,000,000 Loan Funded incentive shares to the Executive Directors following approval by the shareholders at the Annual General Meeting on 26 November 2020. The Loan Funded incentive shares were provided under a limited recourse, interest free loan.

The incentive loan period in respect of 50,000,000 fully paid ordinary shares expired during the period and the shares were subsequently sold by the Company to a third party investor shortly after balance date. The executive directors did not receive any proceeds or benefit from the sale.

During a prior year, on 28 December 2022, the Company issued 100,000,000 Loan Funded incentive shares to the Executive Directors following approval by the shareholders at the Annual General Meeting on 28 November 2022. The Loan Funded incentive shares were provided under a limited recourse, interest free loan. For each Executive Director, half of the loan, which pertains to 25,000,000 shares is repayable within 12 months and half of the loan, which pertains to the other 25,000,000 shares is repayable within 36 months.

At the Company's Annual General Meeting on 28 November 2023, the Company extended the term by 12 months of 50,000,000 of the fully paid ordinary shares issued as loan funded shares to the two Executive Directors.

Remuneration Report (audited) – CONTINUED

The number of Loan Funded Shares held in the Company during the 2024 reporting period held by each of the Company's Key Management Personnel, including their related parties, is set out below:

Loan Funded Shares held by Key Management Personnel (continued)

YEAR ENDED 30 JUNE 2024

PERSONNEL	BALANCE AT START OF YEAR	GRANTED AS REMUNERATION	REPAID DURING THE YEAR	EXPIRY	HELD AT THE END OF REPORTING PERIOD
Mr Michael Pivac	75,000,000	-	-	-	75,000,000
Mr Mark Pivac	75,000,000	-	-	-	75,000,000
Mr Rowan Caren	-	-	-	-	-
Mr Jonathan Lawe Davies	-	-	-	-	-
Mr Kiel Chivers	-	-	-	-	-
Mr Aidan Flynn (ex KMP)	-	-	-	-	-
Total	150,000,000	-	-	-	150,000,000

Performance Rights held by Key Management Personnel

The number of Performance Rights held in the Company during the 2024 reporting period held by each of the Company's Key Management Personnel, including their related parties, is set out below:

YEAR ENDED 30 JUNE 2024

PERSONNEL	BALANCE AT START OF YEAR	GRANTED AS REMUNERATION	EXERCISED DURING THE YEAR	CANCELLED	EXPIRY	HELD AT THE END OF REPORTING PERIOD
Mr Michael Pivac	-	-	-	-	-	-
Mr Mark Pivac	-	-	-	-	-	-
Mr Rowan Caren	-	10,000,000	-	-	-	10,000,000
Mr Jonathan Lawe Davies	11,080,000	10,000,000	(3,080,000)	-	-	18,000,000
Mr Kiel Chivers	13,850,000	10,000,000	(3,850,000)	-	-	20,000,000
Mr Aidan Flynn (Ex KMP)	13,850,000	-	(3,850,000)	(2,500,000)	-	7,500,000
Total	38,780,000	30,000,000	(10,780,000)	(2,500,000)	-	55,500,000

Other transactions with Key Management Personnel

DIRECTOR LOAN AGREEMENT

During prior periods the Company paid \$190,000 as an unsecured interest bearing loan to Mark Pivac in relation to tax payments relating to Performance Rights issued under the Company's Performance Rights Plan. The amount (plus \$114,271 interest) remains outstanding at 30 June 2024.

The loan has a maturity date of 31 December 2024 and an interest rate at the higher of 4.52% per annum and the highest rate of interest payable by the Company to any financier of the Company at the relevant time.

GUARANTEES

There have been no guarantees provided or received for any related parties.

End of audited Remuneration Report

Environmental legislation

FBR is required to carry out its activities in accordance with the laws and regulations in the areas in which it undertakes its activities. There have been no known significant breaches of these laws and regulations.

Indemnities given to, and insurance premiums paid for directors and officers

Insurance of officers

During the year, FBR paid a premium to insure officers of the Company. The officers of the Company covered by the insurance policy include all Directors.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Company.

Details of the amount of the premium paid in respect of insurance policies are not disclosed as such disclosure is prohibited under the terms of the contract.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer of the Company against a liability incurred as such by an officer.

Non-audit services

During the year, Grant Thornton Audit Pty Ltd, the Company's auditors, did not perform any other services in addition to their statutory audit duties.

Details of the amounts paid to the auditors of the Company, Grant Thornton Audit Pty Ltd, for audit services provided during the year are set out in Note 28 to the financial statements.

A copy of the Auditor's Independence Declaration as required under s307C of the Corporations Act 2001 is included on page 27 of this financial report and forms part of this Directors' Report.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Signed in accordance with a resolution of the Directors



Michael Pivac
Managing Director and Chief Executive Officer

23 September 2024

Grant Thornton Audit Pty Ltd

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152-158 St Georges Terrace
Perth WA 6000
PO Box 7757
Cloisters Square
Perth WA 6850
T +61 8 9480 2000

Auditor's Independence Declaration

To the Directors of FBR Ltd

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of FBR Ltd for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



L A Stella
Partner – Audit & Assurance

Perth, 23 September 2024

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2024

	Notes	30 June 2024 \$	30 June 2023 (Restated - refer Note 33) \$
Continuing operations			
Revenue	7	836,711	1,662,676
Cost of sales		(648,229)	(3,288,647)
Gross profit		188,482	(1,625,971)
Interest income		326,439	283,725
Research & Development (R&D) tax incentive		5,211,506	4,634,071
Other income	8	1,599,834	92,376
Professional services	9.a	(2,684,880)	(1,082,433)
Directors' and employees' benefits	9.b	(13,663,629)	(12,742,292)
Development costs		(1,871,711)	(1,354,435)
Share-based payments	24	(4,683,011)	(5,274,924)
Depreciation	16,17	(2,089,408)	(1,829,493)
Finance costs		(1,369,253)	(772,784)
Amortisation of development costs	18	(2,995,292)	(2,918,025)
Impairment Expense	16	(1,329,538)	-
Inventory impairment reversal/(expense)	12	72,702	(199,647)
Other expenses	9.c	(4,485,678)	(3,862,730)
Loss before tax		(27,773,437)	(26,652,562)
Income tax expense		-	-
Loss for the period		(27,773,437)	(26,652,562)
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income for the period		-	-
Total comprehensive loss for the period		(27,773,437)	(26,652,562)
Basic loss per share in cents per share	26	0.68	0.81
Diluted loss per share in cents per share	26	0.68	0.81

Note: This statement should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Financial Position

As at 30 June 2024

	Notes	30 June 2024	30 June 2023 (Restated – refer Note 33)	1 July 2022 (Restated – refer Note 33)
		\$	\$	\$
Assets				
Current				
Cash and cash equivalents	11	3,742,280	12,397,405	10,686,594
Trade and other receivables	13	6,599,026	9,566,644	1,370,489
Inventory	12	3,318,163	1,154,236	6,470,410
Other current assets	14	3,316,623	1,592,509	1,545,529
Current assets		16,976,092	24,710,794	20,073,022
Non-current				
Property, plant and equipment	16	13,978,290	10,936,535	4,669,838
Right-of-use assets	17	1,502,675	2,248,201	1,907,332
Development costs	18	42,500,340	43,975,242	45,727,253
Non-current assets		57,981,305	57,159,978	52,304,423
Total assets		74,957,397	81,870,772	72,377,445
Liabilities				
Current				
Trade and other payables	19	3,483,268	2,953,631	3,551,123
Provisions	20	1,801,852	2,539,926	754,846
Lease liabilities	21	1,281,848	1,397,658	1,220,117
Loans & borrowings	22	6,371,651	5,227,093	5,740,033
Current liabilities		12,938,619	12,118,308	11,266,119
Non-current				
Provisions	20	426,108	278,833	573,906
Lease liabilities	21	270,094	869,942	716,723
Loans & borrowings	22	280,493	1,820,302	2,514,138
Non-current liabilities		976,695	2,969,077	3,804,767
Total liabilities		13,915,314	15,087,385	15,070,886
Net assets		61,042,083	66,783,387	57,306,559
Equity				
Share capital	23	168,411,855	148,845,254	116,567,987
Reserves	25	6,854,175	5,802,820	3,496,596
Accumulated losses		(114,223,947)	(87,864,687)	(62,758,024)
Total equity		61,042,083	66,783,387	57,306,559

Note: This statement should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2024

	SHARE CAPITAL \$	PERFORMANCE RIGHT RESERVE \$	SHARE OPTION RESERVE \$	ACCUMULATED LOSSES \$	TOTAL EQUITY \$
Balance at 1 July 2023	148,845,254	3,536,801	2,266,019	(87,864,687)	66,783,387
Loss for the period	-	-	-	(27,773,437)	(27,773,437)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(27,773,437)	(27,773,437)
<i>Transactions with owners:</i>					
Shares issued – capital raising (refer to Note 23)	18,792,035	-	-	-	18,792,035
Capital raising costs – (refer to Note 23)	(1,442,914)	-	-	-	(1,442,914)
Performance rights converted to shares (refer to Note 24)	2,217,480	(2,217,480)	-	-	-
Performance rights forfeited (refer to Note 25)	-	(94,925)	-	94,925	-
Performance rights cancelled (refer to Note 25)	-	(95,000)	-	95,000	-
Performance rights lapsed (refer to Note 25)	-	(526,626)	-	526,626	-
Performance rights issued to employees (refer to Note 25)	-	3,018,515	-	-	3,018,515
Options issued to employees and directors (refer to Note 25)	-	-	1,664,497	-	1,664,497
Options lapsed or passed up (refer to Note 25)	-	-	(697,626)	697,626	-
Balance at 30 June 2024	168,411,855	3,621,285	3,232,890	(114,223,947)	61,042,083

Note: This statement should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2023

	SHARE CAPITAL \$	PERFORMANCE RIGHT RESERVE \$	SHARE OPTION RESERVE \$	ACCUMULATED LOSSES \$	TOTAL EQUITY \$
Balance at 1 July 2022	116,567,987	1,998,671	1,497,925	(61,799,181)	58,265,402
Prior period error (note 33)	-	-	-	(958,843)	(958,843)
Balance at 1 July 2022 restated	116,567,987	1,998,671	1,497,925	(62,758,024)	57,306,559
Loss for the period	-	-	-	(26,652,562)	(26,652,562)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(26,652,562)	(26,652,562)
<i>Transactions with owners:</i>					
Shares issued – capital raising (refer to Note 23)	31,070,628	-	-	-	31,070,628
Capital raising costs (refer to Note 23)	(1,476,162)	-	-	-	(1,476,162)
Performance rights converted to shares (refer to Note 24)	1,079,060	(1,079,060)	-	-	-
Performance rights forfeited (refer to Note 25)	-	(78,277)	-	78,277	-
Performance rights expired (refer to Note 25)	-	(317,622)	-	317,622	-
Performance rights issued to employees and directors (refer to Note 25)	-	3,013,090	-	-	3,013,090
Options issued to employees and directors (refer to Note 25)	-	-	2,261,834	-	2,261,834
Options expired (refer to Note 25)	-	-	(1,150,000)	1,150,000	-
Options exercised (refer to Note 25)	1,603,740	-	(343,740)	-	1,260,000
Balance at 30 June 2023	148,845,253	3,536,802	2,266,019	(87,864,687)	66,783,387
Balance at 30 June 2023	148,845,253	3,536,802	2,266,019	(83,139,478)	71,508,596
Prior period error (note 33)	-	-	-	(4,725,209)	(4,725,209)
Balance at 1 July 2023 restated	148,845,253	3,536,802	2,266,019	(87,864,687)	66,783,387

Note: This statement should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 June 2024

	Notes	30 June 2024	30 June 2023 (Restated)
		\$	\$
Operating activities			
Interest received		286,020	241,241
Receipts from customers		2,418,245	1,987,026
Payments to suppliers and employees		(27,914,536)	(22,379,071)
R&D tax incentive received		4,634,071	2,886,002
Interest paid		(1,122,738)	(599,291)
Government Grants		73,200	73,200
Net cash used in operating activities		(21,625,738)	(17,790,893)
Investing activities			
Development costs		(2,295,950)	(1,919,700)
Purchase of property, plant and equipment		(5,546,622)	(10,936,488)
Proceeds from the settlement of other financial assets		(25,792)	(172,687)
R&D tax incentive received		4,134,180	2,994,368
Net cash used in investing activities		(3,734,184)	(10,034,507)
Financing activities			
Proceeds from issue of share capital	23	18,792,035	32,330,628
Capital raising costs		(1,442,914)	(1,601,162)
Proceeds from loans		9,341,551	4,292,652
Repayment of loans		(9,758,901)	(5,485,907)
Transaction costs related to loans and borrowings		(226,974)	-
Net cash provided by financing activities		16,704,797	29,536,211
Net change in cash and cash equivalents		(8,655,125)	1,710,811
Cash and cash equivalents, beginning of period	11	12,397,405	10,686,594
Cash and cash equivalents, end of period		3,742,280	12,397,405

Note: This statement should be read in conjunction with the notes to the financial statements.

Notes to the Consolidated Financial Statements

1. Nature of operations

FBR Ltd (the Company) and its controlled subsidiaries (the Group) designs, develops and builds dynamically stabilised robots to address global needs. 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. The Company has secured patents to protect its intellectual property in its technology in key markets.

2. General information and statement of compliance

The consolidated general purpose financial statements of the Group have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). FBR is a for-profit entity for the purpose of preparing the financial statements.

FBR is the Group's Ultimate Parent Company. FBR is a Public Company incorporated and domiciled in Australia. The address of its registered office and its principal place of business is 122 Sultana Road West, High Wycombe WA 6057.

The consolidated financial statements for the year ended 30 June 2024 have been approved and authorised for issue by the Board of Directors.

3. Going concern

The Consolidated Financial Report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The Group incurred a net loss of \$27,773,437 during the year ended 30 June 2024, and the Group's net cash outflows from operating and investing activities totalled \$25,359,922 for the year. The ability for the Group to continue as a going concern and to fund its ongoing Hadrian X programme is dependent upon the Group successfully raising additional capital, sales of residential property inventory, continued payments from CRH pursuant to the US joint venture option, proceeds from the sale of Hadrian X machines to the FBR/CRH US joint venture, and continuing to be eligible for receipt of government R&D tax incentives.

The Group held cash and cash equivalents at balance date of \$3,742,280 and was working capital positive. The Group has receivables of \$6,599,026 at balance date. The Group has prepared a cash flow forecast for the next 12 months which demonstrates that with further equity raisings, sales of residential property inventory, continued payments from CRH pursuant to the US joint venture option, proceeds from the sale of Hadrian X machines to the FBR/CRH US joint venture, continued access to the R&D tax incentive program and the existing cash reserves and receivables, there is the necessary working capital for the Group to continue its ongoing Hadrian X programme and to provide the necessary working capital to cover its corporate costs over the next year.

3. Going concern (continued)

Whilst the Directors are confident of the Group's ability to continue as a going concern, due to the factors mentioned above, there is material uncertainty that may cast doubt on the Group's ability to continue as a going concern. If the Group is unable to continue as a going concern, it may be required to realise its assets and or settle its liabilities other than in the ordinary course of business and at amounts different from those stated in the financial report.

4. Changes in accounting policies

A. New and revised standards that are effective for these financial statements

In the financial year ended 30 June 2024, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2023.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the IFRS Interpretations Committee (IFRIC) that are relevant to its operations and effective for the current annual reporting period. The adoption of those standards does not have a significant impact on the amounts reported for the current and prior period.

B. Accounting Standards issued but not yet effective and not been adopted early by the Group

There are no new standards and interpretations that are not yet effective and that would be expected to have a material impact on the group in the current or future reporting periods and on foreseeable future transactions.

Other Standards and Amendments that are not yet effective and have not been adopted early by the Group include:

- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates
- AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Company is in the process of evaluating the impact of the new standards with no material impact expected.

5. Summary of material accounting policies

A. Basis of consolidation

The Group financial statements consolidate those of the Company and all of its subsidiaries as of 30 June 2024. The Company controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June and the functional and presentation currency of the Group is Australia Dollars.

5. Summary of material accounting policies (continued)

All transactions and balances between FBR companies are eliminated on consolidation, including unrealised gains and losses on transactions between FBR companies. Where unrealised losses on intra-Company asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

B. Revenue

Wall-as-a-Service (WaaS) and Construction Services revenue

To determine whether to recognise revenue, the Company follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied

The transaction price is the fair value of consideration received or receivable net of goods and services tax (GST).

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised services to its customers. For WaaS & Construction Services, revenue is recognised over time as services are delivered to the customer, as the customer benefits from the service as it is delivered and the Group has a right to payment appropriate to the level of effort expended upon cancellation of any arrangements. For house and land property sales, revenue is recognised at a point in time which is when the cash settlement of the sale of the property occurs. The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as contract liabilities in the statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Interest and dividend income

Interest income and expenses are reported on an accrual basis using the effective interest method. Dividends, other than those from investments in associates, are recognised at the time the right to receive payment is established.

5. Summary of material accounting policies (continued)

Government grants

Government grants are treated as income and are reported on an accrual basis and recognised when there is reasonable assurance that the entity will comply with the conditions attaching to them and the grants will be received.

C. Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

D. Leased assets

The Group considers whether a contract is, or contains, a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group.
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

The Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

5. Summary of material accounting policies (continued)

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero. The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets have been disclosed in non-current assets and lease liabilities have been disclosed in current and non-current liabilities.

E. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash within three (3) months or less at inception of the deposit and which are subject to an insignificant risk of changes in value.

F. Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes all expenses directly attributable to the building process as well as suitable portions of related production overheads, based on normal operating capacity. Costs of ordinarily interchangeable items are assigned using the first in, first out cost formula. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

G. Property, plant and equipment

Plant and Equipment

All plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the profit or loss during the reporting period in which they are incurred.

Depreciation is calculated over the estimated useful life of the asset as follows:

Asset Class	Method	Useful Lives
Plant and equipment	Straight Line	2-10 years
Furniture and fittings	Straight Line	2-10 years
Information and communication technology (ICT) equipment	Straight Line	2-5 years
Leasehold improvements	Straight Line	2-4 years

5. Summary of material accounting policies (continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

H. Research and development, intangibles and intellectual property

Research costs are expensed in the period in which they are incurred. Patents costs that relate to projects that are in the research phase are expensed.

Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the consolidated entity is able to use or sell the asset; the consolidated entity has sufficient resources; and intent to complete the development and its costs can be measured reliably. Capitalised development costs are amortised over the period of their expected useful life, when the asset is determined available for use. Patents costs that relate to projects that are in the development phase are capitalised. Research and development grants receivable are matched to their classification of expenditure. In the periods where research costs are expensed, the related research and development grant is reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income as other income. In periods where the Group incurs Development Costs, the related Research and Development grant is recognised as a credit to capitalised development costs, reported in the Consolidated Statement of Financial Position.

The carrying value of development expenditure, intangible assets and intellectual property is tested for impairment annually when the asset is not yet available for use or more frequently when an indication of impairment arises during the reporting period.

An impairment loss is recognised for the amount by which the capitalised development carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the recoverable amount, management have used fair value less costs of disposal.

When intangible assets are assessed as being ready for use, they are assessed for impairment in accordance with Note 5(I).

I. Impairment testing of non-financial assets

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the fair value less costs of disposal, management utilises an internal cost approach model of replacement cost. The replacement cost approach is a valuation technique that reflects the amount that would be required to replace the asset.

5. Summary of material accounting policies (continued)

Impairment losses for cash-generating units are charged pro rata to the other assets in the cash-generating unit to the extent that the value of the asset exceeds its fair value. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount.

J. Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

In the periods presented the corporation does not have any financial assets categorised as FVOCI. The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent measurement of financial assets at amortised cost.

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

5. Summary of material accounting policies (continued)

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Impairment of financial assets

AASB 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'.

Recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead the Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

K. Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, the Australian Taxation Office (ATO) and other fiscal authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

5. Summary of material accounting policies (continued)

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Group's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Group has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income (such as the revaluation of land) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

FBR and all its wholly owned Australian controlled entities are a tax consolidated group. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are to be set off in the consolidated financial statements.

L. Equity, reserves and dividend payments

Share capital represents the fair value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits.

Other components of equity include the following:

- Share options reserve comprises the expense of vested option payments.
- Performance rights reserve comprises the expense of vested performance rights payments.
- Retained earnings include all current and prior period retained profits.

All transactions with owners of the parent are recorded separately within equity.

M. Employee benefits

Short-term employee benefits

Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. Examples of such benefits include wages and salaries, non-monetary benefits and accumulating personal leave. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The Group's liabilities for long service leave are included in other long term benefits as they are not expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. They are measured at the present value of the expected future payments to be made to employees.

5. Summary of material accounting policies (continued)

The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of service, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the timing of the estimated future cash outflows. Any re-measurements arising from experience adjustments and changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The Group presents employee benefit obligations as current liabilities in the statement of financial position if the Group does not have an unconditional right to defer settlement for at least twelve (12) months after the reporting period, irrespective of when the actual settlement is expected to take place.

N. Share-based payments

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled.

If the terms of an equity-settled award are modified, as a minimum, an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based arrangement, or is otherwise beneficial to the recipient, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options or share performance rights is reflected as additional share dilution in the computation of diluted loss per share.

O. Significant management judgement and estimates in applying accounting policies

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

Additional significant estimates and judgements include:

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of the options issued during the reporting period has been determined by using various models as appropriate. Details of the estimates used to determine the fair value are detailed in Note 24.

5. Summary of material accounting policies (continued)

Capitalised development costs

Distinguishing the research and development phases of the project and determining whether the recognition requirements phases of the project and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. After capitalisation, management monitors whether recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired.

An asset is impaired when its carrying amount exceeds its recoverable amount, which is the higher its fair value less costs of disposal and value-in-use. Management has subjected the Group's capitalised Development costs (Note 18) to impairment testing. Management reviews its carrying value of capitalised development and intellectual property annually by comparing the carrying value against fair value less costs of disposal using an internal cost approach model of replacement cost. The replacement cost approach is a valuation technique that reflects the amount that would be required to replace the asset. This replacement amount exceeded the carrying value of the assets of the CGU.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment.

Useful lives of amortisable assets

Management reviews its estimate of the useful lives of amortizable assets at each reporting date, based on the expected utility of the assets. During the period the group's development asset was assessed as being ready for use. Once an asset is ready for use it is required to determine its expected useful life. Given the industry the group is seeking to disrupt and the relative uniqueness of the group's Hadrian asset uncertainty is involved in establishing this position. Uncertainties in these estimates relate to the availability, protectability and applicability of the group patent portfolio, expected Hadrian machine lifetimes, comparable and competing industry technology and typical technology commercialisation cycles.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

6. Segment reporting

The Group has identified one operating segment based on the internal reports that are reviewed and used by the executive management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The Group operates in Australia (building technology) and prepares reports internally by this location.

Other prospective opportunities outside of this geographical location are also considered from time to time, and if they are secured, will then be attributed to the geographical location where they are located. All of the Group's non-current assets are held in Australia and all interest revenue is derived from funds invested in short-term money market instruments, all of which are held within Australia.

7. Revenue

	Consolidated	
	30 June 2024	30 June 2023
	\$	\$
Wall as a Service and Construction Services sales	272,347	214,080
Residential housing sales	564,364	1,448,596
	836,711	1,662,676
	30 June 2024	30 June 2023
	\$	\$
Timing of revenue recognition is as follows:		
Revenue recognised at a point in time	564,364	1,448,596
Revenue recognised over time	272,347	214,080
	836,711	1,662,676

8. Other Income

	Consolidated	
	30 June 2024	30 June 2023
	\$	\$
Government grants	73,200	85,200
CRH Fee	1,522,024	-
Other	4,610	7,176
	1,599,834	92,376

9. Expenses

A. Professional services

	Consolidated	
	30 June 2024	30 June 2023
	\$	\$
Legal costs	1,821,776	235,785
Marketing	37,170	67,850
Accountancy, audit and tax	463,792	502,956
Corporate consultants	362,142	275,842
	2,684,880	1,082,433

B. Directors' and employees' benefits

	Consolidated	
	30 June 2024	30 June 2023
	\$	\$
Wages, salaries and directors' fees	15,676,580	14,717,047
Superannuation	1,646,503	1,411,161
Annual leave entitlements	234,490	257,126
Long service leave entitlements	162,394	190,842
Capitalised to Hadrian development costs	(169,895)	(171,895)
Capitalised to Hadrian WIP	(3,564,219)	(3,240,008)
Capitalised to Shuttle system development costs	(322,224)	(421,981)
	13,663,629	12,742,292

C. Other expenses

	Consolidated	
	30 June 2024	30 June 2023
	\$	\$
Insurance	422,932	308,676
Travel expenses	778,072	445,301
Compliance costs	242,026	232,102
Subscriptions	392,248	270,720
Staff training costs	32,226	41,198
Intellectual property expenses	302,663	279,950
Employee oncosts	1,062,280	956,470
Recruitment costs	13,665	23,602
Other administration expenses	1,239,566	1,304,711
	4,485,678	3,862,730

10. Income tax expense

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate of FBR Ltd at 25% (2023: 25%) and the reported tax expense in profit or loss are as follows:

	30 June 2024	30 June 2023 (Restated)
	\$	\$
Loss from continuing operations before income tax expense	(27,773,437)	(26,652,562)
- Prima facie tax benefit on loss from ordinary activities before income tax at 25% (2023: 25%)	(6,943,359)	(6,663,141)
Add/(less) tax effect of:		
- Non-deductible items - Entertainment	2,474	6,874
- Non-deductible items - Share/Option Based Payments expensed	1,170,752	1,318,731
- Permanent differences relating to R&D costs	2,102,213	3,625,859
- Costs recognised in equity	(360,729)	119,055
- Prior year unders and overs	(31,517)	-
- Other	565	(34,057)
- Movement in temporary differences not recognised	4,059,600	1,626,678
Income tax expense	-	-

10. Income tax expense (continued)

Deferred tax assets ("DTA") and liabilities ("DTL") recognised relate to the following:

	30 June 2024	30 June 2023 (Restated)
	\$	\$
DTA		
Tax losses & non-refundable offsets (Group) - Note 10b	18,704,831	15,604,954
Other temporary differences (DTA closing balance)		
Patent Costs	111,398	43,846
Domain registrations	340	510
In-house software	(27,323)	28,030
Accruals & other payables	15,500	139,213
Finance lease liability	387,986	566,900
Provisions	556,990	704,690
Capital Raising Costs through equity	1,063,267	497,884
Borrowing Costs	20,136	26,872
Website development costs	1,010	3,511
Cash assets	(9,415)	(6,927)
Inventory	18,176	218,573
DTL		
Other temporary differences (DTL closing balance)		
Trade receivables	(20,315)	(21,983)
Prepayments	(9,329)	(146,877)
Investment in Hadrian	(6,431,948)	(7,242,153)
Right of Use assets	(375,669)	(562,050)
Property, plant & equipment	(2,552,260)	(2,522,600)
Net deferred tax asset not recognised at 25% - Note 10a & 10b	11,453,375	7,332,393

Note 10a: The net deferred tax asset in 2024, not recognised is at a 25% tax rate, being FBR's actual tax rate for the 2024 year. FBR is classified as a small business entity and base rate entity for the year ended 30 June 2024. The income tax rate for base rate entities for the year ended 30 June 2024 is 25% (2023: 25%).

Note 10b: The deferred tax asset at 25% which is attributable to tax losses carried forward at 30 June 2024 is \$18,704,831 (2023: \$15,604,954 at 25% rate).

As the deferred tax asset exceeds the deferred tax liability at 30 June 2024, FBR has partially offset the deferred tax asset against the deferred tax liability and not recognised the net deferred tax asset in the consolidated statement of financial position and profit and loss.

11. Cash and cash equivalents

Cash and cash equivalents include the following components:

	Consolidated	
	30 June 2024	30 June 2023
	\$	\$
Cash at bank and on deposit	3,742,280	12,397,405

12. Inventories

Inventories include the following components:

	Consolidated	
	30 June 2024	30 June 2023
	\$	\$
Inventory – land & residential	790,158	1,353,883
Inventory – parts	2,258,093	-
Inventory – in progress	197,210	-
Inventory impairment reversal/(expense)	72,702	(199,647)
Carrying Amount at 30 June	3,318,163	1,154,236

Inventories have been increased by \$72,702 (2023: decrease of \$199,647) as a result of the write-up to net realisable value.

13. Trade and other receivables

Trade and other receivables consist of the following:

	Consolidated	
	30 June 2024	30 June 2023
	\$	\$
Research and Development tax rebate	5,924,855	8,768,251
Construction services	6,491	-
GST receivable	282,084	378,011
Interest receivable	8,062	14,733
Director loans (note 29)	304,271	257,182
Grants receivable	73,200	73,200
Other receivables	63	75,267
	6,599,026	9,566,644

The carrying amount of trade and other receivables is considered a reasonable approximation of fair value as this financial asset (which is measured at amortised cost) is expected to be settled within six (6) months.

All of the Group's trade and other receivables that are not financial assets have been reviewed for indicators of impairment with none being noted.

14. Other current assets

Other current assets consist of the following:

	Consolidated	
	30 June 2024	30 June 2023
	\$	\$
Prepayments	1,757,872	587,509
Bank guarantees	1,030,792	1,005,000
Other	527,959	-
	3,316,623	1,592,509

15. Financial assets and liabilities

A. Categories of financial assets and liabilities

Note 5(j) provides a description of each category of financial assets and financial liabilities and the related accounting policies.

The carrying amounts of financial assets and financial liabilities in each category are as follows:

	Notes	Financial assets/liabilities at amortised cost \$	Total \$
30 June 2024			
Financial assets			
Cash and cash equivalents	11	3,742,280	3,742,280
Trade and other receivables		392,087	392,087
Research and Development tax rebate		5,924,855	5,924,855
Bank guarantees		1,030,792	1,030,792
		11,090,014	11,090,014
Financial liabilities			
Trade and other payables	19	3,483,268	3,483,268
Lease liabilities	21	1,551,942	1,551,942
Chattel mortgage equipment loan facility		466,178	466,178
Construction loan facility	22	523,828	523,828
Hadrian lease finance facility	22	1,359,220	1,359,220
Research & development tax refund loan	22	4,302,917	4,302,917
		11,687,353	11,687,353

15. Financial assets and liabilities (continued)

	Notes	Financial assets/liabilities at amortised cost \$	Total \$
30 June 2023			
Financial assets			
Cash and cash equivalents	11	12,397,405	12,397,405
Trade and other receivables		420,382	420,382
Research and Development tax rebate		8,768,251	8,768,251
Bank guarantees		1,005,000	1,005,000
		22,591,038	22,591,038
Financial liabilities			
Trade and other payables	19	2,953,631	2,953,631
Lease liabilities	21	2,267,600	2,267,600
Chattel mortgage equipment loan facility		642,274	642,274
Construction loan facility	22	583,974	583,974
Hadrian lease finance facility	22	1,821,148	1,821,148
Research & development tax refund loan	22	4,000,000	4,000,000
		12,268,627	12,268,627

The methods used to measure financial assets and liabilities reported at fair value are described in Note 32.

Other financial instruments

The carrying amount of the following financial assets and liabilities is considered a reasonable approximation of fair value:

- cash and cash equivalents;
- trade and other receivables;
- other assets;
- trade and other payables;
- lease payables; and
- loans.

16. Property, plant and equipment

Details of the Group's property, plant and equipment and their carrying amount are as follows:

30 June 2024

	PLANT & EQUIPMENT	FURNITURE & FITTINGS	ICT EQUIPMENT	HADRIAN WORK IN PROGRESS	TOTAL
	\$	\$	\$	\$	\$
Gross carrying amount					
Balance at 1 July 2023	4,340,070	1,081,542	2,284,534	7,796,767	15,502,913
Additions	234,717	14,707	88,708	7,527,530	7,865,662
Transfer to Inventory	-	-	-	(2,455,301)	(2,455,301)
R&D tax incentive	-	-	-	(435,301)	(435,301)
Disposals	(5,500)	(1,144)	(951,990)	-	(958,634)
Balance at 30 June 2024	4,569,287	1,095,105	1,421,252	12,433,695	19,519,339
Depreciation and impairment					
Balance at 1 July 2023	(1,436,427)	(966,975)	(2,162,975)	-	(4,566,377)
Disposals	5,500	-	951,194	-	956,694
Depreciation	(524,436)	(28,765)	(48,628)	-	(601,829)
Impairment ¹	-	-	-	(1,329,537)	(1,329,537)
Balance at 30 June 2024	(1,955,365)	(995,740)	(1,260,408)	(1,329,537)	(5,541,049)
Carrying amount at 30 June 2024	2,613,922	99,365	160,843	11,104,158	13,978,290

1. Hadrian work in progress has been impaired by \$1,329,537 (2023: Nil) due to the existence of an impairment indicator as the cost of the asset exceeds the value to which it can be sold for in the open market. As such an impairment expense was recognized in the current period.

16. Property, plant and equipment (continued)

30 June 2023 (Restated – refer to note 33)

	PLANT & EQUIPMENT	FURNITURE & FITTINGS	ICT EQUIPMENT	HADRIAN WORK IN PROGRESS	TOTAL
	\$	\$	\$	\$	\$
Gross carrying amount					
Balance at 1 July 2022	3,729,514	1,028,360	2,228,759	1,676,211	8,662,844
Additions	613,738	53,182	55,776	9,984,707	10,707,403
R&D tax incentive	-	-	-	(3,864,152)	(3,864,152)
Disposals	(3,182)	-	-	-	(3,182)
Balance at 30 June 2023	4,340,070	1,081,542	2,284,535	7,796,766	15,502,913
Depreciation and impairment					
Balance at 1 July 2022	(992,592)	(938,957)	(2,061,457)	-	(3,993,006)
Disposals	2,757	-	-	-	2,757
Depreciation ¹	(446,592)	(28,019)	(101,518)	-	(576,129)
Impairment	-	-	-	-	-
Balance at 30 June 2023	(1,436,427)	(966,976)	(2,162,974)	-	(4,566,378)
Carrying amount at 30 June 2023	2,903,643	114,566	121,560	7,796,766	10,936,535

17. Right-of-use assets

The following table below shows the net carrying amount of the right-of-use assets:

30 June 2024

	Land & Buildings \$	ICT Equipment \$	Total \$
Carrying amount at 1 July 2023	2,247,695	506	2,248,201
Additions	-	422,534	422,534
Adjustment from lease remeasurement	287,535	-	287,535
Depreciation	(1,384,669)	(70,926)	(1,455,595)
Carrying amount at 30 June 2024	1,150,561	352,114	1,502,675

30 June 2023

	Land & Buildings \$	ICT Equipment \$	Total \$
Carrying amount at 1 July 2022	1,887,646	19,686	1,907,332
Lease modification	1,594,233	-	1,594,233
Depreciation ¹	(1,234,184)	(19,180)	(1,253,364)
Carrying amount at 30 June 2023	2,247,695	506	2,248,201

As at 30 June 2024, the group operates leases in respect of an office, workshop and ICT equipment.

The lease contract for the head office and workshop has a non-cancellable term of (12) months and expires 30 June 2025.

The lease contract for the second office has a non-cancellable term of (9) months and expires 4 April 2025.

With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate (such as lease payments based on a percentage of Group sales) are excluded from the initial measurement of the lease liability and asset.

18. Development costs

Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility, the consolidated entity is able to use or sell the asset, the consolidated entity has sufficient resources and intent to complete the development and its costs can be measured reliably. The Company currently has two development assets. One is not yet available for use and accordingly is tested for impairment annually as required by AASB 136 Impairment of Assets. The other development asset is available for use and is tested for impairment when there are indicators of impairment. Once available for use, capitalised development costs are amortised over the period of their expected life. Patent costs that relate to projects that are in the development phase are capitalised.

The following tables show the movements in development costs associated with the Hadrian X and the Shuttle system:

	Hadrian X	
	30 June 2024	30 June 2023 (Restated – refer to note 33)
	\$	\$
Gross carrying amount	43,524,775	46,331,706
Additions	1,163,482	1,019,390
R&D tax incentives	(273,597)	(662,769)
Amortisation expense	(2,723,536)	(3,163,551)
	41,691,124	43,524,775
Additions		
Employee benefits	169,896	171,895
Patents and trademarks	993,586	847,495
Total additions	1,163,482	1,019,390
	Shuttle System	
	30 June 2024	30 June 2023
	\$	\$
Gross carrying amount	450,466	62,819
Additions	634,956	686,101
R&D tax incentives	(276,206)	(298,453)
	809,216	450,467
Additions		
Employee benefits	539,336	421,981
Materials	95,619	264,120
Total additions	634,956	686,101
Total Development costs	42,500,340	43,975,242

19. Trade and other payables

Trade and other payables consist of the following:

	Consolidated	
	30 June 2024	30 June 2023
	\$	\$
Trade creditors	2,212,786	1,913,105
Accrued expenses	788,673	556,851
Other payables	481,809	483,675
	3,483,268	2,953,631

All amounts are short-term. The carrying values of trade payables and other payables are considered to be a reasonable approximation of fair value.

20. Provisions

The carrying amounts and movements in the provisions account are as follows:

	Consolidated	
	30 June 2024	30 June 2023
	\$	\$
Current		
Employee entitlements – Annual leave	1,240,869	1,006,378
Employee entitlements – Long service leave	183,921	168,802
Onerous contracts	377,062	1,364,746
	1,801,852	2,539,926
Non-current		
Employee entitlements – Long service leave	426,108	278,833
	426,108	278,833

The current portion of these liabilities represents the Group's obligations to its current and former employees that are expected to be settled during the next financial year. Onerous contracts are in relation to Wall as a Service contracts that were entered into and expected to be loss making.

21. Lease Liabilities

Lease liabilities are presented in the statement of financial position as follows:

	Consolidated	
	30 June 2024	30 June 2023
	\$	\$
Lease liabilities (current)	1,281,848	1,397,658
Lease liabilities (non-current)	270,094	869,942
	1,551,942	2,267,600

The lease liabilities are secured by the related underlying assets. Future minimum lease payments as at 30 June 2024 are as follows:

21. Lease Liabilities (continued)

	Within one year \$	One to five years \$	More than five years \$	Total \$
30 June 2024				
Lease payments	1,333,542	311,600	-	1,645,142
Finance expenses	(51,694)	(41,506)	-	(93,200)
Net present values	1,281,848	270,094	-	1,551,942

22. Borrowings

The carrying amounts in the loans and borrowings accounts are as follows:

	Consolidated	
	30 June 2024 \$	30 June 2023 \$
Current		
Chattel mortgage equipment loan facility ¹	185,685	176,095
Construction loan facility ²	523,829	583,974
R&D tax refund loan ³	4,302,917	4,000,000
Hadrian lease finance facility ⁴	1,359,220	467,024
	6,371,651	5,227,093
Non-Current		
Chattel mortgage equipment loan facility ¹	280,493	466,178
Hadrian lease finance facility ⁴	-	1,354,124
	280,493	1,820,302

¹ The chattel mortgage equipment loan facility with HP Financial Services (Australia) Pty Ltd has a first ranking security over the equipment and has an interest rate of 5.50% per annum. The facility matures on 30 November 2026.

² During a prior period FBR secured construction financing for robotically built housing to support and grow FBR's construction operations using the Hadrian X[®] construction robot and the Fastbrick Wall System[®]. FBR signed an agreement with FC Securities Pty Ltd for a \$2 million revolving debt facility to finance up to 67.5% of the land and construction cost of five homes FBR is building and has completed in Wellard in Western Australia, plus any subsequent FBR residential builds within the 30-month term of the facility (ending September 2024). The facility gives FC first ranking securities comprising a mortgage over the Wellard properties and FBR's subsidiary Fastbrick Engineering Pty Ltd. The facility has an interest rate on drawn funds of 9.00% per annum, a 2.25% setup fee, and a 3.00% line fee. The facility limit was voluntarily reduced to \$0.5 million during the period.

³ During a prior period FBR entered into a revolving R&D tax loan facility with FC Capital, in place until 31 December 2024. The facility allows FBR to draw down on a monthly basis as needed, up to 90% of its presently earned R&D tax incentive rebates or \$4.3 million, whichever is lower at the time. The facility carries a one off 1.5% establishment fee and a 3.0% line fee per annum and placed a General Security Agreement over FBR Ltd and Fastbrick Engineering Pty Ltd.

22. Borrowings (continued)

It had an interest rate of 9.15% per annum plus the published one month bid rate for the Australian Bank Bill Swap Reference Rate (BBSW) until March 2024 and then an interest rate of 8.15% per annum plus BBSW.

⁴ During a prior period FBR entered into a Lease Finance Facility with FC Capital to provide asset finance for FBR's two existing Hadrian X[®] construction robots at \$1.15 million per Hadrian X[®]. The finance facility has a three-year term and a 40% balloon payment at the end of the term, with a 2.0% establishment fee and an interest rate of 12.0% per annum (until 31 August 2023) and 15.0% per annum thereafter. The facility placed a General Security Agreement over FBR Ltd and Fastbrick Engineering Pty Ltd.

23. Share capital

Ordinary shares

	30 June 2024		30 June 2023	
	\$	No.	\$	No.
Ordinary shares, fully paid	168,411,855	4,441,949,977	148,845,254	3,668,898,314

Movement in ordinary shares on issue

<i>Movement in ordinary shares on issue</i>	\$	No.
Shares on issue at 1 July 2023	148,845,254	3,668,898,314
Capital raising		
16 October 2023 Placement (at \$0.025 per share)	6,200,000	248,000,000
29 January 2024 Placement (at \$0.027 per share)	12,592,035	466,371,663
Capital Raising Costs	(1,442,914)	-
Performance rights converted (19 July 2023)	1,394,680	23,080,000
Performance rights converted (27 July 2023)	666,138	28,962,500
Performance rights converted (24 October 2023)	137,712	5,987,500
Performance rights converted (12 May 2024)	3,450	150,000
Performance rights converted (24 June 2024)	15,500	500,000
Shares on issue at 30 June 2024	168,411,855	4,441,949,977

On 19 July 2023, the company completed the issue of 23,080,000 fully paid ordinary shares upon the exercise of unquoted performance rights that vested on achievement of performance milestones in accordance with the company's Employee Securities Incentive Plan.

On 27 July 2023, the company completed the issue of 28,962,500 fully paid ordinary shares upon the exercise of unquoted performance rights that vested on achievement of performance milestones in accordance with the company's Employee Securities Incentive Plan.

On 16 October 2023, the company completed the issue of 248,000,000 fully paid ordinary shares to new and existing institutional, sophisticated and strategic investors.

23. Share capital (continued)

On 24 October 2023, the company completed the issue of 5,987,500 fully paid ordinary shares upon the exercise of unquoted performance rights that vested on achievement of performance milestones in accordance with the company's Employee Securities Incentive Plan.

On 29 January 2024, the company completed the issue of 466,371,663 fully paid ordinary shares to new and existing institutional, sophisticated and strategic investors.

On 12 May 2024, the company completed the issue of 150,000 fully paid ordinary shares upon the exercise of unquoted performance rights that vested on achievement of performance milestones in accordance with the company's Employee Securities Incentive Plan.

On 24 June 2024, the company completed the issue of 500,000 fully paid ordinary shares upon the exercise of unquoted performance rights that vested on achievement of performance milestones in accordance with the company's Employee Securities Incentive Plan.

Loan Funded shares

On 28 December 2023, the incentive loan period for 25,000,000 of the long term loan funded shares related to each Executive Director expired. These shares were previously issued to FBR's Executive Directors, Michael Pivac and Mark Pivac, in 2020 as loan funded shares. The shares were subsequently sold by the Company to a third party investor shortly after balance date. The executive directors did not receive any proceeds or benefit from the sale.

On 28 December 2022, the Company issued a total of 100,000,000 new Loan Funded incentive shares as a director loan to the Executive Directors following approval by the shareholders at the Annual General Meeting on 28 November 2022 (refer Note 29).

The following table illustrates the outstanding loan funded shares granted, repaid and forfeited during the year.

	30 June 2024	30 June 2023
	Number	Number
Outstanding at 1 July	150,000,000	100,000,000
Granted during the year	-	100,000,000
Expired during the year	-	(50,000,000)
Loan Funded Shares at 30 June	150,000,000	150,000,000

Loan funded shares do not have a par value and for all intents and purposes are identical to ordinary shares. Loan funded shares are eligible to receive dividends and repayment of capital. Loan funded shares are entitled to vote at the shareholders' meeting of FBR.

Subsequent to the year end, on 17 July 2024, 50,000,000 loan funded shares were sold to an institutional investor. Full proceeds of the sale of these shares went directly and solely to FBR in part repayment of the outstanding loans. The balance of the outstanding non cash loans was forgiven under the terms of the loan funded share incentive plan.

24. Share based payments

Ordinary shares

There were no ordinary shares granted as consideration for services provided to the Company during the year.

Options

At the start of the period the Company had issued 56,000,000 unlisted incentive options to Key Management Personnel with an expiry date of 31 December 2023 and an exercise price of \$0.035. These options expired unexercised during the period and the Company issued 87,000,000 unlisted incentive options to Key Management Personnel with an expiry date of 31 December 2024 and an exercise price of \$0.026. No options were issued to directors during the period. There were no other options issued by the Company during the year. The following table illustrates the outstanding options granted, exercised and forfeited during the year.

	30 June 2024		30 June 2023	
	Number	Weighted average exercise price (cents)	Number	Weighted average exercise price (cents)
Outstanding at 1 July	56,000,000	3.5	-	-
Granted during the year	87,000,000	2.6	112,000,000	2.9
Converted during the year	-	-	(56,000,000)	2.3
Expired during the year	(56,000,000)	3.5	-	-
Forfeited during the year	-	-	-	-
Outstanding as at 30 June	87,000,000	2.6	56,000,000	3.5

Performance rights

There were 136,000,000 performance rights issued during the current year (2023: 167,250,000). The weighted average fair value of the performance rights granted during the current year is \$0.026 (2023: \$0.033). Performance rights do not have a par value. Performance rights are not eligible to receive dividends or repayment of capital. Performance rights are not entitled to vote at the shareholders' meeting of FBR. The following table illustrates the outstanding performance rights granted, exercised and forfeited during the year.

	30 June 2024	30 June 2023
	Number	Number
Outstanding at 1 July	173,645,000	51,498,200
Granted during the year	136,000,000	167,250,000
Converted during the year	(58,680,000)	(27,668,200)
Expired during the year	(10,090,000)	(14,625,000)
Forfeited during the year	(5,375,000)	(2,810,000)
Performance rights at 30 June	235,500,000	173,645,000

24. Share based payments (continued)

On 12 January 2024, the Company issued 58,500,000 unlisted performance rights to the employees of FBR. These performance rights have no escrow period and are split in the following classes:

i. 29,250,000 Performance Rights Class A (still on issue)

Vesting conditions for 7,312,500 Performance Rights of Class A; The Company has completed the walls of a standard house in a residential construction market within a single 24 hour total elapsed period by 30 September 2024.

Vesting conditions for 7,312,500 Performance Rights of Class A; By 30 September 2024, the Company has received binding purchase orders for its products and services with a cumulative total value of \$15million AUD, or otherwise will pro-rated proportional to the cumulative total value of the binding purchase orders

Vesting conditions for 7,312,500 Performance Rights of Class A; The Company has completed the walls of five house structures in the United States, each taking less than one day to build with FBR's robotic construction technology, by 30 September 2024. The Performance rights to which this Performance Condition relates will be vest upon completion of the fifth house structure in less than one day each, or otherwise will be pro-rated proportional to the number of houses completed in less than one day if less than five house structures have been completed by the end of the Performance Period.

Vesting conditions for 7,312,500 Performance Rights of Class A; The Company has completed the mechanical assembly of a US-spec Hadrian X robot by 30 September 2024. This Performance Condition will be deemed to be satisfied as soon as the US-spec Hadrian X is mechanically assembled.

All Class A Performance Rights have a milestone date on or before 30 September 2024 and an expiry date of 31 July 2025. If unconverted, Class A Performance Rights expire on the expiry date.

ii. 29,250,000 Performance Rights Class B (still on issue)

Vesting condition for Class B; Performance review results based on successful completion of employee individual performance goals.

All Class B Performance Rights have a milestone date of 30 September 2024 and an expiry date of 31 July 2025. If unconverted, Class B Performance Rights expire on the expiry date.

The fair value of these 58,500,000 performance rights granted during the year, assuming that 100% of the performance rights would vest, was \$1,696,500 of which \$1,103,048 was expensed during the period.

On 28 May 2024, the Company issued 76,000,000 unlisted performance rights to the KMP and employees of FBR. These performance rights have no escrow period and are split in the following classes:

i. 38,000,000 Performance Rights Class A (still on issue)

24. Share based payments (continued)

Vesting conditions for Performance Rights Class A; The Company has received binding purchase orders for its products and services with a cumulative total value of \$30 million AUD.

All Class A Performance Rights have a milestone date of 30 June 2025 and an expiry date of 31 July 2026. If unconverted, Class A Performance Rights expire on the expiry date.

ii. 38,000,000 Performance Rights Class B (still on issue)

Vesting condition for Class B; Performance review results based on successful completion of employee individual performance goals.

All Class B Performance Rights have a milestone date of 30 June 2025 and an expiry date of 31 July 2026. If unconverted, Class B Performance Rights expire on the expiry date.

The fair value of these 76,000,000 performance rights granted during the year, assuming that 100% of the performance rights will vest at 30 June 2025, was \$1,748,000 of which \$203,157 was expensed during the period.

On 28 May 2024, the Company issued 1,500,000 unlisted performance rights to the employees of FBR. These performance rights have no escrow period and are split in the following classes:

i. 750,000 Performance Rights Class A (still on issue)

Vesting conditions for 187,500 Performance Rights of Class A; The Company has completed the walls of a standard house in a residential construction market within a single 24 hour total elapsed period by 30 September 2024.

Vesting conditions for 187,500 Performance Rights of Class A; By 30 September 2024, the Company has received binding purchase orders for its products and services with a cumulative total value of \$15million AUD, or otherwise will pro-rated proportional to the cumulative total value of the binding purchase orders

Vesting conditions for 187,500 Performance Rights of Class A; The Company has completed the walls of five house structures in the United States, each taking less than one day to build with FBR's robotic construction technology, by 30 September 2024. The Performance rights to which this Performance Condition relates will be vest upon completion of the fifth house structure in less than one day each, or otherwise will be pro-rated proportional to the number of houses completed in less than one day if less than five house structures have been completed by the end of the Performance Period.

Vesting conditions for 187,500 Performance Rights of Class A; The Company has completed the mechanical assembly of a US-spec Hadrian X robot by 30 September 2024. This Performance Condition will be deemed to be satisfied as soon as the US-spec Hadrian X is mechanically assembled.

All Class A Performance Rights have a milestone date on or before 30 September 2024 and an expiry date of 31 July 2025. If unconverted, Class A Performance Rights expire on the expiry date.

24. Share based payments (continued)

ii. 750,000 Performance Rights Class B (still on issue)

Vesting condition for Class B; Performance review results based on successful completion of employee individual performance goals.

All Class B Performance Rights have a milestone date of 30 September 2024 and an expiry date of 31 July 2025. If unconverted, Class B Performance Rights expire on the expiry date.

The fair value of these 1,500,000 performance rights granted during the year, assuming that 100% of the performance rights would vest, was \$34,500 of which \$1,165 was expensed during the period.

In the prior year on 25 July 2022, the Company issued 52,750,000 unlisted performance rights to the employees of FBR. These performance rights have no escrow period and are split in the following classes:

iii. 26,375,000 Performance Rights Class A (since either cancelled or forfeited)

Vesting conditions for 5,275,000 Performance Rights of Class A; The Company has completed mechanical assembly of the first Hadrian 110 before 30 September 2022.

Vesting conditions for 5,275,000 Performance Rights of Class A; The Company has completed the commissioning of the first Hadrian 110 and demonstrated a lay rate of 360 blocks per hour before 31 March 2023.

Vesting conditions for 5,275,000 Performance Rights of Class A; The Company has completed mechanical assembly of the second Hadrian 110 before 30 April 2023.

Vesting conditions for 5,275,000 Performance Rights of Class A; The Company has completed the commissioning of second Hadrian 110 and demonstrated a lay rate of 360 blocks per hour before 30 June 2023.

Vesting conditions for 5,275,000 Performance Rights of Class A; The Company has demonstrated a Hadrian 110 lay rate of 500 blocks per hour before 30 June 2023.

All Class A Performance Rights have a milestone date on or before 30 June 2023 and an expiry date of 31 July 2024. If unconverted, Class A Performance Rights expire on the expiry date.

iv. 26,375,000 Performance Rights Class B (since either converted to ordinary shares or vested, cancelled or forfeited)

Vesting condition for Class B; Performance review results based on successful completion of employee individual performance goals.

All Class B Performance Rights have a milestone date of 30 June 2023 and an expiry date of 31 July 2024. If unconverted, Class B Performance Rights expire on the expiry date.

The fair value of these 52,750,000 performance rights granted during the prior year, assuming that 100% of the performance rights would vest, was \$1,250,650 of which 100% was expensed during the prior period.

24. Share based payments (continued)

In the prior year, on 22 December 2022, the Company issued 104,000,000 unlisted performance rights to the KMP and employees of FBR. These performance rights have no escrow period and are split in the following classes:

- iii. 52,000,000 Performance Rights Class C (predominantly on issue)

Vesting conditions for Performance Rights Class C; The Company has received binding purchase orders for its products and services with a cumulative total value of \$30 million AUD.

All Class C Performance Rights have a milestone date of 30 June 2025 and an expiry date of 31 July 2026. If unconverted, Class C Performance Rights expire on the expiry date.

- iv. 52,000,000 Performance Rights Class D (predominantly on issue)

Vesting condition for Class D; Performance review results based on successful completion of employee individual performance goals.

All Class D Performance Rights have a milestone date of 30 June 2025 and an expiry date of 31 July 2026. If unconverted, Class D Performance Rights expire on the expiry date.

The fair value of these 104,000,000 performance rights granted during the prior year, assuming that 100% of the performance rights will vest at 30 June 2025, was \$3,952,000 of which \$1,548,642 was expensed during the period.

In the prior year on 22 December 2022, the Company issued 10,500,000 unlisted performance rights to employees of FBR. These performance rights have no escrow period and are in the following class:

- v. 10,500,000 Performance Rights Class B (since either converted to ordinary shares or vested, cancelled or forfeited)

Vesting condition for Class B; Performance review results based on successful completion of employee individual performance goals.

All Class B Performance Rights have a milestone date of 30 June 2023 and an expiry date of 31 July 2024. If unconverted, Class B Performance Rights expire on the expiry date.

The fair value of these 10,500,000 performance rights granted during the prior year, assuming that 100% of the performance rights will vest at 30 June 2023, was \$399,000 of which 100% was expensed during the prior period.

25. Reserves

	30 June 2024	30 June 2023
	\$	\$
Share option reserve	3,232,890	2,266,019
Performance right reserve	3,621,285	3,536,801
	6,854,175	5,802,820

Share option reserve comprises the expense of vested option share-based payments. The reconciliation is set out as follows:

	30 June 2024	30 June 2023
	\$	\$
<i>Movement in option reserve</i>		
Opening at 1 July	2,266,019	1,497,925
Options converted to shares during the year	-	(343,740)
Options and loan funded shares issued	1,655,792	2,261,834
Options and loan funded shares expired	-	(1,150,000)
Options and loan funded shares lapsed or passed up	(697,626)	-
Options and loan funded shares extended during the period	8,705	-
Closing at 30 June	3,232,890	2,266,019

Performance rights reserve comprises the expense of vested performance right share-based payments. The reconciliation is set out as follows:

	30 June 2024	30 June 2023
	\$	\$
<i>Movement in performance right reserve</i>		
Opening at 1 July	3,536,801	1,998,671
Performance rights converted to shares during the year	(2,217,480)	(1,079,060)
Performance rights issued during the year	3,018,515	3,013,090
Performance rights expired during the period	(95,000)	(317,622)
Performance rights forfeited during the period	(94,925)	(78,278)
Performance rights lapsed during the period	(526,626)	-
Closing at 30 June	3,621,285	3,536,801

26. Earnings per share

Both the basic and diluted earnings per share have been calculated using the profit attributable to shareholders of the legal parent company (FBR Ltd) as the numerator, i.e. no adjustments to profits were necessary during the twelve (12) months period to 30 June 2024 and 30 June 2023.

The weighted average number of shares for the purposes of the calculation of diluted earnings per share can be reconciled to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	30 June 2024	30 June 2023
Weighted average number of shares used in basic earnings per share	4,096,245,273	3,271,929,561
Shares deemed to be issued for no consideration in respect of share-based payments	-	-
Weighted average number of shares used in diluted earnings per share	4,096,245,273	3,271,929,561

27. Reconciliation of cash flows from operating activities

Reconciliation of cash flows from operating activities:

	30 June 2024 \$	30 June 2023 \$
Cash flows from operating activities		
Loss for the period after income tax expense	(27,773,437)	(22,886,197)
Adjustments for:		
• depreciation, amortisation and impairment	6,341,537	5,192,691
• share-based payments	4,683,011	5,274,924
• Onerous contracts	377,062	1,226,443
• interest receivable	(40,419)	(42,484)
• grants income receivable	(73,200)	(73,200)
• R&D tax incentive income portion receivable	(5,211,506)	(8,645,963)
Net changes in working capital:		
• change in trade and other receivables	4,854,119	3,897,479
• change in other assets	(2,426,480)	165,640
• change in trade and other payables	(2,356,425)	(941,383)
Net cash from operating activities	(21,625,738)	(16,832,050)

28. Auditor remuneration

	30 June 2024	30 June 2023
	\$	\$
Audit services remuneration paid to Grant Thornton Audit Pty Ltd, the auditor of the Group:		
Audit and review of financial statements	137,000	154,000
Remuneration for audit and review of financial statements	137,000	154,000

There were no non-audit services provided during the period by the Auditor.

29. Related party transactions

The Group's related parties include its Key Management Personnel.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

The consolidated financial statements include the financial statements of FBR Ltd, and the entities listed in the following table. Equity interest is directly held by FBR Ltd.

	Country of incorporation	% Equity interest	
		June 2024	June 2023
Fastbrick IP Pty Ltd	Australia	100%	100%
Fastbrick Engineering Pty Ltd	Australia	100%	100%
The Architectural Designer Pty Ltd	Australia	100%	100%
Fastbrick Operations Pty Ltd	Australia	100%	100%
Fastbrick Americas LLC	USA	100%	100%
Fastbrick Americas Holdings LLC	USA	100%	100%
Fastbrick Americas Engineering LLC	USA	100%	N/A

Key Management Personnel remuneration

Key Management Personnel of the Group are the members of FBR's Board of Directors and members of the Executive Team. Key Management Personnel remuneration includes the following expenses:

	Consolidated	
	30 June 2024	30 June 2023
	\$	\$
Short-term employee benefits	2,183,567	2,035,199
Post-employment benefits	212,766	171,353
Long-term benefits	111,052	85,239
Share based payments – Short Term Incentive	1,134,270	1,637,463
Share based payments – Long Term Incentive	988,322	1,106,269
	4,629,977	5,035,523

29. Related party transactions (continued)

Agreements with Directors or Related Parties

Director Loan Agreement

During prior periods the Company paid \$190,000 as an unsecured interest-bearing loan to Mark Pivac in relation to tax payments relating to Performance Rights issued under the Company's Performance Rights Plan. The amount (plus \$114,271 interest) remains outstanding at 30 June 2024. The loan has a maturity date of 31 December 2024 and an interest rate at the higher of 4.52% per annum and the highest rate of interest payable by the Company to any debt financier of the Company at the relevant time.

Loan Funded Shares

During a prior year, on 24 December 2020, the Company issued 50,000,000 Loan Funded incentive shares to the Executive Directors following approval by the shareholders at the Annual General Meeting on 26 November 2020. The Loan Funded incentive shares were provided under a limited recourse, interest free loan.

The incentive loan period in respect of 50,000,000 Loan Funded incentive shares expired on 24-December 2023 and the shares were sold by the Company to a third party investor after balance date. The executive directors did not receive any proceeds or benefit from the sale.

During a prior year, on 28 December 2022, the Company issued a total of 100,000,000 Loan Funded incentive shares to the Executive Directors following approval by the shareholders at the Annual General Meeting on 28 November 2022. The Loan Funded incentive shares were provided under a limited recourse, interest free loan. For each Executive Director, half of the loan, which pertains to 25,000,000 shares is repayable within 12 months and half of the loan, which pertains to the other 25,000,000 shares is repayable within 36 months.

At the Company's Annual General Meeting on 28 November 2023, the Company extended the term by 12 months of a total of 50,000,000 of the fully paid ordinary shares issued as loan funded shares to the two Executive Directors.

Guarantees

There have been no guarantees provided or received for any related parties.

30. Contingent liabilities

At the reporting date the Group had no material contingent liabilities (2023: nil).

31. Financial instrument risk

A. Risk management objectives and policies

The Group is exposed to various risks in relation to financial instruments. The Group's financial assets and liabilities are summarised by category in Note 15. The main types of risks are market risk, credit risk and liquidity risk.

31. Financial Instrument Risk (continued)

The Group's risk management is coordinated at its headquarters, in close cooperation with the Board of Directors, and focuses on actively securing the Group's short to medium-term cash flows by minimising the exposure to financial markets. Long-term financial investments are managed to generate lasting returns.

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed are described below.

Market risk analysis

The Group is exposed to market risk, specifically interest rate risk, through the investment of excess working capital into the short term money market.

Interest rate sensitivity

The consolidated entity's only exposure to interest rate risk is in relation to deposits held. Deposits are held with reputable banking financial institutions.

	30 June 2024		30 June 2023	
	Weighted average interest rate	Balance	Weighted average interest rate	Balance
	%	\$	%	\$
Cash at bank	1.37%	3,742,280	0.80%	12,397,405
Cash on deposit	3.51%	1,030,792	2.48%	1,005,000
		4,773,072		13,402,405

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/- 0.5% (2023: +/- 0.5%). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

	Profit for the year		Equity	
	\$	\$	\$	\$
	0.50%	-0.50%	0.50%	-0.50%
<u>Cash at bank</u>				
30-Jun-24	18,711	(18,711)	18,711	(18,711)
30-Jun-23	61,987	(61,987)	61,987	(61,987)
<u>Cash on deposit</u>				
30-Jun-24	5,154	(5,154)	5,154	(5,154)
30-Jun-23	5,025	(5,025)	5,025	(5,025)

31. Financial Instrument Risk (continued)

Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to this risk for various financial instruments, for example by granting loans and receivables to customers, placing deposits, investment in bonds etc. The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

	30 June 2024	30 June 2023
	\$	\$
Classes of financial assets		
Carrying amounts:		
• Cash and cash equivalents	3,742,280	13,402,405
• Trade and other receivables	392,087	420,382
	4,134,367	13,822,787

The Group continuously monitors defaults of counterparties, identified either individually or by Group and incorporates this information into its credit risk controls. The Group's policy is to deal only with creditworthy counterparties.

The Group's management considers that all of the above financial assets that are not impaired or past due for each of the 30 June reporting dates under review are of good credit quality.

Trade and other receivables consist of Grants and Interest Receivable, Director Loans and Trade Debtors. Based on historical information about customer default rates management consider the credit quality of trade receivables that are not past due or impaired to be good.

The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Liquidity risk analysis

Liquidity risk is the risk that the Group might be unable to meet its obligations. The Group manages its liquidity needs by monitoring forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30 day projection. Long-term liquidity needs for a 180 day and a 360 day lookout period are identified monthly. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

The Group's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30 day periods at a minimum. This objective was met for the reporting periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

31. Financial Instrument Risk (continued)

The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. The Group's existing cash resources and trade receivables (see Statement of Financial Position) exceed the current cash outflow requirements. Cash flows from other receivables are all due within six (6) months.

As at 30 June 2024, the Group's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

	Current		Non-current	
	Within 6 months	6 - 12 months	1 - 5 years	5+ years
	\$	\$	\$	\$
30 June 2024				
Trade and other payables	3,483,268	-	-	-
Lease liabilities	666,771	666,771	311,600	-
Chattel mortgage equipment loan facility	102,990	102,990	291,805	-
Construction loan facility	534,506	-	-	-
Hadrian lease finance facility	350,998	1,153,992	-	-
Research & development tax refund loan	4,346,418	-	-	-
Total	9,484,951	1,923,753	603,405	-

This compares to the maturity of the Group's non-derivative financial liabilities in the previous reporting periods as follows:

	Current		Non-current	
	Within 6 months	6 - 12 months	1 - 5 years	5+ years
	\$	\$	\$	\$
30 June 2023				
Trade and other payables	2,953,631	-	-	-
Lease liabilities	750,725	750,725	893,590	-
Chattel mortgage equipment loan facility	102,990	102,990	497,785	-
Construction loan facility	44,643	598,531	-	-
Hadrian lease finance facility	330,215	330,215	1,470,358	-
Research & development tax refund loan	4,102,423	-	-	-
Total	8,284,627	1,782,461	2,861,733	-

The above amounts reflect the contractual undiscounted cash flows, which may differ to the carrying values of the liabilities at the reporting date.

32. Fair value measurement

Fair value measurement of financial instruments

The Directors have performed a review of the financial assets and liabilities as at 30 June 2024 and have concluded that the fair value of those assets and liabilities are not materially different to book values. The methods and assumptions used to estimate the fair value of financial instruments were:

- Cash - The carrying amount is fair value due to the liquid nature of these assets.
- Receivables/payables - Due to the short-term nature of these financial rights and obligations, their carrying values are estimated to represent their fair values and equals the amount to be settled by the contracting party.

33. Restatement of prior year balances

During the year ended 30 June 2024, the Group identified an error in the accounting treatment of the R&D tax incentive refund in prior reporting periods. The refund was not being matched to the expenditure incurred to generate the refund which was a non-compliance with the accounting standards. The error resulted in a material overstatement of capitalised development costs and property, plant and equipment at 30 June 2022 and 30 June 2023 and a corresponding overstatement of retained earnings and profit after tax for these periods. The error has been corrected by restating each of the affected financial statement line items for the prior periods as follows:

Statement of Financial Position	30 June 2023 as reported	Increase/ (decrease)	30 June 2023 (restated)	30 June 2022 as reported	Increase/ (decrease)	1 July 2022 (Restated)
Capitalised development costs	44,544,728	(569,486)	43,975,242	46,394,525	(667,272)	45,727,253
Property plant & equipment	15,092,258	(4,155,723)	10,936,535	4,961,409	(291,571)	4,669,838
Net Assets	71,508,596	(4,725,209)	66,783,387	58,265,402	(958,842)	57,306,560
Retained Earnings	(83,139,478)	(4,725,209)	(87,864,687)	(61,799,181)	(958,843)	(62,758,204)
Total Equity	71,508,596	(4,725,209)	66,783,387	58,265,402	(958,842)	57,306,559

Statement of Financial Performance	30 June 2023 as reported	Increase/ (decrease)	30 June 2023 (restated)
For the year ended 30 June 2023			
Amortisation of development costs	(3,163,551)	245,526	(2,918,025)
R&D tax incentive	8,645,963	(4,011,892)	4,634,071
Total comprehensive loss for the period	(22,886,197)	(3,766,365)	(26,652,562)
Basic loss per share in cents per share	0.70	0.11	0.81
Diluted loss per share in cents per share	0.70	0.11	0.81

34. Events after the reporting date

15 July 2024 – The Company issued 12,000,000 fully paid ordinary shares upon exercise of unquoted employee options that vested in accordance with the Company's Employee Securities Incentive Plan.

17 July 2024 – 50,000,000 fully paid ordinary shares previously issued as loan funded shares were sold to an institutional investor at a price of \$0.041 per share to raise a total of \$2.05 million for FBR. The incentive loan period in respect of which the loan-funded shares were issued expired during the year. Full proceeds of the sale of these shares went directly and solely to FBR in part repayment of the outstanding loans. The balance of the outstanding non cash loans was forgiven under the terms of the loan funded share incentive plan.

22 July 2024 – The Company issued 8,000,000 fully paid ordinary shares upon exercise of unquoted employee options that vested in accordance with the Company's Employee Securities Incentive Plan.

7 August 2024 – The Company sold a block of residential land (classified as Inventory) for \$436,000 and applied the proceeds, net of taxes and selling costs, to repayment of the Construction Loan Facility. The balance of the Construction Loan Facility was repaid in September.

9 August 2024 – The Company issued 328,947,368 fully paid ordinary shares to new and existing institutional, sophisticated and strategic investors at an issue price of \$0.038 per share to raise a total of \$12.5 million before costs.

14 August 2024 – The Company received confirmation from CRH Ventures that the first next-generation Hadrian X® has successfully met their requirements and has completed Site Acceptance Testing at the Fort Myers facility in Florida, United States. An independent structural engineer provided confirmation that the walls of the test build were consistent with the design and met applicable building standards. Completion of Site Acceptance Testing triggered a US\$600,000 payment by CRH Ventures to FBR.

10 September 2024 – The Company completed the walls of the first home in its US Demonstration program with CRH Ventures, with the walls certified as compliant with the design and building code in Florida.

Other than the events described above there are no other adjusting or significant non-adjusting events that have occurred between reporting date and the date of authorisation.

35. Parent entity information

The following information relates to the legal parent entity of the Company, being FBR Ltd ('the Parent Entity'). The information presented has been prepared using consistent accounting policies as presented in Note 5.

	30 June 2024 \$	30 June 2023 \$
Statement of financial position		
Current assets	2,362,843	11,202,842
Non-current assets	30,109	34,410
Total assets	2,392,951	11,237,252
Current liabilities	4,640,646	4,453,646
Non-current liabilities	-	-
Total liabilities	4,640,646	4,453,646
Net assets	(2,247,695)	6,783,606
Issued capital	190,998,719	171,432,118
Reserves	6,854,175	5,802,820
Retained losses	(200,100,588)	(170,451,332)
Total equity	(2,247,695)	6,783,606
Statement of profit or loss and other comprehensive income:		
Loss for the year	29,649,257	33,763,958
Other comprehensive income	-	-
Total comprehensive income	29,649,257	33,763,958

The Parent Entity has no capital commitments (2023: Nil).

The Parent Entity has not entered into a Deed of Cross Guarantee nor are there any contingent liabilities at the year end.

Consolidated Entity Disclosure Statement

Basis of preparation: The consolidated entity disclosure statement (CEDS) has been prepared in accordance with subsection 295(3A)(a) of the Corporations Act 2001. The entities listed in the statement are FBR Ltd and all the entities it controls in accordance with AASB 10 Consolidated Financial Statements.

Name of Entity	Type of Entity	Trustee, partner or participant in JV	% of share capital held	Country of incorporation	Australian resident or foreign resident (for tax purposes)	Foreign tax jurisdiction(s) of foreign residents
FBR Ltd	Company	n/a	n/a	Australia	Australian	n/a
Fastbrick Operations Pty Ltd	Company	n/a	100%	Australia	Australian	n/a
Fastbrick Engineering Pty Ltd	Company	n/a	100%	Australia	Australian	n/a
Fastbrick IP Pty Ltd	Company	n/a	100%	Australia	Australian	n/a
The Architectural Designer Pty Ltd	Company	n/a	100%	Australia	Australian	n/a
Fastbrick Americas LLC	LLC	n/a	100%	USA	Foreign	USA
Fastbrick Americas Operations LLC	LLC	n/a	100%	USA	Foreign	n/a ¹
Fastbrick Americas Engineering LLC	LLC	n/a	100%	USA	Foreign	n/a ¹

¹ This entity is treated as a disregarded entity for US federal tax purposes and therefore cannot be characterised as tax resident in the US in its own right. However, it is 100% owned by Fastbrick Americas LLC, who reports the income and deductions of the LLC and pays tax on that income in its US federal returns.

Directors' Declaration

- 1 In the opinion of the Directors of FBR Ltd:
 - a. The consolidated financial statements and notes of the Group are in accordance with the Corporations Act 2001, including:
 - i. Giving a true and fair view of its financial position as at 30 June 2024, and of its performance for the financial year ended on that date; and
 - ii. Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
 - b. There are reasonable grounds to believe that FBR Ltd will be able to pay its debts as and when they become due and payable.
- 2 The consolidated entity disclosure statement is true and correct.
- 3 The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer equivalent for the financial year ended 30 June 2024.
- 3 Note 2 confirms that the consolidated financial statements also comply with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors



Michael Pivac

MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER - GLOBAL

Dated the 23rd day of September 2024

Independent Auditor's Report

To the Members of FBR Ltd

Report on the audit of the financial report

Opinion

We have audited the financial report of FBR Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 3 in the financial statements, which indicates that the Group incurred a net loss of \$27,773,437 during the year ended 30 June 2024, and as of that date, the Group's net cash outflows from operating and investing activities totalled \$25,359,922. As stated in Note 3, these events or conditions, along with other matters as set forth in Note 3, indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Research and Development Incentive (Note 13)	
<p>Under the research and development (R&D) tax incentive scheme, the Group receives a 43.5% refundable tax offset of eligible expenditure if its turnover is less than \$20 million per annum, provided it is not controlled by income tax exempt entities.</p> <p>A R&D plan is filed with AusIndustry in the following financial year and based on this filing, the Group receives the incentive in cash. Management performed a detailed review of the Group's total R&D expenditure to estimate the refundable tax offset receivable under the R&D tax incentive legislation. As at 30 June 2024, a receivable of \$5,924,855 has been recorded.</p> <p>This area is a key audit matter due to the size of the receivable and the degree of judgement and interpretation of the R&D tax legislation required by management to assess the eligibility of the R&D expenditure under the scheme.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none">• obtaining a detailed understanding of the underlying processes for claiming the R&D rebate through discussion with relevant individuals across the organisation and review of relevant documentation;• assessing the work performed by management's expert, including the expert's competence, capability and objectivity;• engaging our internal auditor's expert to assist in reviewing the reasonableness of the eligibility of expenditure and the calculation;• testing a sample of R&D expenditure within the computation to underlying supporting documentation;• comparing the eligible expenditure used in the receivable calculation to the expenditure recorded in the general ledger;• inspecting copies of relevant correspondence with AusIndustry and the ATO related historic claims; and• assessing the appropriateness of financial statement disclosures.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for the preparation of:

- a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 (other than the consolidated entity disclosure statement); and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 14 to 26 of the Directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of FBR Ltd, for the year ended 30 June 2024 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



L A Stella
Partner – Audit & Assurance
Perth, 23 September 2024