Annual Report 2019

FBR Limited (ASX:FBR)
ABN 58 090 000 276

+61 8 9380 0240 | www.fbr.com.au
investor@fbr.com.au | media@fbr.com.au

Registered Office
122 Sultana Road West
High Wycombe
Western Australia 6057

PICTURE: THE NEW FBR FACILITY IN HIGH WYCOMBE WHICH ALLOWS US TO EXPAND OUR OPERATIONS AND FURTHER DEVELOP THE HADRIAN X

FBR Limited (ASX:FBR) 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™). FBR is commercialising products for the construction sector together with DST™-enabled solutions for other industries.

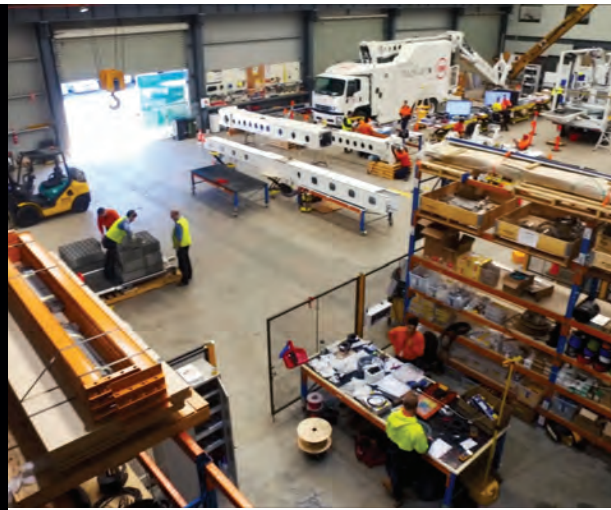
DST™ reacts to wind, vibration and other environmental factors instantly, enabling precise positioning over large distances outside.

DST™ delivers accuracy previously only achievable in controlled environments, paving the way for robotic construction and automation outdoors.

The Company's first application of DST™ is the Hadrian X®, a revolutionary bricklaying robot capable of building the walls of a house in as little as one day.

FBR is continuing to develop exciting new technologies for robotic automation outdoors.

A year **in review**



Global Partnership Agreement with **Wienerberger AG**

First full home structure built with **Hadrian X®** indoors in under three days

Assembly of the **Hadrian X®** completed

Wall as a Service® commercial model unveiled

First outdoor structure completed using the **Hadrian X®**

First **Wall as a Service®** operating entity, **Fastbrick Australia**, established in joint venture with **Brickworks**

$17 million capital raise completed

New premises secured for testing and commissioning of **FBR's** technologies

Implemented a suite of improvements to accuracy and speed of **Hadrian X®**

New blocks developed and tested with **Brickworks**

New corporate structure implemented; **Global Commercialisation Team** established

Fastbrick Australia commenced **Building Pilot Program** with **Archistruct,** furthering the **Memorandum of Understanding** and representing first revenue for **Fastbrick Australia**

FBR commenced **Building Pilot Program** with **GP Vivienda,** furthering the **Strategic Collaboration Agreement**

Commissioned second **Hadrian X®**

Gold **Edison Award** winner for the **Hadrian X®**

Mike and **Mark Pivac** named joint winners in the Western Region Emerging Male category of the 2019 **EY Entrepreneur of the Year** award

Dear **Shareholders,**

L-R:
ANDREW BLOORE,
RICHARD GRELLMAN,
NANCY MILNE,
MIKE PIVAC, MARK PIVAC.

On behalf of the Board and management, it is our pleasure to present to you FBR's Annual Report for 2019.

FBR has taken great strides forward in the last 12 months, both in terms of product development and in the path to commercialising its world first technologies.

In November 2018, FBR's Hadrian X® commercial prototype built its first three-bedroom, two-bathroom home structure in under three days, achieving a significant prospectus milestone for FBR. This was followed by the first outdoor build a few months later in the peak of the Western Australian summer.

These operational milestones allowed us to showcase not only the impressive feats of the Hadrian X® to interested parties from all around the world, but also the world class team we have assembled at FBR. We have attracted such a wide array of talent from all corners of the globe, and every member of our team is determined to see FBR recognised as a world leader in robotic technology.

FBR has added even more talented people to the team over the last year, and as we expand our internal capability and bandwidth, we can start to accelerate some of the very promising projects we have in the pipeline.

FBR has now announced first revenues from the Hadrian X®, and our intention is to persist with our continuous improvement program in collaboration with customers to ensure that the Hadrian X® is a high performing and reliable technology for the construction industry.

We expect the next 12 months to be just as exciting as the last, and we thank you, our Shareholders, for your continued support as we make history by bringing outdoor robotic solutions to the market.

Yours faithfully,

Richard Grellman
Non-Executive Chairman

Dear **Shareholders,**

This year has been the most significant in FBR's journey to date. It started with successfully building our first houses with a Hadrian X® prototype, and culminated with FBR proudly announcing binding contracts for the first revenue generated by the Hadrian X®. We now have two fully functional Hadrian X® robots building walls, which is a sight to behold and is the result of a lot of hard work by everyone in the team for which we are very grateful.

FBR realigned its commercial strategy in late 2018 with a view to securing as much of the value of the Hadrian X® as possible. The Wall as a Service® commercial model was unveiled in December 2018, signifying a shift in FBR's commercial plans for the Hadrian X® away from machine sales and instead to the servitisation of the traditional business models of major brick and block manufacturers around the world.

In line with this shift in strategy, FBR announced in September 2018 it had entered into a Global Partnership Agreement with Wienerberger AG, the world's largest clay block manufacturer with over 170 production sites and a dominant position in the European market, giving the Company a clear market entry strategy for the Hadrian X in Europe. Wienerberger are a well-established market incumbent in Europe with a long and proud history of innovation.

We established a Global Commercialisation Team to allow a dedicated management team to focus on the significant international opportunities in front of FBR, both for our existing Hadrian X® technology and for new technology under development. As part of this restructure, Simon was appointed Chief Executive Officer – Australia, with responsibility for managing FBR's Australian operations, as the focus shifts from a purely R&D (Research and Development) environment into construction.

The Global Commercialisation Team has already succeeded in bringing a Building Pilot Program with GP Vivienda to fruition, furthering the Strategic Collaboration Agreement announced in June 2018. One of FBR's key drivers is that we believe everyone in the world has a fundamental right to a roof over their heads, and Mexico currently has a shortage of around 8.3 million affordable homes. We believe the Hadrian X® could play a part in solving that crisis.

We also established a joint venture operating entity called Fastbrick Australia with Brickworks Building Products, Australia's largest supplier of bricks and blocks. Fastbrick Australia was established to introduce the Wall as a Service® commercial offering to the Australian market via a joint venture with the largest market incumbent in the building materials space in Australia. We have worked with Brickworks to design and produce a block optimised for the Hadrian X®, which is currently being used by the Hadrian X® to complete Fastbrick Australia's recently announced Building Pilot Programs with prominent Western Australian builders Architruct Builders and Designers and Summit Homes.

Fastbrick Australia are conducting a series of builds on FBR premises in collaboration with these builders as part of the process of demonstrating the speed, accuracy, safety, quality, waste profile and reliability of the Hadrian X® construction robot in a low-risk environment, as well as the performance of the new Hadrian-optimised blocks developed and supplied by Brickworks.

We would like to extend our gratitude to our employees, contractors, customers, suppliers and commercial partners for their outstanding contributions to the FBR story, and to you, our Shareholders, for your continued support.

Yours faithfully,

Mike Pivac
Managing Director & Chief Executive Officer – Global

Simon Amos
Chief Executive Officer – Australia

FBR Board of Directors

Mike Pivac

MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER – GLOBAL

Mike Pivac 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 also owned and operated businesses in the retail, hospitality and transport sectors and has been key to developing FBR's technology, business plan and machine development strategy. He has forged relationships with investors, builders, product suppliers and future customers pivotal to bringing the Hadrian X to life.

Mark Pivac

EXECUTIVE DIRECTOR & CHIEF TECHNICAL OFFICER

Mark Pivac is the primary inventor of FBR's automated bricklaying technology. He is an aeronautical and mechanical engineer with over 25 years' experience working on the development of high technology equipment ranging from lightweight aircraft to heavy off-road equipment. He has 20 years' experience working with pro/engineer 3D CAD software as well as high-level mathematics, including matrix mathematics, robot transformations and vector mathematics for machine motion. Mark has also worked extensively with design, commissioning and fault finding on servo controlled motion systems achieving very high dynamic performance.

Nancy Milne OAM

NON-EXECUTIVE DIRECTOR

Nancy 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. Nancy is currently a Non-Executive Director of ALE Property Group Limited, Chair of the Securities Exchanges Guarantee Corporation and Deputy Chair of the State Insurance Regulatory Authority, and has significant experience in risk management, safety, compliance and property development. Nancy was previously a Director of Australand Property Group and Novion Property Group. In addition to her role as Non-Executive Director, Nancy is Chair of FBR'S Remuneration Committee.

Richard Grellman AM

NON-EXECUTIVE CHAIRMAN

Richard Grellman is a highly experienced leader and a member of the Order of Australia for service to the community and to the finance and insurance sectors. Richard is currently the Non-Executive Chairman of IPH Limited, Director and Chairman of the Audit Committee of Bisalloy Steel Group Limited and a Director of the National Health and Medical Research Council Institute for Dementia Research. Since 2014, Richard has served as the Tribunal of the NSW Statutory and Other Officers Remuneration Tribunal (SOORT), appointed by the Governor of NSW. He spent 32 years with accounting firm KPMG, where he was a partner from 1982 to 2000, a member of KPMG's National Board from 1995 to 1997 and National Executive from 1997 to 2000, and has since served on a number of other Boards of both listed and unlisted organisations

Andrew Bloore

NON-EXECUTIVE DIRECTOR

Andrew Bloore is highly experienced in design and delivery of disruptive technologies and distribution models. He has a strong strategy and profitability focus and has been involved in a number of corporate transactions across his career. Andrew has spent over 25 years in the superannuation sector and was the CEO and Founder of SuperIQ Pty Ltd, an automated online administrator of self management super funds. Andrew is currently the Chairman of Guildlink Ltd and is a director of Guild Group, Noahface Pty Ltd, the Sydney Institute of Marine Science Foundation and Vertical Farming Australia Pty Ltd. He also sits on the Commercialisation Board of Landcare NSW and is a Lead Mentor for Stone & Chalk, a fintech startup hub.

THE NEW FBR PREMISES IN HIGH WYCOMBE WERE OFFICIALLY OPENED BY HON. MARK MCGOWAN, PREMIER OF WESTERN AUSTRALIA

Executive Team

Simon Amos
CHIEF EXECUTIVE OFFICER – AUSTRALIA

Simon Amos has over 25 years of experience in the Building and Construction industry both locally in Australia and internationally. He is an experienced corporate executive who has predominantly worked in the Head Contracting environment and held senior management or director positions with companies such as John Holland Construction & Engineering, Leighton Contractors and Broad Group Holdings. Simon has a Masters Degree in Business Administration specialising in Information Systems, is a Corporate member of the Institute of Engineering and Technology, a corporate member of the Chartered Association of Building Engineers (UK), a Chartered Building Professional and a Fellow of the Australian Institute of Building. He is also a Registered Building Practitioner in Western Australia.

Mark Sheridan
CHIEF OPERATING OFFICER

Mark Sheridan has a wealth of experience in operations, engineering and new product and service development. Prior to joining FBR, he was a General Manager at Cleanaway Limited, an ASX top 100 company where he led the national infrastructure and major projects teams in delivering assets and services across Australia. He also worked as Holden's Director of Engineering Operations and Chief Engineer, where he led over 300 engineers in the execution, commercialisation and delivery of over 12 new products across various global markets. Mark has a Bachelor of Engineering with Honours from Coventry University and a Masters in Business Management from Warwick University.

David Richardson
CHIEF FINANCIAL OFFICER

David Richardson is a highly experienced Chief Financial Officer in both large multinational corporations and smaller private businesses, having served as CFO of Schaffer Corporation, Gindalbie Metals, Doric Group and, most recently, Enviropacific Services. David has a Bachelor of Science, Accounting from the University of South Africa (UNISA), a Post Graduate Diploma, Finance & Investment from the Financial Services Institute of Australasia, and has completed the Strategic Management Program at Macquarie Graduate School of Management.

Marcus Gracey
CHIEF CORPORATE DEVELOPMENT OFFICER

Marcus Gracey has a background in business and law across numerous industries and countries. He has held regional or global responsibilities in most of his roles and his experience spans a huge range of sectors, including technology transfer, IP protection and commercialisation, international patents, oil and gas, clean energy, gaming and wagering, consumer goods, action sports, fashion, media, defence and maritime. He has also worked in private practice as a commercial litigator. Marcus has a Bachelor of Economics, a Bachelor of Laws, a Master of Laws (Intellectual Property), an Executive Master of Business Administration (EMBA) and a Graduate Diploma in Company Secretarial Practice.

Jonathan Lawe Davies
GENERAL COUNSEL

Jonathan is a specialist IP lawyer for over 20 years. He has a rare combination of experience, including senior IP roles in top law firms in Australia and the UK, in-house counsel at a global corporate and board level roles of a commercial patent monetization business. He has managed numerous successful high value patent litigations in the US, Europe and Australia, international in-licensing and out-licensing projects, IP sales and acquisitions, and created bespoke holistic IP strategies across a broad range of hardware and software-based technologies.

Steve Pierz
CHIEF INNOVATION OFFICER

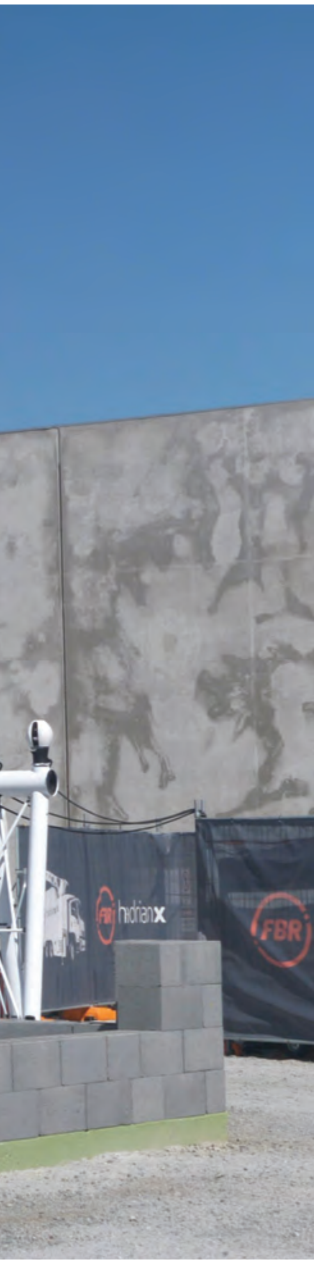
Steve Pierz is a passionate serial innovator with experience in engineering, product design and management. He was most recently the Strategy & Innovation Manager at Caterpillar Inc. in the United States, where he was responsible for leading Caterpillar's innovation activities across all areas of the business and driving an innovation culture. Steve is based in Peoria, Illinois, and has a Master of Business Administration, a Master of Science (Material Science), a Bachelor of Science (Engineering) and an Associate Degree in Science.

Hadrian X
operations update

FBR's Hadrian X® programme has been progressing well, **with significant improvements** made across the board since the first outdoor build completed in February.

Significantly, the second Hadrian X® prototype is now building structures, giving us the flexibility to experiment with hardware and software improvements while still maintaining construction operations for customers.

One of the Hadrian X®'s latest builds of a three-bedroom, two-bathroom full home structure consisted of 2,420 Hadrian-optimised blocks, with the entire build generating five and a half blocks worth of waste. This result has been achieved through a combination of planning with FBR's block optimisation software and the internal offcut storage bays in the Hadrian X® where blocks that have been cut using the internal saw are stored and used later in the build.



The Hadrian X® is demonstrating a significantly improved accuracy and machine reliability when compared to previous builds following pleasing progress in the ongoing continuous-improvement program. In one of our recent builds, the same CAD (Computer-Aided Design) data that was used by the Hadrian X® to build the structure was used by the supplier of the window and door frames, with the frames fabricated offsite and installed in the completed structure without needing to wait for the blockwork to be measured first. Our measurements of the latest structure indicate a high degree of accuracy that enables parallel manufacturing of other home finishing components that are currently made to measure after manual bricklaying. Parallel manufacture will significantly reduce the length of time it typically takes to complete a structure, which will ultimately benefit homebuyers.

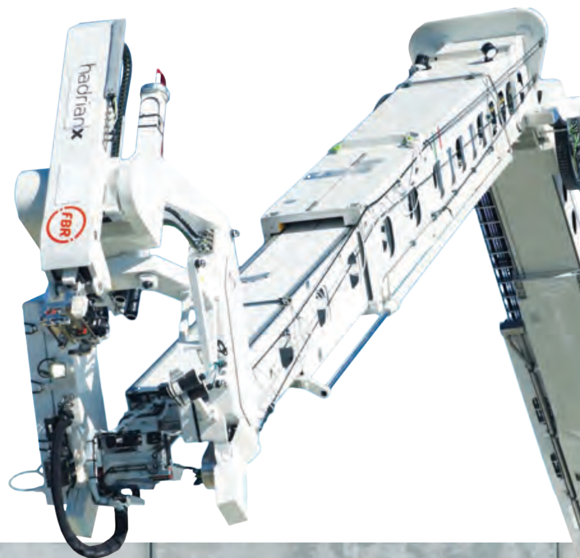
The time required to recalibrate the Hadrian X®'s vision system has been reduced from 12 hours to around 5 minutes, which is an important improvement as the Hadrian X® goes out into the field. The team has also been working on implementing automatic recalibration of DST™ to account for significant changes in temperature and environmental conditions throughout the day. This again will reduce recalibration time from hours to minutes, and drastically improves the viability of the Hadrian X® in more extreme environments prone to wildly varied conditions.

DST™ is a system which connects sensors and computers to the mechanical movement of the Hadrian X®. Our team has been working on refining this leading edge technology and making it work in the harsh construction environment. These systems are the core of our DST™ technology, enabling us to stabilise robotic end effectors on large construction robots that are subject to environmental disturbances such as wind and vibration.

The commercial case for a packaged DST™ system is very compelling, and new technology that FBR is creating has the potential to significantly reduce the cost of the system whilst increasing accuracy of the finished product. The use of DST™ may also find application outside of robotics in other fields requiring highly accurate object tracking.

The R&D team has also been working on technology to allow people to safely work within the operating zone of the Hadrian X® while it is in operation.

In addition to the development of our core DST™, the FBR team has also been developing through the boom delivery technology that has many potential applications in robotics, construction and logistics.

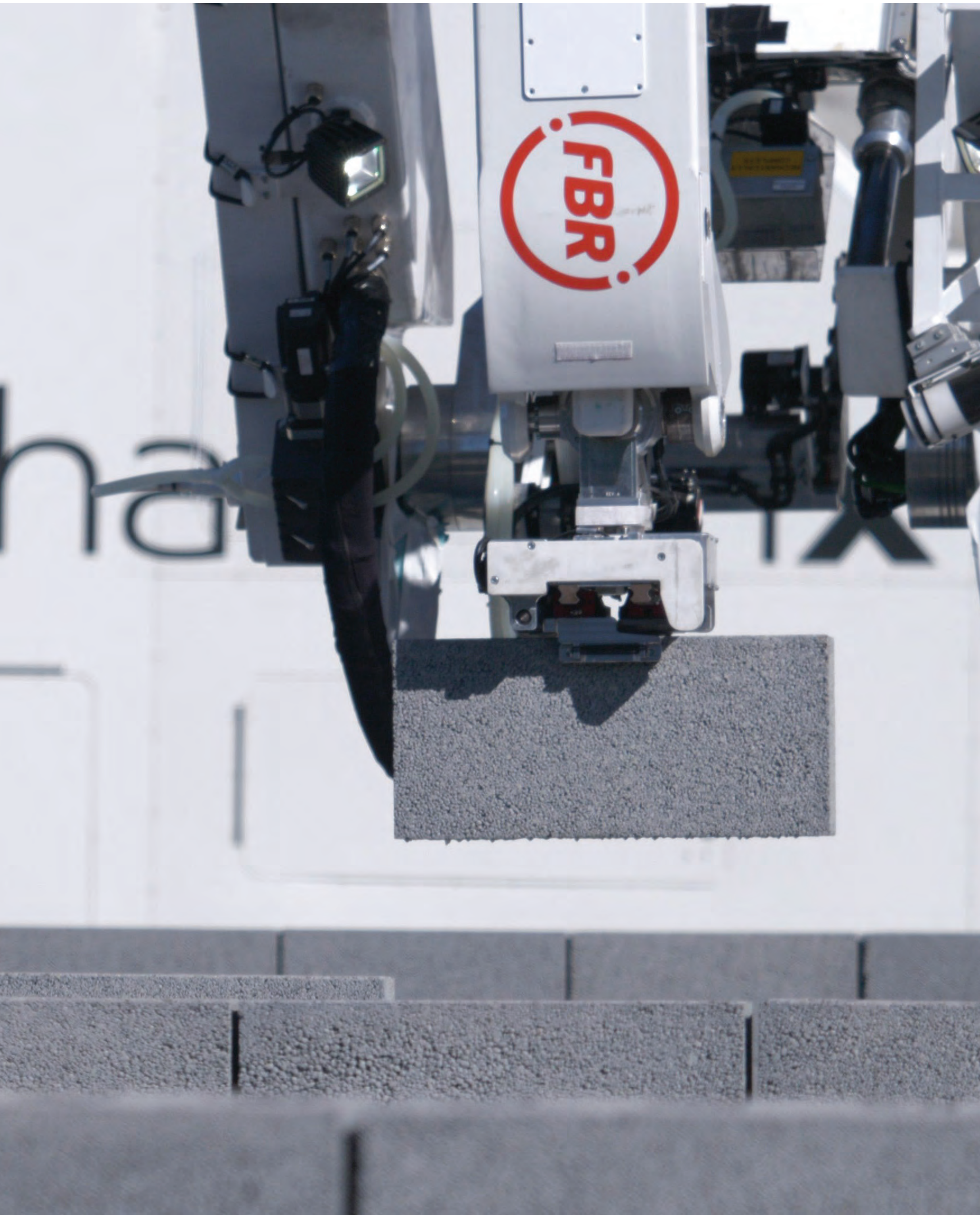


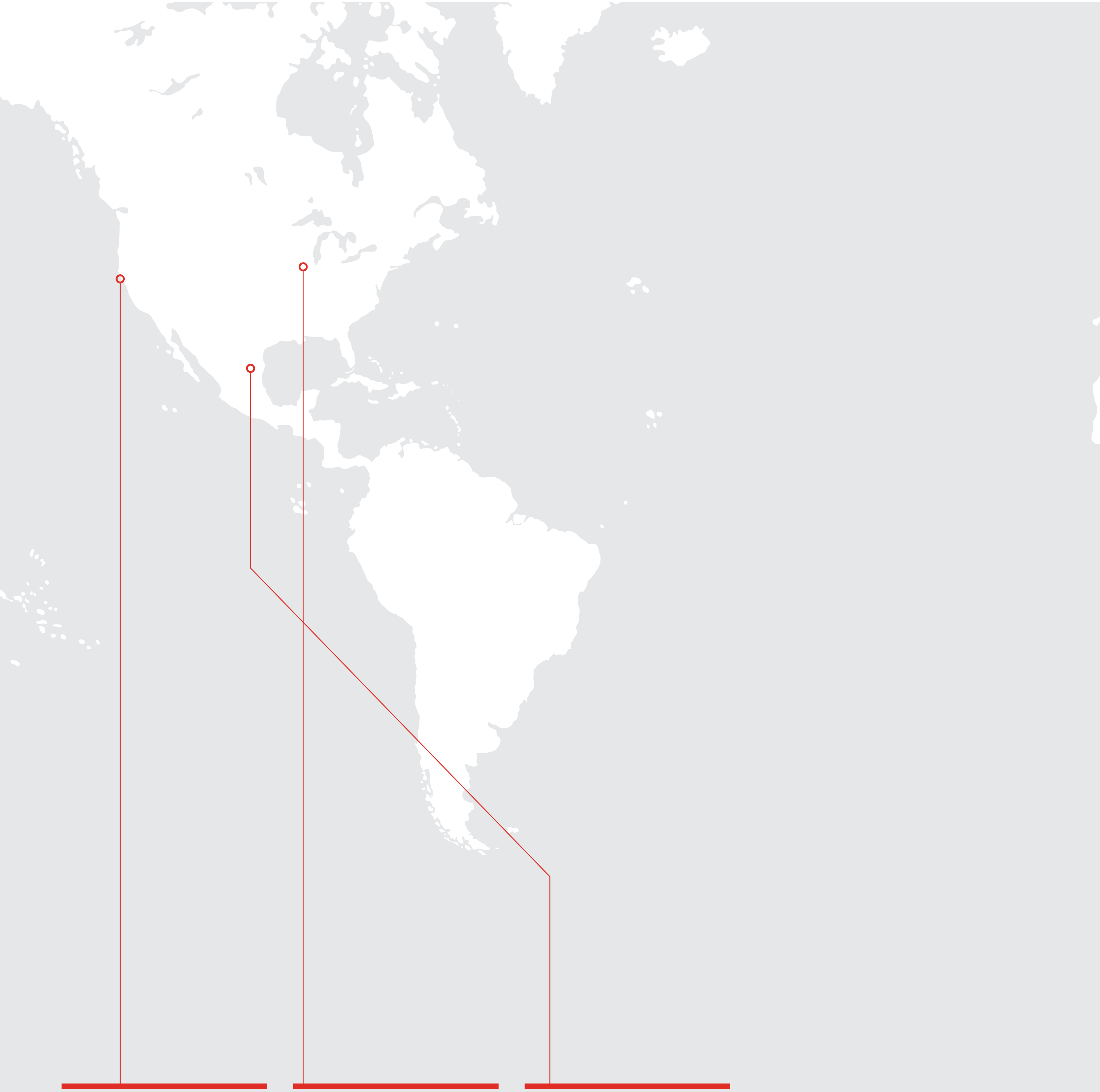
Path to **commercialisation**

FBR's commercialisation strategy for the Hadrian X® is a unique commercial offering called **Wall as a Service™**.

FBR aims to position Hadrian X® between every block made and every block laid. FBR's global strategy is to partner with brick and block manufacturers as well as builders to enable a scalable, platform business model called Wall as a Service™.

Wall as a Service™ is a highly attractive concept to brick and block manufacturers, with the Hadrian X® as the enabling technology for the servitisation of their traditional product sales models. Rather than just selling bricks and blocks to builders and leaving the bricklaying to someone else, brick and block manufacturers can now partner with FBR to gain access to the Hadrian X®, allowing them to offer erected walls to their customers instead of just the raw materials. This makes life easier for the builder due to all the benefits the Hadrian X® brings as well as the time and effort saved on organising bricklayers, and it gives brick and block manufacturers access to a part of the value chain that they didn't have previously.


FBR



San Francisco
UNITED STATES

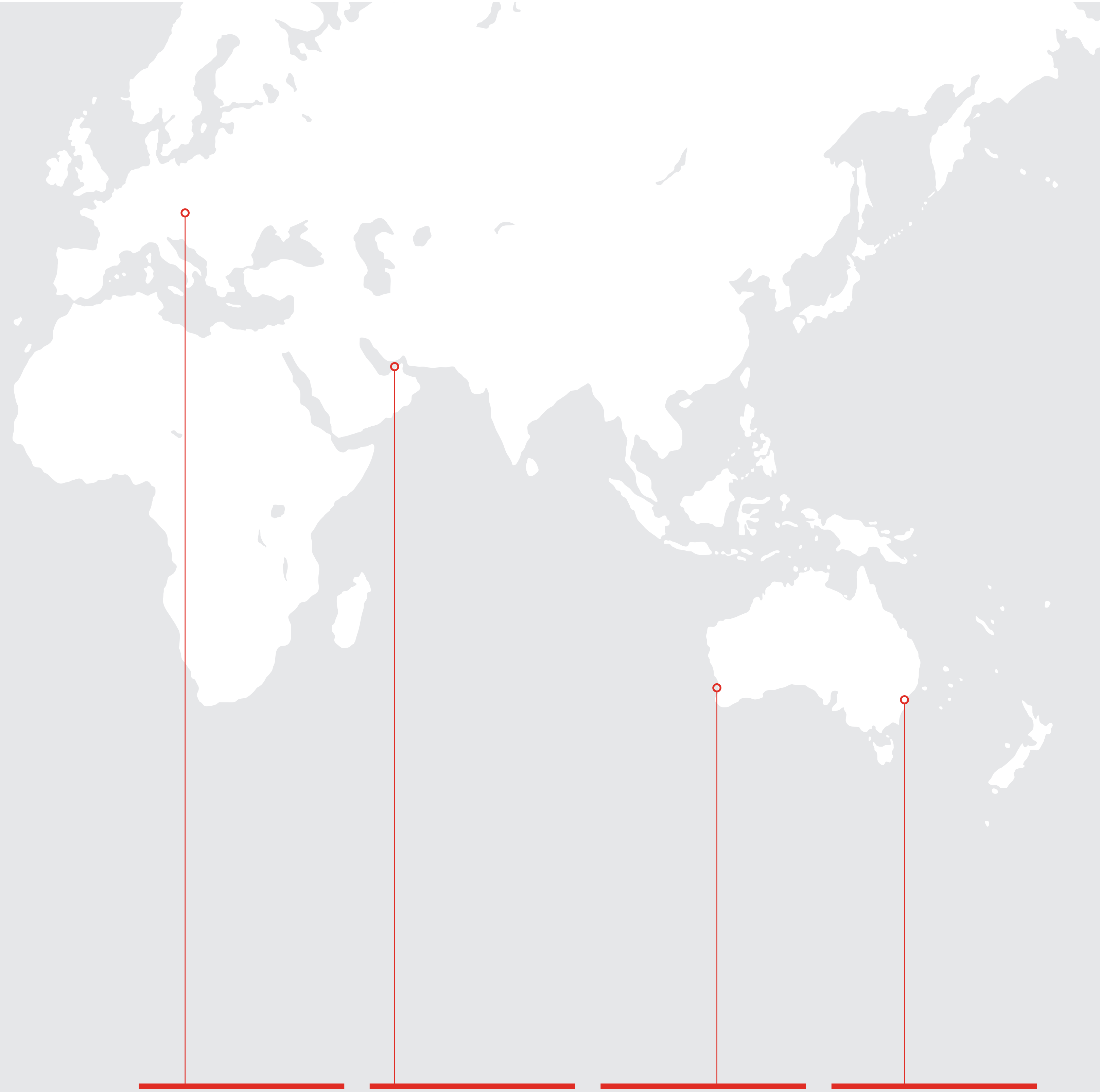
FBR PERSONNEL

Peoria
UNITED STATES

CHIEF INNOVATION OFFICER STEVE PIERZ IS BASED IN PEORIA, ILLINOIS

Monterrey
MEXICO

BUILDING PILOT PROGRAM COMMENCED WITH GP VIVIENDA, ONE OF MEXICO'S LARGEST HOMEBUILDERS.



Vienna
AUSTRIA

GLOBAL PARTNERSHIP AGREEMENT WITH WIENERBERGER AG, THE WORLD'S LARGEST CLAY BLOCK MANUFACTURER

Dubai
UAE

FBR PERSONNEL

Perth
AUSTRALIA

FBR HQ; BUILDING PILOT PROGRAM COMMENCED WITH ARCHISTRUCT BUILDERS AND DESIGNERS

BUILDING PILOT PROGRAM COMMENCED WITH SUMMIT HOMES

Sydney
AUSTRALIA

FBR PERSONNEL; JOINT VENTURE WITH BRICKWORKS BUILDING PRODUCTS, AUSTRALIA'S LARGEST SUPPLIER OF BRICKS AND BLOCKS

Safety & Health

FBR is committed to the improvement of OHS (Occupational Health and Safety) performance. That **commitment is best sustained through a focus** on performance outcomes which can be reported on and monitored over time.

Below are how we are monitoring our commitment.

Leadership in SHEQ (Safety, Health, Environment and Quality)

Implementation of FBR's new SHEQ Leadership Procedure outlines the ways that top management can demonstrate leadership and commitment with respect to making our workplaces safer and more environmentally sustainable through:

- Accepting personal accountability for SHEQ management
- Recognising each individual's ability to effect positive change in the workplace, community and the environment
- Rewarding behaviours that enhance the well-being of our workplace, community and environment
- Accepting that we are empowered to make a change. The role of top management is to improve SHEQ performance through active and involved leadership.

Targets

Our 12 month rolling average TRIFR (Total Recorded Injury Frequency Rate) is 4.69, the industry average target is <15.

The targets for this financial year have been confirmed as:

- TRIFR – maintain or better a TRIFR of <15
- LTIFR (Lost Time Injury Frequency Rate) – maintain or better a LTIFR of <10

Risk Management

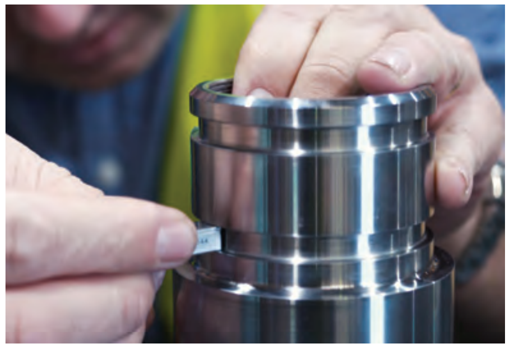
This year we have been concentrating on systematically assessing risks within the business, with the completion of the construction risk assessment and development of individual Risk Assessments for each of the workshops.

Contribution to improving OHS within our industry

Significant Safety improvements whilst using the Hadrian X to reduce risk to human capital and enhanced health and safety during construction on residential building sites:

- Remove repetitive work, stress and injury from the bricklaying industry that many bricklayers suffer from due to years of hard labour
- Removes manual labour from construction site during structure build (except FBR quality control interactions)
- Working at heights eliminated. Removes the need for scaffolding, trestles or boards on 200 litre drums to reach the top courses.
- Due to the use of construction adhesive, there is no exposure and inhalation of cement and sand dust while mixing mortar. Both contain silica which has been recognised as a serious industry hazard.
- No inhalation of dust through cutting bricks manually (when a brick saw is used) or when chasing walls for services
- Less people in the construction vicinity during construction.
- No hand injuries when laying or cutting bricks with a saw or trowel. Hadrian X completes all necessary brick cuts.
- No injuries that are related to tools and equipment when chasing walls.

In addition, FBR have identified a safe compliant method of working in the live zone at the same time the machine is in operation.



Safety, Health, Environment and Quality

Environment

With an exact bill of materials derived from a 3D CAD model combined with the greater level of accuracy the Hadrian X® builds with, the volume of waste produced at a typical building site will be significantly reduced with the use of the Hadrian X®.

The latest house builds using the Hadrian X® have produced five and a half blocks worth of waste on average. The Hadrian X® has internal storage bays where offcuts of blocks are stored for use later in the build.

The use of adhesive rather than mortar in the construction process also drastically reduces the water requirements on site and the cleanliness of the site.

FBR has also formed a joint venture with Brickworks Building Products, Australia's largest supplier of bricks and blocks, to develop a special block optimised for use with the Hadrian X. These blocks are designed to exhibit strong thermal qualities to help reduce the average home's reliance on heating and cooling appliances, leading to a more sustainable future.

Our People

Purpose & Values

We are one team

- We always make it our number one priority to make sure everyone goes home safely
- We understand we all have a role to play and as a team we are stronger
- We are committed and passionate
- We always look out for each other

We are pioneers

- We thrive on pushing the boundaries and achieving the impossible
- We are natural explorers
- We are innovators and recognise there is no success without failure
- We are inquisitive and adventurous – the way things are isn't the way things have to be

We act with integrity

- We aren't afraid to admit our mistakes and work collaboratively on solutions
- We are open and candid with each other
- We are authentic, humble and honest
- We treat everyone equally

We make it happen

- We pride ourselves on the quality of our work and we execute with precision
- We are accountable, disciplined and reliable
- We move with agility and tenacity to deliver our goals
- We achieve

Building the **FBR Team**

FBR has assembled a world class team of highly skilled employees from a broad range of cultural and educational backgrounds. A recruitment drive with a focus on technical positions saw our headcount rise to 124 permanent employees, giving FBR the knowledge base and bandwidth to tackle a broad range of challenges in the robotics space.

For the first time, FBR rolled out the OKR (Objectives and Key Results) system as a goal system. Famously used by Google and a host of other tech companies, the OKR system is based on setting a clearly defined objective and some specific, measurable key results to track the achievement of the objective.

Set from the top down, the OKR system ensures that FBR's people are all working towards a common goal, and helps to maintain our high-performance culture.

FBR will contribute to the Workplace Gender Equality Agency's annual reporting. This mandatory reporting, implemented by the Federal Government, aims to encourage measures that improve gender equality outcomes and has been designed to minimise the regulatory burden on business.

A cultural survey will be conducted at the end of the 2019 calendar year to compare against last year's results, which showed a very high level of engagement among FBR's employees. This tool will be used to ensure our values continue to inspire the right behaviours across the FBR team.

A corporate restructure has seen the establishment of a Global Commercialisation Team and a resultant reorganisation of FBR's leadership team, as well as a newly formed Corporate Services team that groups the support functions of Marketing, Communications, Human Resources, Information and Communications Technology, and Administration. This restructure has streamlined FBR's operations and ensured that teams are focused and aligned across the business.

Community

FBR’s Chief Executive Officer – Australia, Simon Amos, presented a talk at TEDx Perth 2019 on the future of the construction industry and the Hadrian X®’s place in the construction universe.

In the spirit of ideas worth spreading, TEDx is a program of local, self-organised events that bring people together to share a TED-like experience. At a TEDx event, TEDTalks video and live speakers combine to spark deep discussion and connection in a small group. These local, self-organised events are branded TEDx, where x = independently organized TED event. The TED Conference provides general guidance for the TEDx program, but individual TEDx events are self-organised (subject to certain rules and regulations).

An FBR team participated in the MSWA Ocean Ride, a charity event raising funds for MSWA. MSWA provides vital support and services to people living with all neurological conditions in Western Australia. This includes people living with multiple sclerosis (MS), stroke, Parkinson’s disease, Huntington’s disease, motor neurone disease, and acquired brain injury, to name a few. FBR conducted morning tea fundraisers in the lead up to the event and had 16 riders on the day across the 10km, 50km and 100km categories.

FBR supported RoboCup, an international initiative designed to encourage young people to take an interest in robotics through hands-on creation, expand their social, intellectual and problem-solving skills, and create a forum for those around the world to share their knowledge and experiences to build a better future. Two FBR engineers travelled to the event to get to know the competing teams from around the world, offer their expertise and network with the robotics engineers of tomorrow.

Executive Director & Chief Technical Officer, Mark Pivac, was invited to present at the prestigious World’s Top 50 Innovators event hosted by Codex at the Royal Society in London. Mark delivered his presentation – “How do you take the precision of indoor robotics outdoors?” – alongside a distinguished line up of scientists, engineers, entrepreneurs and visionaries who are moving the world forward with the power of technology and ideas. Codex’s mission is to evoke a spirit of enlightenment by inspiring technology leaders and entrepreneurs to apply their collective imaginations to deliver technologies that will continue to transform our lives.

Directors' Report & **Financial** Statements

Directors' Report

The Directors present their report together with the financial statements of FBR Limited ('FBR' or the 'Company') and its controlled entities ('the Group') for the year ended 30 June 2019.

Directors' details

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

Mr Richard Grellman AM
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.

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.

Other current directorships: Non-Executive Chairman of ASX-listed IPH Limited (ASX: IPH). Director of Bisalloy Steel Group Limited (ASX: BIS)

Director of the National Health Medical Research Council for Institute for Dementia Research

Former directorships (last 3 years): Chairman of Crowe Horwath Australasia Limited (2011 – 2015), Chairman of Genworth Mortgage Insurance Limited (2012-2016), Chairman of the AMP Foundation (2012-2018)

Special responsibilities: Remuneration Committee member and Audit Committee member

Interests in shares:	Nil
Interests in Performance shares:	Nil
Interests in Performance rights:	Nil

Mr Michael Pivac
MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER – GLOBAL

Appointed 18 November 2015

Qualifications: Business Management

Experience and expertise: Michael Pivac is the Managing Director and Chief Executive Officer – Global 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 directorships:	Nil
Former directorships (last 3 years):	Nil
Special responsibilities:	Nil
Interests in shares:	52,250,298
Interests in Performance shares:	50,678,144
Interests in Performance rights:	2,999,999

Mr Mark Pivac *B. Eng (Aero) Hons.*
CHIEF TECHNOLOGY 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 25 years' experience working on the development of high technology equipment ranging from lightweight aircraft to heavy off road equipment. Mr Pivac has 20 years' experience of pro/engineer 3D CAD software. He also has high level mathematical experience including matrix mathematics, robot transformations and vector mathematics for machine motion. In addition, he has extensive design, commissioning and fault finding experience on servo controlled motion systems achieving very high dynamic performance.

Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Special responsibilities:	Nil
Interests in shares:	190,762,487
Interests in performance shares:	184,885,358
Interests in performance rights:	2,866,666

Directors' details *- CONTINUED*

Ms Nancy Milne OAM *B. Law, FAICD*
NON-EXECUTIVE DIRECTOR

Appointed 10 August 2018

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.

Other current directorships:
Non-Executive Director of ALE Property Group Limited, Chair of the Securities Exchanges Guarantee Corporation, Chair of the Accounting Professional and Ethical Standards Board and Deputy Chair of the State Insurance Regulatory Authority

Former directorships (last 3 years):
Crowe Horwath Australasia

Special responsibilities:
Remuneration Committee Chair and Audit Committee member

Interests in shares: Nil

Interests in performance shares: Nil

Interests in performance rights: Nil

Mr Andrew Bloore
NON-EXECUTIVE DIRECTOR

Appointed 10 August 2018

Experience and expertise: Mr Bloore is highly experienced in design and delivery of disruptive technologies and distribution models. He has a strong strategy and profitability focus and has been involved in a number of corporate transactions across his career.

Mr Bloore has spent over 25 years in the superannuation sector and was the CEO and founder of SuperIQ Pty Ltd, an automated online administrator of self managed super funds. In 2016 Mr Bloore sold his 51% interest in the SuperIQ business to AMP Limited.

Other current directorships:
Non-Executive Director of IOOF Investment Management Limited, Non-Executive Director of Australian Executor Trustees Limited, Chairman of Guildlink Ltd, Director of Guild Group, Noahface Pty Ltd, the Sydney Institute of Marine Science Foundation Vertical Farming Australia Pty Ltd and Commercialisation Board of Landcare NSW, Director of Meridian Lawyers Ltd

Former directorships (last 3 years):
SuperIQ Pty Ltd and Superconcepts Pty Ltd.

Special responsibilities:
Audit Committee Chair and Remuneration Committee member

Interests in shares: Nil

Interests in performance shares: Nil

Interests in performance rights: Nil

Ms Shannon Robinson *LLB, B.Com, MAICD, GIA(cert)*
NON-EXECUTIVE CHAIRPERSON

Appointed 18 November 2015

Resigned 15 July 2018

Qualifications: LLB, B.Com, MAICD, GIA(cert)

Other directorships at time of retirement:
Spookfish Limited, Yojee Limited.

Former directorships (last 3 years):
Equator Resources Limited – 10 November 2015 to 20 September 2016

Special responsibilities at time of retirement:
Audit Committee Chair and Remuneration committee member

Interests in shares at time of retirement: 2,787,879

Interests in performance rights at time of retirement: 1,166,666

Directors' details - *CONTINUED*

Mr Gabriel Chiappini *B.Bus, CA, GAICD*
NON-EXECUTIVE DIRECTOR & COMPANY SECRETARY

Appointed 15 December 2011

Resigned 10 August 2018

Qualifications: Bachelor of Business, member of Chartered Accountants Australia and New Zealand. Member of Australian Institute of Company Directors.

Other directorships at time of retirement: Black Rock Mining, Eneabba Gas Ltd and Invictus Energy Ltd (Formerly Interpose Holdings Ltd)

Former directorships (last 3 years): Global Geoscience Ltd, Scotgold Resources Ltd

Special responsibilities at time of retirement: Audit Committee member & Remuneration Committee Chair, Company Secretary

Interests in shares at time of retirement: 4,927,219

Interests in performance rights at time of retirement: 2,566,666

Company Secretary

Ms Rachelle Brunet, *GIA(Cert), GradCertBus*

Mr Aidan Flynn (ceased 31 July 2019) B Comm, B Sc, Dip Energy, CPA

Ms Brunet is the Executive Officer of the Company and was appointed as joint Company Secretary on 8 March 2019. Mr Flynn is the Chief Financial Officer of the Company and was the joint Company Secretary with Ms Brunet until 31 July 2019. Ms Brunet continues as sole Company Secretary.

Principal activities

FBR 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™). FBR is commercialising products for the construction sector together with DST™-enabled solutions for other industries. The first application of DST™ is the Hadrian X®, a construction robot capable of building the walls of a structure from a 3D CAD model with speed and precision. The Hadrian X® completed its first outdoor build of a full home structure in February 2019.

Significant changes in the state of affairs

In November 2018, FBR completed its first build of a three bedroom, two bathroom full home structure with a 180m2 floorplan in under three days, meeting the performance condition for 166,666,666 Class A Performance Shares issued as part of the deferred consideration for the acquisition of FBR under the Prospectus and approved by shareholders on 6 October 2015. FBR also completed a placement of 161,904,769 fully paid ordinary shares in the capital of the Company with a small number of international and domestic institutional and sophisticated investors. The shares were allotted in February 2019 at $0.105 per share and raised a total of $17 million. The funds were raised to continue the development and testing program for the Hadrian X® and its transition into the Wall as a Service® business.

No other significant changes were made in the state of affairs during the period.

Directors' Report

Review of operations and financial results

Following completion of the mechanical assembly of the world's first Hadrian X® construction robot in June 2018, FBR's core Dynamic Stabilisation Technology™, or DST™, was put through a testing program in August 2018, demonstrating the functionality of DST™ with the Hadrian X® layhead and proving that the Hadrian X® was capable of placing a block with precision despite movement in the boom caused by external environmental forces. This phase of the testing program was also significant because it demonstrated that DST™ can be incorporated into other applications as an enabling technology of outdoor precision robotics.

In November 2018, FBR successfully demonstrated its robotic home building technology by building a 180m2, 3-bedroom, 2-bathroom home structure in less than the targeted total elapsed time of three days, meeting a technical milestone that was set for the Company in 2015. This represented a world first achievement for the Company and was at that point the most significant technical milestone completed in the Hadrian X® programme.

Following continued development and refinement of the Hadrian X® software and hardware, FBR completed its first outdoor structure in February 2019. Known as Build1, FBR's first outdoor build of a three bedroom, two bathroom home structure was an important technical and commercial milestone for the Company, demonstrating that the Hadrian X® was capable of working in a range of environmental conditions with precision, including at night and in extreme heat and wind.

In September 2018, FBR announced it had entered into a Global Partnership Agreement with European blockmaking giant Wienerberger AG to develop, manufacture and test clay blocks optimised for the Hadrian X® construction robot, for introduction into global markets where Wienerberger is active. The newly developed clay blocks will be tested in a pilot project in Europe and will be launched in Wienerberger markets together with the Hadrian X® upon successful completion. Wienerberger is the largest producer of clay blocks in the world and has 193 production sites across 30 countries and is the dominant incumbent in those markets.

In line with FBR's evolving strategic direction and its developing relationships with major block suppliers and building companies around the world, FBR and Caterpillar mutually agreed to discontinue all arrangements between the two companies in December 2018. In conjunction with this announcement, FBR unveiled its shift to a Wall as a Service® model whereby the Company would partner with brick and block manufacturers around the world to offer erected wall to builders, utilising the existing customer base of the brick and block manufacturers and maximising the ongoing revenue derived from FBR's Hadrian X® construction robots.

In February 2019, FBR signed a Memorandum of Understanding with Brickworks Building Products Pty Ltd, Australia's leading supplier of building products, under which the parties would jointly develop a concrete masonry unit block suitable for the construction of structural walls of residential buildings in Australia, as well as form a joint venture company called Fastbrick Australia Pty Ltd which would supply Wall as a Service® to the Australian market with FBR supplying the blocklaying services via the Hadrian X® and Brickworks supplying the Hadrian-optimised blocks.

In May 2019, FBR officially commenced its Fastbrick Australia incorporated joint venture with Brickworks. Testing of the new Hadrian-optimised blocks commenced immediately and, subsequent to the end of the financial year, a Building Pilot Program was initiated with Archistruct Builders and Designers to test the performance of the Hadrian X® and the suitability of the new developed blocks for Archistruct's requirements.

To accelerate the commercialisation of FBR's technology and to prime the global market for adoption of robotic construction, FBR implemented a new corporate structure in June 2019, with the establishment of a Global Commercialisation Team led by Mr Mike Pivac as Managing Director & Chief Executive Officer – Global. Mr Simon Amos was appointed Chief Executive Officer – Australia, tasked with leading FBR's Australian operations and transitioning those operations from an inward-looking R&D program to a construction program as Wall as a Service® is rolled out across the country.

FBR's Strategic Collaboration Agreement ('SCA') with GP Vivienda, the housing division of one of Mexico's largest construction companies, Grupo GP, remains in place. The SCA extends for two years and contemplates the discussion of a pilot programme in Mexico, as well as opportunities for future applications of FBR's DST and other commercial and business development opportunities.

FBR continues discussions with the Kingdom of Saudi Arabia's Ministry of Housing in relation to progressing the initiatives contained in the Memorandum of Understanding.

The net consolidated loss of the Company for the financial period was $9,141,554 (2018: loss of $7,115,679).

Directors' Report

Dividends

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

Events arising since the end of the reporting period

11 September 2019 – FBR received a research and development tax incentive cash refund of $9,449,954 for the 12 month period ended 30 June 2019.

16 September 2019 – Fastbrick Australia, the joint venture company established with Brickworks Building Products Pty Ltd ('Brickworks') offering Wall as a Service® ('WaaS®') to the Australian market, entered into a Building Pilot Program Agreement with Western Australian builder Archistruct Builders & Designers ('Archistruct'). Advancing the Framework Agreement with Archistruct announced to the ASX on 6th September 2016, Fastbrick Australia commenced a Building Pilot Program with Archistruct to demonstrate the speed, accuracy and reliability of the Hadrian X® construction robot, as well as the performance of the new Hadrian-optimised blocks developed by Brickworks and FBR. The Building Pilot Program Agreement with Archistruct consists of three stages. The first stage is a Demonstration Stage under which Fastbrick Australia will supply WaaS® for between five and 12 house structures on FBR premises using a range of designs supplied by Archistruct. The second stage of the Agreement is the Display Home Stage, where FBR and Archistruct will enter into a contract under which Archistruct will build a display home using Fastbrick Australia's blocklaying services, with the display home to be purchased by FBR. The third stage of the Agreement is the Builder's Project Stage, in which Archistruct will engage Fastbrick Australia to supply WaaS® for a single storey residential structure under a building contract with a homebuyer. Both the Display Home Stage and the Builder's Project Stage are subject to additional agreements and satisfactory completion of the Demonstration Stage.

26 September 2019 - The Company entered into a Building Pilot Program Agreement with GP Vivienda, the housing division of Mexican construction giant Grupo GP.

The Building Pilot Program Agreement between FBR and GP Vivienda consists of three stages.

The first stage is a Pilot Program stage under which FBR will supply WaaS® for between one and five house structures on FBR premises using a range of designs supplied by GP Vivienda. Each of these structures will be subject to inspection, assessment and reporting by both GP Vivienda and independent consultants to ensure they meet the applicable building standards. Any time between the completion of the first house structure and the fifth house structure, GP Vivienda can determine that the Pilot Program stage has fulfilled its purpose and is complete.

In the Block Testing stage, which occurs in parallel to the Pilot Program stage, GP Vivienda and FBR will work together to test the performance of FBR's adhesive with concrete blocks that are commonly used in Mexico. The Block Testing Stage will continue for at least six months, unless otherwise agreed between the parties.

In the Collaboration stage, which occurs during and for up to three months after the Pilot Program stage (unless otherwise agreed between the parties) GP Vivienda and FBR will consult to collate and assess the learnings from the Pilot Program Stage and the Block Testing Stage and identify, scope and schedule the next steps in the Strategic Collaboration Agreement.

Likely developments, business strategies and prospects

Having unveiled a new commercial model and corporate structure in FY19 in tandem with significant technical progress with the Hadrian X®, FBR will look to build on its current base of commercial contracts to deliver increased revenue in FY20, as well as investing in its intellectual property portfolio and its employees.

FBR anticipates that its continuous improvement program will result in increased speed, accuracy and reliability of its Hadrian X® construction robots, which will in turn increase their commerciality in the residential construction industry. As the Hadrian X® construction robots lay more blocks in differing configurations in varied conditions, the datasets used to refine the Hadrian X® operating model are expanded and will lead to more rapid improvement in the Hadrian X®'s key metrics.

FBR will also complete design work for iterative hardware and software upgrades to the existing Hadrian architecture during FY20 to ensure the Company retains its leading position in the robotic construction market.

Likely developments, business strategies and prospects

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FBR will also complete design work for iterative hardware and software upgrades to the existing Hadrian architecture during FY20 to ensure the Company retains its leading position in the robotic construction market.

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.

An important input into FBR's Wall as a Service® commercial model is the Company's relationships with brick and block manufacturers around the world, and its relationships with builders who are the customers for the Wall as a Service® offering. FBR will continue to secure exclusive rights over territories in collaboration with appropriately scaled and established brick and block manufacturers in the territories.

The MOU with the Kingdom of Saudi Arabia's Ministry of Housing and the SCA with GP Vivienda represent potential locations for Hadrian X® pilot programmes, with high demand for fast, affordable housing in both regions.

Customer Discovery Strategy – A Global Commercialisation Team has been established to allow a dedicated management team to focus on the significant international opportunities in front of FBR, both for its existing Hadrian X® technology and for new technology under development. Mr Mike Pivac will be responsible for leading this team as FBR's Global CEO and Managing Director. Joining him in the Global Commercialisation Team are Mr Marcus Gracey, Chief Corporate Development Officer, and Mr Aidan Flynn, who will take on a new role in the Global Commercialisation Team focused on economic and financial modelling and value creation once a suitable replacement can be found for the role of Chief Financial Officer. This Global Commercialisation Team will be tasked with building FBR's commercial presence internationally and capitalising on the significant commercial opportunities for FBR's current and future technology through binding agreements.

FBR has also established the Fastbrick Australia joint venture with Brickworks, and has secured a commercial building contract in Western Australia to operate a Building Pilot Program. Fastbrick Australia will continue to introduce the Wall as a Service® offering to a range of builders who are likely to be existing customers of Brickworks.

Intellectual Property Portfolio – During FY19, FBR expanded its intellectual property portfolio to 27 patent families, 11 granted patents and two recently accepted applications covering the Hadrian X®, 73 pending patent applications, 51 design applications/registrations and 66 trademark applications/registrations. The Company continues to have a strong IP strategy and is committed to building upon its patent portfolio protecting its core DST™, the Hadrian X® and FBR's technology under development.

FBR Employees – FBR has become one of Australia's leading employers of robotics experts. The Company anticipates a further increase in employees during FY20 as it initiates new R&D projects while also transitioning the Hadrian X® program into a revenue generating phase with a construction focus.

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™. In the immediate term, FBR remains focussed on delivering on the Hadrian X® program, however at an appropriate time the Company will allocate 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	6	6	6	6	5	5
Mr Michael Pivac	6	5	N/A	N/A	N/A	N/A
Mr Mark Pivac	6	6	N/A	N/A	N/A	N/A
Ms Nancy Milne2	6	6	6	6	5	5
Mr Andrew Bloore2	6	6	6	6	5	5

1 *Mr Grellman was appointed as a Non-Executive Chairman on 15 July 2018.*

2 *Ms Milne and Mr Bloore were appointed as Non-Executive Directors on 10 August 2018.*

Audit Committee meetings are usually held as part of the main part of Board meetings with external auditors invited to the meetings to present their findings. The Audit Committee was previously comprised of Shannon Robinson (Chair of Audit Committee) and Gabriel Chiappini. The Remuneration Committee was previously comprised of Gabriel Chiappini (Chair of Remuneration Committee) and Shannon Robinson. The current Audit Committee and Remuneration Committee consists of Richard Grellman, Nancy Milne (Chair of Remuneration Committee) and Andrew Bloore (Chair of Audit Committee). 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 at the date of this report are:

DATE OPTIONS GRANTED	EXPIRY DATE	EXERCISE PRICE OF SHARES	NUMBER UNDER OPTION
12 November 2015	12 November 2019	$0.020	1,687,500
21 April 2017	20 April 2021	$0.200	10,000,000
15 March 2018	14 March 2021	$0.300	6,750,000
11 May 2018	11 May 2021	$0.300	3,750,000
11 May 2018	11 May 2021	$0.325	300,000
20 July 2018	20 July 2021	$0.300	4,000,000
13 August 2018	12 August 2021	$0.300	1,500,000
6 September 2018	5 September 2021	$0.325	300,000
			28,287,500

These options do not entitle the holder to participate in any share issue of the Company. Refer to note 19 for key terms of the options.

Shares issued during or since the end of the year as a result of exercise of options

During the period 761,250 options were exercised at an average exercise price of $0.08 per option, raising gross proceeds of $60,900. a further increase in employees during FY20 as it initiates new R&D projects while also transitioning the Hadrian X® program into a revenue generating phase with a construction focus.

Remuneration Report

On behalf of the Directors of FBR Limited, I am pleased to present the Remuneration Report for the year ended 30 June 2019.

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.

Our Remuneration Report is designed to provide you, our Shareholders, with clear information on key remuneration activities undertaken and our strategy to ensure that the remuneration paid to Directors, Key Management Personnel (KMP) and executives in FY19 is aligned to deliver the best outcomes for our shareholders, as well as demonstrated how reward outcomes are linked to Company strategy and performance.

In the current year, the Company successfully completed the first Full Home Structure built with the Hadrian X, which was verified as meeting the relevant building standards by a civil and structural engineering consultancy group. Following this achievement, the Board, supported by independent legal advice, determined that the Performance Condition relating to "A Milestone" had been met and approved the vesting of the issued shares in accordance with the Company's Performance Rights Plan approved by shareholders on 21 November 2018.

Further, the Remuneration Committee and the Board have reviewed the executive long-term incentive plan. This review involved considering the plan performance against its objectives, general market conditions, together with the performance hurdles.

It is also an opportunity to provide you with information on changes planned for the coming year.

It is the Boards intention to retain absolute return on equity as a key measure and improve current program. The strategic measure will specifically relate to key milestone and strategic objectives that are fundamental to the Company's sustainability, continuing development and delivery to Shareholders.

The Board's key focus will be rewarding the Company's KMPs and executives for outperforming the market while driving the key levers for the Company's success.

Short and long-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.

Nancy Milne OAM

Chair of Remuneration Committee

The Directors of FBR Limited ('FBR' or 'the Company') present the Remuneration Report for the year ended 30 June 2019, 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.

Remuneration Report - *CONTINUED*

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; and

e. Additional information.

a Principles used to determine the nature and amount of remuneration

Key Management Personal are responsible for the management, planning and execution of the activities of FBR and other executives. The Key Management Personal for FBR, in accordance with S300A of the Corporations Act 2001, are outlined on page 18.

FBR's remuneration strategy has been designed to a 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.

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 market place 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 Company.

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 Company.

The Remuneration and Nomination Committee is chaired by Ms Nancy Milne OAM and is comprised of two (2) other Independent Non-Executive Directors. The Remuneration Committee met five times during the year.

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

- Fixed remuneration being annual salary;
- Employee Loan Facility; and
- Incentive Schemes.

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 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 predetermined 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.

Remuneration Report - *CONTINUED*

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

Employee Loan Facility

The Company offered a loan facility to FBR's employees (Employee Loan Facility) for the purpose of assisting the Company's employees, directors 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 engaged external law firm Bellanhouse Lawyers to provide independent written legal advice to ensure the Employee Loan Facility was permissible under Australian law, including the Corporations Act 2001 (Cth) (the Act) and the ASX Listing Rules.

Leave Loyalty Program

As the Company 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 careers leave entitlements.

The Leave Loyalty Program is designed to reward FBR employees' tenure with the Company through the provision of additional leave each year in reflection of the length of time they have been with the Company. For ever year of employment 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 KMP and executives are made under the performance share plan rules and are delivered in the form of Performance Rights (Rights). 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 purpose of the equity-based Short Term Incentive (STI) is to incentivise and reward FBR employees (including KMP) for achieving Company and individual performance objectives that drive shareholder value.

The STI is awarded based on an annual assessment of Company and Individual performance linked to the Company'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 presently does not have a financial STI objective in place, however it does monitor 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 Company values.

As part of the continued growth of the Company, 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 Key Performance Indicators (KPI's) for the Executive Team are summarised as follows:

- **financial** – not applicable for FY19, however it is expected future financial years will have revenues, operating profit and earnings per share; and
- **non-financial** – safety, culture, strategic growth and development and corporate goals set individually based on job descriptions and the attainment of the Company'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 share rights granted in respect to the FY19 STI is determined based on the VWAP at the start of the performance period.

- If the share price at the time of award is higher, KMP and executives will receive higher value per share right
- If the share price at the time of award is lower, the value to KMP and executives is decreased.

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

Remuneration Report - *CONTINUED*

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

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 FY19, Company objectives account for 50% of the performance objectives with personal objectives accounting for the remaining 50%.

Long Term Incentive (LTI)

LTI awards to KMP and executives are made under the performance share plan rules and are delivered in the form of Performance Rights (Rights). 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 LTI has been designed to provide alignment with shareholder outcomes by linking the value of the LTI to share price movement over the performance period.

The performance period for the FY19 LTI is from 1 January 2019 to 31 December 2021. Share 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 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 2016, is not to exceed A$350,000 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' base fees are presently up to A$290,000 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. During the period, the Board engaged consulting firm The Reward Practice Pty Ltd to provide independent advice in the form of a written report detailing benchmarking of executive remuneration to support a review to ensure the effective alignment with business requirements, market practice and key shareholder group expectations.

During the period no remuneration recommendations, as defined by the Corporations Act, were provided by The Reward Practice Pty Ltd.

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

FBR received 58.59% of 'FOR' votes on its Remuneration Report for the 2018 Annual General Meeting. The Company received adverse feedback and a first strike on its Remuneration Report at the Annual General Meeting.

Consequences of performance on shareholder wealth

In considering the Company'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 two (2) financial years since reverse acquisition of the Company in November 2015:

Remuneration Report - *CONTINUED*

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

Consequences of performance on shareholder wealth - *CONTINUED*

ITEM	2019	2018	2017
EPS loss (cents)	**0.73**	0.75	0.36
Dividends (cents per share)	**-**	-	-
Net loss ('000)	**9,142**	7,116	2,567
Share price	**$0.074**	$0.180	$0.105

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:

DIRECTOR AND OTHER KEY MANAGEMENT PERSONNEL REMUNERATION

		SHORT-TERM EMPLOYEE BENEFITS			POST-EMPLOYMENT BENEFITS	LONG-TERM BENEFITS	TERMINATION BENEFITS	SHARE-BASED PAYMENTS			
EMPLOYEE	YEAR	CASH SALARY AND FEES ($)	CASH BONUS ($)	OTHER BENEFITS ($)	SUPERANNUATION ($)	ANNUAL LEAVE & LONG SERVICE LEAVE ($)	TERMINATION ($)	VALUE OF SHORT-TERM INCENTIVES ($)	VALUE OF LONG-TERM INCENTIVES ($)	TOTAL ($)	PERFORMANCE BASED PERCENTAGE OF REMUNERATION
Executive Directors											
Mr Michael Pivac Managing Director & CEO - Global	2019	375,000	-	-	25,000	34,608	-	-	182,002	616,610	30%
	2018	296,361	-	-	20,049	37,338	-	-	378,470	732,218	52%
Mr Mark Pivac Executive Director & CTO	2019	416,667	-	1,543	25,000	(13,636)	-	-	169,913	599,487	28%
	2018	326,650	-	486	20,049	32,336	-	-	368,990	748,511	49%
Non-Executive Directors											
Mr Richard Grellman Chairman	2019	101,237	-	-	9,618	-	-	-	-	110,854	0%
	2018	-	-	-	-	-	-	-	-	-	0%
Ms Nancy Milne Remuneration Committee Chair	2019	56,882	-	-	5,404	-	-	-	-	62,286	0%
	2018	-	-	-	-	-	-	-	-	-	0%
Mr Andrew Bloore Audit & Risk Committee Chair	2019	56,882	-	-	5,404	-	-	-	-	62,286	0%
	2018	-	-	-	-	-	-	-	-	-	0%

Remuneration Report - *CONTINUED*

b Details of remuneration - *CONTINUED*

DIRECTOR AND OTHER KEY MANAGEMENT PERSONNEL REMUNERATION - *CONTINUED*

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											
Mr Simon Amos CEO - Australia	2019	257,166	-	559	22,945	6,603	-	67,423	69,961	424,657	0%
	2018	4,167	-	-	396	329	-	-	-	4,892	0%
Mr Marcus Gracey CCDO	2019	308,374	-	-	25,000	(16,588)	-	77,425	141,922	536,133	27%
	2018	283,333	-	-	23,000	23,831	-	166,013	410,107	906,284	8%
Mr Mark Sheridan COO	2019	295,648	-	21,211	25,000	17,121	-	196,820	131,616	687,416	27%
	2018	100,720	-	8,207	9,077	8,065	-	124,636	16,283	266,989	31%
Mr Aidan Flynn CFO	2019	238,350	-	1,321	20,531	1,109	-	77,083	49,119	387,515	20%
	2018	94,652	-	7,282	9,684	7,476	-	124,636	16,283	260,013	32%
Mr Jonathan Lawe Davies General Counsel	2019	169,108	-	-	16,065	2,857	-	617	58,659	247,306	0%
	2018	34,558	-	-	4,560	3,013	-	45,037	11,732	98,900	0%
Mr Steve Pierz CIO	2019	162,813	-	914	-	-	-	617	58,659	223,003	0%
	2018	70,373	-	-	-	-	-	45,037	11,732	127,142	0%
Former Directors											
Ms Shannon Robinson Independent	2019	4,000	-	-	380	-	-	-	42,778	47,158	91%
	2018	48,000	-	-	4,560	-	-	-	198,567	251,127	79%
Mr Gabriel Chiappini Independent & Company Secretary	2019	8,000	-	-	-	-	-	-	127,401	135,401	94%
	2018	90,000	-	36,000	-	-	-	-	264,929	390,929	68%
2019 Total	**2019**	**2,450,125**	**-**	**25,548**	**180,347**	**32,074**	**-**	**419,985**	**1,032,030**	**4,140,109**	**35%**
2018 Total	**2018**	**1,348,814**	**-**	**51,975**	**91,375**	**112,388**	**-**	**505,358**	**1,677,093**	**3,787,003**	**58%**

i *Ms Shannon Robinson resigned as Non-Executive Chairperson on 15 July 2018.*

ii *Other benefits for Mr Chiappini, include but are not limited to management of the Company's back office, accounting and finance function, investor relations, compliance & corporate governance and ASX and ASIC requirements. See 'Other transactions with key management personnel'. Mr Chiappini has since retired from the Board and the role of Joint Company Secretary as at 10 August 2018.*

iii *Mr Gracey, originally Chief Operating Officer, was appointed to the position of Chief Corporate Development Officer on 10 August 2018.*

iv *Mr Sheridan, originally General Manager of Operations, was appointed to the position of Chief Operations Officer on 10 August 2018.*

v *Mr Flynn was appointed as Company Secretary on 17 July 2018, and subsequently resigned on 31 July 2019.*

vi *Mr Pierz was appointed to the position of Chief Innovation Officer on 10 July 2018 and was previously consulting to FBR, as the Director of BD Americas, through the entity Exponential Insights LLC.*

vii *Mr Amos, originally Director Construction technologies, was appointed to the position of Chief Executive Officer - Australia on 3 June 2019.*

viii *Mr Lawe Davies, originally Chief IP Counsel, was appointed to the position of General Counsel on 3 June 2019.*

Remuneration Report - *CONTINUED*

b Details of remuneration - *CONTINUED*

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

NAME	FIXED REMUNERATION	AT RISK – STI	AT RISK – EQUITY PLAN
Executive Directors			
Mr Michael Pivac	$375,000 + statutory superannuation	Nil	2,999,999 Performance Rights
Mr Mark Pivac	$450,000 + statutory superannuation	Nil	2,866,666 Performance Rights
Non-Executive Directors			
Mr Richard Grellman[1]	$130,000 + statutory superannuation	Nil	Nil
Ms Nancy Milne[2]	$80,000 + statutory superannuation	Nil	Nil
Mr Andrew Bloore[2]	$80,000 + statutory superannuation	Nil	Nil

1 *Mr Grellman was appointed as Non-Executive Chairman on 15 July 2018.*

2 *Ms Milne and Mr Bloore were appointed as Non-Executive Directors on 10 August 2018.*

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 that the above two Executives have a substantial equity position and are incentivised via their performance shares, which were issued as part of the acquisition of FBR in 2015 and forms part of the deferred consideration for the acquisition.

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:

EMPLOYEE	BASE SALARY	TERM OF AGREEMENT	NOTICE PERIOD
Executive Directors			
Mr Michael Pivac	$375,000	Unspecified	Six months
Mr Mark Pivac	$450,000	Unspecified	Six months
Non-Executive Directors			
Mr Richard Grellman	$130,000	Unspecified	None
Ms Nancy Milne	$80,000	Unspecified	None
Mr Andrew Bloore	$80,000	Unspecified	None
Executives			
Mr Simon Amos	$360,000	Unspecified	Six months
Mr Mark Sheridan	$341,250	Unspecified	Six months
Mr Marcus Gracey	$341,250	Unspecified	Six months
Mr Aidan Flynn	$252,000	Unspecified	Three months
Mr Jonathan Lawe Davies	$182,000	Unspecified	Three months
Mr Steve Pierz	$120,000 (USD)	Unspecified	Three months

Remuneration Report - *CONTINUED*

d **Share-based remuneration**

During the year, the Company issued 4,000,000 fully paid ordinary shares as a result of the achievement of the vesting conditions associated with the performance rights issued to the Key Management Personnel and executives of FBR.

Options Approved by the Board during the year

CLASS A	NUMBER ISSUED	GRANT DATE	VESTING DATE	EXPIRY DATE	EXERCISE PRICE (CENTS	FAIR VALUE AT GRANT DATE (CENTS)
Simon Amos	666,667	20 July 2018	31 Dec 2018	20 July 2021	30	10.11
Mark Sheridan	500,000	13 Aug 2018	31 Dec 2018	12 Aug 2021	30	9.00
CLASS B	**NUMBER ISSUED**	**GRANT DATE**	**VESTING DATE**	**EXPIRY DATE**	**EXERCISE PRICE (CENTS**	**FAIR VALUE AT GRANT DATE (CENTS)**
Simon Amos	666,667	20 July 2018	31 Dec 2019	20 July 2021	30	10.11
Mark Sheridan	500,000	13 Aug 2018	31 Dec 2019	12 Aug 2021	30	9.00
CLASS C	**NUMBER ISSUED**	**GRANT DATE**	**VESTING DATE**	**EXPIRY DATE**	**EXERCISE PRICE (CENTS**	**FAIR VALUE AT GRANT DATE (CENTS)**
Simon Amos	666,667	20 July 2018	31 Dec 2020	20 July 2021	30	10.11
Mark Sheridan	500,000	13 Aug 2018	31 Dec 2020	12 Aug 2021	30	9.00

The options were issued as a retention incentive therefore they contain no performance condition other than continuous employment with the Company until the applicable vesting date.

The Black-Scholes option pricing model was used to value these options.

The fair value of these 3,500,000 options granted during the current year was $337,217. The accounting expense recognised for the current year is $54,523 with $173,015 capitalised to development costs, based on the number of options and the vesting dates.

Remuneration Report - *CONTINUED*

d **Share-based remuneration** - *CONTINUED*

Performance rights granted during the year

No new performance rights were issued to Directors during the year.

During the year, the Company issued an additional 1,000,000 unlisted retention performance rights to the Key Management Personnel and executives of FBR. These retention performance rights have no escrow period and are split in the following classes

CLASS A	NUMBER ISSUED	GRANT DATE	VESTING DATE	EXERCISE PRICE (CENTS)	EXERCISE PRICE (CENTS
Mark Sheridan	500,000	13 August 2018	13 August 2019	Nil	17

CLASS B	NUMBER ISSUED	GRANT DATE	VESTING DATE	EXERCISE PRICE (CENTS)	EXERCISE PRICE (CENTS
Mark Sheridan	500,000	13 August 2018	13 August 2020	Nil	17

(i) **500,000 Performance Rights Class A**

Vesting condition for Class A; Continuous employment until 1 August 2019.

Milestone date is 1 August 2019.

Expiry date is 20 business days from the milestone date.

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

(ii) **500,000 Performance Rights Class B**

Vesting condition for Class B; Continuous employment until 1 August 2020.

Milestone date is 12 November 2018.

Expiry date is 20 business days from the milestone date.

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

The retention performance rights were issued as a retention incentive therefore they contain no performance condition other than continuous employment with the Company until the applicable expiry date.

The performance rights have been valued using the spot price on grant date. The spot price was $0.17 per share at the close of trade on 13 August 2018, being the date the performance rights were approved by the Board.

The fair value of these 1,000,000 performance rights granted during the year was $170,000. The accounting expense recognised for the current year is $33,624 with $78,455 capitalised to development costs, based on the number of performance rights amortised as an expense during the year.

Performance shares granted during the year

No performance shares were granted during the year.

e **Bonuses included in remuneration**

No short-term incentive (STI) cash bonuses were awarded during the period or up to the date of signing this report. At present, the Company does not have a cash STI structure in place, as the Company continues to mature, it may review whether an STI plan is suitable.

Remuneration Report - *CONTINUED*

f **Other information**

Options held by Key Management Personnel

During the year, the Company issued 3,500,000 employee incentive options to Key Management Personnel, including their related parties, is set out below:

YEAR ENDED 30 JUNE 2019

PERSONNEL	BALANCE AT START OF YEAR	GRANTED AS REMUNERATION	EXERCISED	OTHER CHANGES	HELD AT THE END OF REPORTING PERIOD
Mr Michael Pivac	-	-	-	-	-
Mr Mark Pivac	-	-	-	-	-
Mr Simon Amos	-	2,000,000	-	-	2,000,000
Mr Marcus Gracey	13,000,000	-	-	-	13,000,000
Mr Mark Sheridan	1,500,000	1,500,000	-	-	3,000,000
Mr Aidan Flynn	1,500,000	-	-	-	1,500,000
Mr Jonathan Lawe Davies	1,500,000	-	-	-	1,500,000
Mr Steve Pierz	1,500,000	-	-	-	1,500,000
Total	**19,000,000**	**3,500,000**	-	-	**22,500,000**

Shares held by Key Management Personnel

The number of ordinary shares in the Company during the 2019 reporting period held by each of the Company's Key Management Personnel, including their related parties, is set out below:

YEAR ENDED 30 JUNE 2019

PERSONNEL	BALANCE AT START OF YEAR	GRANTED AS REMUNERATION	RECEIVED ON EXERCISE OF OPTIONS OR RIGHTS	OTHER CHANGES	HELD AT THE END OF REPORTING PERIOD
Mr Michael Pivac	26,911,226	-	-	25,339,072	52,250,298
Mr Mark Pivac	98,319,808	-	-	92,442,679	190,762,487
Mr Simon Amos	408,692	-	-	-	408,692
Mr Marcus Gracey	-	-	2,000,000	(2,000,000)	-
Mr Mark Sheridan	-	-	1,000,000	-	1,000,000
Mr Aidan Flynn	50,000	-	1,000,000	(1,000,000)	50,000
Mr Jonathan Lawe Davies	-	-	-	52,058	52,058
Mr Steve Pierz	176,900	-	-	-	52,058
Ms Shannon Robinson	2,787,879	-			2,787,879
Mr Gabriel Chiappini	4,927,219	-	-	-	4,927,219
Total	**133,581,724**	-	**4,000,000**	**114,833,809**	**252,415,533**

Remuneration Report - *CONTINUED*

f **Other information** - *CONTINUED*

Performance Shares held by Key Management Personnel

The number of Performance Shares held in the Company during the 2019 reporting period held by each of the Company's Key Management Personnel, including their related parties, is set out below:

YEAR ENDED 30 JUNE 2019

PERSONNEL	BALANCE AT START OF YEAR	GRANTED AS REMUNERATION	CONVERTED TO ORDINARY SHARES	OTHER CHANGES	HELD AT THE END OF REPORTING PERIOD
Mr Michael Pivac	76,017,216	-	(25,339,072)	-	50,678,144
Mr Mark Pivac	277,328,037	-	(92,442,679)	-	184,885,358
Mr Simon Amos	-	-	-	-	-
Mr Marcus Gracey	-	-	-	-	-
Mr Mark Sheridan	-	-	-	-	-
Mr Aidan Flynn	-	-	-	-	-
Mr Jonathan Lawe Davies	-	-	-	-	-
Mr Steve Pierz	-	-	-	-	-
Total	353,345,253	-	(117,781,751)	-	235,563,502

Performance Rights held by Key Management Personnel

The number of Performance Rights held in the Company during the 2019 reporting period held by each of the Company's Key Management Personnel, including their related parties, is set out below:

YEAR ENDED 30 JUNE 2019

PERSONNEL	BALANCE AT START OF YEAR	GRANTED AS REMUNERATION	EXCERCISED DURING THE YEAR	OTHER CHANGES	HELD AT THE END OF REPORTING PERIOD
Mr Michael Pivac	3,666,666	-	-	(666,667)	2,999,999
Mr Mark Pivac	3,466,666	-	-	(600,000)	2,866,666
Mr Simon Amos	-	-	-	-	-
Mr Marcus Gracey	2,000,000	-	(2,000,000)	-	-
Mr Mark Sheridan	1,000,000	1,000,000	(1,000,000)	-	1,000,000
Mr Aidan Flynn	1,000,000	-	(1,000,000)	-	-
Mr Jonathan Lawe Davies	-	-	-	-	-
Total	11,133,332	1,000,000	(4,000,000)	(1,266,667)	6,866,665

1. *Mr Gracey received 2,000,000 converted rights upon successful completion of "A Milestone" Performance Condition in accordance with the Company's Performance Rights Plan approved by shareholders on 21 November 2018*
2. *Mr Sheridan received 1,000,000 converted rights upon successful completion of "A Milestone" Performance Condition in accordance with the Company's Performance Rights Plan approved by shareholders on 21 November 2018.*
3. *Mr Flynn received 1,000,000 converted rights upon successful completion of "A Milestone" Performance Condition in accordance with the Company's Performance Rights Plan approved by shareholders on 21 November 2018.*

Remuneration Report - *CONTINUED*

f Other information - *CONTINUED*

Other transactions with Key Management Personnel

LAURUS CORPORATE SERVICES AGREEMENT

A consultancy agreement existed between the Company and Laurus Corporate Services Pty Ltd, an entity related to Mr Gabriel Chiappini, to provide director, financial, company secretarial and administrative services to the Company. The services were provided for a fee of $10,500 per month (excluding GST) and the services could be terminated by either party with six (6) months written notice. The agreement was terminated during the current year. During the current year the Company paid $4,000 to Laurus Corporate Services Pty Ltd for corporate services provided in addition to the non-executive director fees, at arm's length rates and on normal commercial terms (2018: $82,000).

EXPONENTIAL INSIGHTS SERVICES AGREEMENT

During the period Exponential Insights, an entity related to Mr Steve Pierz provided consulting services to the Company for a fee of US$10,000 per month for business development in North America. During the period, the Company paid $162,813 to Exponential Insights LLC (2018: $70,373).

DIRECTOR LOAN AGREEMENT

During the twelve (12) month period the Company paid $150,000 as a loan to Mark Pivac in relation to tax payments relating to Performance Rights issued under the Company's Performance Rights Plan. The amount was repaid in full plus interest to the company during the twelve month period. No director loan exists at 30 June 2019 to any director.

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, 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, for audit services provided during the year are set out in Note 23 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 - GLOBAL

30 September 2019

Grant Thornton

Central Park, Level 43,
152-158 St Georges Terrace
Perth WA 6000

Correspondence to:
PO Box 7757
Cloisters Square
Perth WA 6850

T +61 8 9480 2000
E info.wa@au.gt.com
W www.grantthornton.com.au

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 2019, 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

M J Hillgrove
Partner – Audit & Assurance

Perth, 30 September 2019

FOR THE YEAR ENDED 30 JUNE 2019

Consolidated Statement of Profit or Loss and Other Comprehensive Income

NAME	NOTES	30 JUNE 2019 $	30 JUNE 2018 $
Interest Income	7	**312,168**	457,589
Other Income	7	**119,187**	77,897
Expenses			
Professional services	8.a	**1,432,705**	2,098,311
Directors' and employees' benefits	8.b	**2,957,385**	1,625,900
IP expenses		**146,011**	-
Other expenses	8.c	**3,087,032**	1,915,651
Share-based payments		**1,173,071**	1,994,763
Depreciation	14	**216,426**	16,541
Loss before tax		**8,581,273**	7,115,679
Income tax expense	9	**560,281**	-
Loss for the period		**9,141,554**	7,115,679
Other comprehensive income for the period, net of tax		**-**	-
Total comprehensive income for the period		**-**	-
Total comprehensive loss for the period		**9,141,554**	7,115,679
Basic loss per share in cents per share	21	**0.73**	0.75
Diluted loss per share in cents per share	21	**0.73**	0.75

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

AS AT 30 JUNE 2019

Consolidated Statement of Financial Position

NAME	NOTES	30 JUNE 2019 $	30 JUNE 2018 $
ASSETS			
Current			
Cash and cash equivalents	10	**14,426,343**	21,956,657
Trade and other receivables	11	**9,975,647**	8,164,930
Other current assets	12	**1,809,205**	295,144
Current assets		**26,211,195**	30,416,732
Non-current			
Property, plant and equipment	14	**1,868,248**	1,269,940
Development costs	15	**28,629,465**	14,794,119
Non-current liabilities		**30,497,712**	16,064,059
Total assets		**56,708,908**	46,480,791
LIABILITIES			
Current			
Trade and other payables	16	**2,169,325**	2,273,431
Provisions	17	**649,986**	553,857
Finance lease	26	**14,680**	13,970
Current liabilities		**2,833,991**	2,841,258
Non-current			
Provisions	17	**182,384**	-
Finance lease	26	**12,978**	26,523
Deferred tax liabilities	9	**560,281**	-
Non-current liabilities		**755,643**	26,523
Total liabilities		**3,589,634**	2,867,781
Net assets		**53,119,274**	43,613,010
EQUITY			
Equity attributable to owners of the parent:			
Share capital	18	**75,935,722**	57,899,177
Reserves	20	**3,134,515**	2,747,220
Accumulated losses		**(25,950,963)**	(17,033,387)
Total equity		**53,119,274**	43,613,010

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

Consolidated Statement of Changes in Equity

NAME	SHARE CAPITAL $	PERFORMANCE RIGHT RESERVE $	SHARE OPTION RESERVE $	ACCUMULATED LOSSES $	TOTAL EQUITY $
Balance at 1 July 2018	**57,899,177**	**1,831,709**	**915,511**	**(17,033,387)**	**43,613,010**
Loss for the period	-	-	-	(9,141,554)	**(9,141,554)**
Other comprehensive income	-	-	-	-	**-**
Total comprehensive loss for the period	**57,899,177**	**1,831,709**	**915,511**	**(9,141,554)**	**(9,141,554)**
Transactions with owners:					
Shares issued – capital raising (REFER TO NOTE 18)	17,000,001	-	-	-	**17,000,001**
Capital raising costs – (REFER TO NOTE 18)	(968,606)	-	-	-	**(968,606)**
Performance rights converted to shares (REFER TO NOTE 19)	1,944,250	(1,944,250)	-	-	**-**
Performance rights issued to employees and directors – (REFER TO NOTE 19)	-	1,833,697	-	-	**1,833,697**
Performance rights expired (REFER TO NOTE 20)	-	(229,563)	-	229,563	**-**
Performance rights forfeited (REFER TO NOTE 20)	-	(68,425)	-	(5,585)	**(74,010)**
Options issued to employees (REFER TO NOTE 19)	-		795,836	-	**795,836**
Shares issued upon exercise of options (REFER TO NOTE 18)	60,900	-	-	-	**60,900**
Balance at 30 June 2019	**75,935,722**	**1,423,168**	**1,711,347**	**(25,950,963)**	**53,119,274**

NAME	SHARE CAPITAL $	PERFORMANCE RIGHT RESERVE $	SHARE OPTION RESERVE $	ACCUMULATED LOSSES $	TOTAL EQUITY $
Balance at 1 July 2017	**19,303,138**	**914,071**	**1,211,436**	**(11,019,155)**	**10,409,490**
Loss for the period	-	-	-	(7,115,679)	**(7,115,679)**
Other comprehensive income	-	-	-	-	**-**
Total comprehensive loss for the period	**-**	**-**	**-**	**(7,115,679)**	**(7,115,679)**
Transactions with owners:					
Shares issued – capital raising	37,646,600	-	-	-	**37,646,600**
Capital raising costs	(1,773,378)	-	-	-	**(1,773,378)**
Performance rights vested (REFER TO NOTE 19)	1,161,666	(1,161,666)	-	-	**-**
Performance rights issued to employees and directors (REFER TO NOTE 19)	-	2,079,304	-	-	**2,079,304**
Options issued to employees (REFER TO NOTE 19)	-		805,522	-	**805,522**
Shares issued upon exercise of options	1,561,151	-	-	-	**1,561,151**
Options exercised	-	-	(1,101,447)	1,101,447	**-**
Balance at 30 June 2018	**57,899,177**	**1,831,709**	**915,511**	**(17,033,387)**	**43,613,010**

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

FOR THE YEAR ENDED 30 JUNE 2019

Consolidated Statement of Cash Flows

NAME	NOTES	30 JUNE 2019 $	30 JUNE 2018 $
OPERATING ACTIVITIES			
Interest received		**332,206**	423,240
Payments to suppliers and employees		**(7,552,893)**	(4,584,512)
Rental bond paid		**-**	(56,500)
Interest paid – finance lease		**(1,849)**	(2,588)
Government grants		**131,870**	77,897
Net cash used in operating activities	22	**(7,090,666)**	(4,142,463)
Investing activities			
Hadrian development costs		**(22,769,674)**	(19,672,336)
Research and development rebate received		**7,376,139**	972,623
Purchase of property, plant and equipment		**(1,139,007)**	(1,286,293)
Proceeds from disposals of property, plant and equipment		**500**	-
Net proceeds from sale of businesses and associates		**99**	-
		(16,531,943)	(19,986,006)
Net cash provided by investing activities			
Financing activities			
Proceeds from exercise of options		**60,900**	1,561,150
Purchase of property, plant and equipment under finance lease		**-**	-
Proceeds from issue of share capital	18	**17,000,001**	37,646,600
Capital raising costs	18	**(968,605)**	(1,773,378)
Net cash provided by financing activities		**16,092,295**	37,434,372
Net change in cash and cash equivalents		**(7,530,314)**	13,305,903
Cash and cash equivalents, beginning of period		**21,956,657**	8,650,755
Cash and cash equivalents, end of period	10	**14,426,343**	21,956,657

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 Limited and its controlled subsidiaries ('FBR' or 'the Company') is developing technology to build an automated robotic machine with the aim of it being capable of completing the brickwork of a Full Home Structure at potentially significantly lower cost and higher quality than traditional methods. 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 Company 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 Company'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 2019 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 Company incurred a net loss of $9,141,554 during the year ended 30 June 2019, and as of that date, the Company's net cash outflows from operating & investing activities totalled $23,622,609. The ability for the Company to continue as a going concern and to fund its ongoing Hadrian X programme is dependent upon the Company successfully raising additional capital and continuing to be eligible for receipt of government R&D tax incentives. If the Company 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.

The Company held cash and cash equivalents at balance date of $14,426,343, trade and other receivables of $9,975,647 and was working capital positive. As at 30 September 2019, $9,974,738 of the trade and other receivables had been received as cash in the Company bank accounts. The Company has prepared a cash flow forecast for the next 12 months which provides for the commencement of commercial operations of the first two Hadrian X construction robots. The Company's forecast demonstrates that with a single equity raising and continued access to the R&D tax incentive program and the existing cash reserves, there is the necessary working capital for the Company to continue its ongoing Hadrian X programme and to provide the necessary working capital to cover its corporate costs over the next year.

4 Changes in accounting policies

a) New and revised standards that are effective for these financial statements

In the financial year ended 30 June 2019, the Company 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 2018.

AASB 15 'Revenue from Contracts with Customers'

AASB 15 'Revenue from Contracts with Customers' and the related 'Clarifications to AASB 15 Revenue from Contracts with Customers' (hereinafter referred to as 'AASB 15') replace AASB 118 'Revenue', AASB 111 'Construction Contracts', and several revenue-related Interpretations. The new Standard has been applied retrospectively without restatement, with the cumulative effect of initial application recognised as an adjustment to the opening balance of retained earnings at 1 January 2018.

While this represents significant new guidance, the implementation of this new guidance did not have a significant impact on the timing or amount of revenue recognised by the Group in any year.

a) New and revised standards that are effective for these financial statements - *CONTINUED*

AASB 9 'Financial Instruments'

AASB 9 replaces AASB 139 'Financial Instruments: Recognition and Measurement'. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for the impairment of financial assets.

When adopting AASB 9, the Group has applied transitional relief and opted not to restate prior periods. Differences arising from the adoption of AASB 9 in relation to classification, measurement, and impairment are recognised in retained earnings.

For contract assets arising from AASB 15 and trade receivables, the Group applies a simplified model of recognising lifetime expected credit losses as these items do not have a significant financing component.

While this represents significant new guidance, the implementation of this new guidance did not have a significant impact on the recognition and measurement of financial instruments by the Group.

b) Accounting Standards issued but not yet effective and not been adopted early by the Company- *CONTINUED*

The Company has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the financial year ended 30 June 2019. As a result of this review, the Directors have determined that the following new Standards and Interpretations will impact, material or otherwise, the accounting policies of the Company:

AASB 16 'Leases'

AASB 16 will replace AASB 117 'Leases' and three related Interpretations. It completes the IASB's long-running project to overhaul lease accounting. Leases will be recorded in the statement of financial position in the form of a right-of-use asset and a lease liability. There are two important reliefs provided by AASB 16 for assets of low value and short-term leases of less than 12 months.

AASB 16 is effective from periods beginning on or after 1 July 2019. Early adoption is permitted; however, the Group have decided not to early adopt.

Management is in the process of assessing the full impact of the Standard. So far, the Group:

- has decided to make use of the practical expedient not to perform a full review of existing leases and apply AASB 16 only to new or modified contracts. As some leases will be modified or renewed in 2019, the Group has reassessed these leases and concluded they will be recognised on the statement of financial position as a right-of-use asset
- believes that the most significant impact will be that the Group will need to recognise a right of use asset and a lease liability for the office and production buildings currently treated as operating leases. The Group has determined the impact to retained earnings as at 1 July 2019 to be a reduction in equity of $112,444. This will mean that the nature of the expense of the above cost will change from being an operating lease expense to depreciation and interest expense
- concludes that there will not be a significant impact to the finance leases currently held on the statement of financial position

The Group is planning to adopt AASB 16 on 1 July 2019 using the Standard's modified retrospective approach. Under this approach the cumulative effect of initially applying AASB 16 is recognised as an adjustment to equity at the date of initial application. Comparative information is not restated.

Choosing this transition approach results in further policy decisions the Group need to make as there are several other transitional reliefs that can be applied. These relate to those leases

previously held as operating leases and can be applied on a lease-by-lease basis. The Group are currently assessing the impact of applying these other transitional reliefs.

At the date of authorisation of these financial statements, several new, but not yet effective, Standards, amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards, amendments or Interpretations have been adopted early by the Group.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations neither adopted nor listed below have not been disclosed as they are not expected to have a material impact on the Group's financial statements.

5 Summary of accounting policies

a) Basis of consolidation

The Company financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 June 2019. The Parent 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.

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 Company perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Company.

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) Segment reporting

The Company 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 Company 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 Company'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.

c) Income

Interest and dividend income

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.

d) Operating expenses

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

e) Leased assets

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period. Leased assets are depreciated on a straight-line basis over their estimated useful lives. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses in the periods in which they are incurred.

f) 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 and which are subject to an insignificant risk of changes in value.

5 Summary of accounting policies - *CONTINUED*

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 Company 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
ICT equipment	Straight Line	2-5 years
Leasehold improvements	Straight Line	2-4 years
Plant and equipment – leased	Straight Line	3-4 years

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) Impairment testing of property, plant and equipment

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 to sell and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risks factors.

Impairment losses for cash-generating units are charged pro rata to the other assets in the cash-generating unit. 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.

5 Summary of accounting policies - *CONTINUED*

i) Research and development, intangibles and IP

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. 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 IP 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. The fair value is calculated using a replacement cost methodology through a cost approach model. The key assumptions of the replacement cost calculation are:

- All costs incurred directly or indirectly on designing, manufacturing and testing the Hadrian 105 prototype were removed from the replacement cost calculation.
- 2.5% of all materials and parts used in the development of the Hadrian 109 were removed from the replacement cost calculation.
- Eight full-time personnel's annualised salary of professional engineering and manufacturing labour costs were removed from the replacement cost calculation.
- Management estimates were used to add to the replacement cost calculation a margin mark-up to the costs that the Company had incurred, to reflect what the costs would be if the Company had paid a 3rd party to reproduce the work.
- The tax effect, at 30% was removed from the replacement cost calculation.

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).

5 Summary of accounting policies - *CONTINUED*

j) Financial instruments - *CONTINUED*

Classification and initial measurement of financial assets - *CONTINUED*

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 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

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 as well as listed bonds that were previously classified as held-to-maturity under AASB 139.

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'. This replaces AASB 139's 'incurred loss model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

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.

5 Summary of accounting policies - *CONTINUED*

j) Financial instruments - *CONTINUED*

Previous financial asset impairment under AASB 139 (comparative periods)

In the prior year, the impairment of trade receivables was based on the incurred loss model. Individually significant receivables were considered for impairment when they were past due or when other objective evidence was received that a specific counterparty will default. Receivables that were not considered to be individually impaired were reviewed for impairment in groups, which are determined by reference to the industry and region of the counterparty and other shared credit risk characteristics. The impairment loss estimate was then based on recent historical counterparty default rates for each identified group.

Trade and other receivables and contract assets

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

Classification and measurement of financial liabilities

As the accounting for financial liabilities remains largely the same under AASB 9 compared to AASB 139, the Group's financial liabilities were not impacted by the adoption of AASB 9. However, for completeness, the accounting policy is disclosed below.

The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Financial Instruments (comparative periods)

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

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

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following category upon initial recognition:

- loans and receivables

5 Summary of accounting policies - *CONTINUED*

j) Financial instruments - *CONTINUED*

Classification and subsequent measurement of financial assets - *CONTINUED*

All financial assets, except for those at fair value through profit and loss, are subject to review for impairment, at least at each reporting date, to identify whether there is any objective evidence that a financial asset or a Company of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

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

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Company's trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in Companies, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified Company.

Classification and subsequent measurement of financial liabilities

The Company's financial liabilities are trade and other payables.

Financial liabilities are measured at amortised cost with gains or losses recognised in profit or loss.

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 Company and it is probable that reversal will not occur in the foreseeable future.

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 Company'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 Company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

5 Summary of accounting policies - *CONTINUED*

k) Income taxes - *CONTINUED*

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 its wholly owned Australian controlled entities is in the process of implementing the tax consolidation legislation. Following implementation and as a consequence, these entities will be 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 share-based 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 Company's liabilities for annual leave and 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. 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 Company presents employee benefit obligations as current liabilities in the statement of financial position if the Company 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.

Defined Contribution Plans

The Company pays fixed contributions into independent entities in relation to several state plans and insurance for individual employees. The Company has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the period that relevant employee services are received.

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.

5 Summary of accounting policies - *CONTINUED*

n) Share-based payments - *CONTINUED*

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 is reflected as additional share dilution in the computation of diluted loss per share.

o) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

p) Significant management judgement and estimates in applying accounting policies

When preparing the interim 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.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the last annual financial statements for the year ended 30 June 2018.

Additional significant estimates and judgements include:

Research and development, intangibles and IP

Management reviews it's carrying value of capitalised development and IP 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.

Share-based payment transactions

The Company 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 19.

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.

6 Segment reporting

The Company 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 Company 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 Company'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 Income

	CONSOLIDATED	
	30 JUNE 2019 $	30 JUNE 2018 $
Interest income	**312,168**	457,589
Government grants	**109,317**	77,897
Gain on sale of share in JV	**99**	-
Other	**9,771**	-
	431,355	535,486

8 Expenses

a) Professional services

	CONSOLIDATED	
	30 JUNE 2019 $	30 JUNE 2018 $
Marketing	**298,342**	361,116
Accountancy	**189,961**	212,037
Corporate consultants	**944,402**	1,525,158
	1,432,705	2,098,311

b) Directors' and employees' benefits

	CONSOLIDATED	
	30 JUNE 2019 $	30 JUNE 2018 $
Wages, salaries and directors' fees	**13,155,061**	6,890,950
Superannuation	**1,022,434**	476,591
Annual leave entitlements	**159,632**	114,260
Long service leave entitlements	**68,881**	10,198
Recharge to Hadrian Development Costs	**(11,448,623)**	(5,866,099)
	2,957,385	1,625,900

8 Expenses - *CONTINUED*

c) Other expenses

	CONSOLIDATED	
	30 JUNE 2019	30 JUNE 2018
	$	$
Legal costs	**457,053**	240,574
Insurance	**150,494**	108,194
Travel expenses	**746,797**	521,417
Compliance costs	**291,049**	259,292
Subscriptions	**299,943**	108,214
Staff training costs	**110,040**	2,936
Other administration expenses	**659,429**	370,649
Recruitment costs	**344,946**	180,335
Website development costs	**27,281**	124,040
	3,087,032	1,915,650

9 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 Limited at 27.5% (2018: 27.5%) and the reported tax expense in profit or loss are as follows:

	30 JUNE 2019	30 JUNE 2018
	$	$
Loss from continuing operations before income tax expense	**(8,581,273)**	(7,115,679)
– Prima facie tax benefit on loss from ordinary activities before income tax at 27.5%	**(2,359,850)**	(1,956,812)
Add (less) tax effect of:		
– Non-deductible items (permanent) – Entertainment	**7,649**	5,646
– Non-deductible items (permanent) – Share/Option Based Payments expensed	**322,594**	548,560
– Non-deductible items (permanent) – Share/Option Based Payments capitalised	**360,507**	-
– Non-deductible items (permanent) – R&D Tax – Expenses subject to R&D	**-**	212,014
– Non-deductible items (permanent) – Other	**-**	(201)
– Permanent differences relating to R&D costs	**3,934,553**	-
– s40-880 costs recognised in equity	**(266,367)**	-
– prior period over/under	**(16,504)**	-
– Movement in temporary differences not recognised	**44,719**	(40,594)
– Prior year net unrecognised deferred tax asset now recognised	**(1,467,021)**	-
– Current year losses not brought to account as future income tax benefit	**-**	1,231,387*
Income tax expense	**560,281**	-

9 Income tax expense - *CONTINUED*

Deferred tax assets and liabilities recognised relate to the following:

	30 JUNE 2019 $	30 JUNE 2018 $
DTA		
Tax losses (Company) - Gross $21,041,693 - Note 1	**5,786,466**	4,176,985
Other temporary differences (DTA closing balance)		
Patent Costs	**53,590**	-
Domain registrations	**935**	-
In-house software	**94,086**	34,504
Blackhole expenditure	**13,904**	19,720
Lease cancellation costs	**20,557**	-
Accruals & other payables	**8,250**	23,348
Provisions	**225,464**	152,311
Capital Raising Costs through equity	**526,903**	432,548
DTL		
Other temporary differences (DTL closing balance)		
Cash assets	**(2,987)**	-
Trade receivables	**(3,935)**	(10,147)
Prepayments	**(491,674)**	(81,165)
Investment in Hadrian	**(6,585,015)**	(3,240,303)
Property, plant & equipment	**(206,825)**	(40,779)
Net deferred tax liability recognised in 2019 at 27.5%.	**(560,281)**	1,467,023*

** Net deferred tax asset at 27.5% for 30 June 2018 not recognised.*

Note 1: FBR recognises a deferred tax asset arising from carried forward tax losses. The deferred tax asset at 27.5% which is attributable to tax losses carried forward at 30 June 2019 is $5,786,466 (2018: $4,176,985).

As the deferred tax liability exceeds the deferred tax assets at 30 June 2019, FBR has offset the deferred tax asset against the deferred tax liability and only recognised the net deferred tax liability in the consolidated statement of financial position and profit and loss.

10 Cash and cash equivalents

Cash and cash equivalents include the following components:

	CONSOLIDATED	
	30 JUNE 2019 $	30 JUNE 2018 $
Cash at bank and on deposit	**14,426,343**	21,956,657

Security deposits held by the Company's bank in relation to credit card facilities and rental properties total $832,313 (2018: $307,000).

11 Trade and other receivables

Trade and other receivables consist of the following:

	CONSOLIDATED	
	30 JUNE 2019	30 JUNE 2018
	$	$
Research and Development rebate	**9,449,954**	7,376,139
GST receivable	**510,473**	730,570
Interest receivable	**14,311**	34,349
Other receivables	**909**	23,872
	9,975,647	8,164,930

All amounts are short-term. The net carrying value of trade and other receivables is considered a reasonable approximation of fair value.

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, such that the time value of money is not significant.

All of the Company's trade and other receivables have been reviewed for indicators of impairment with none being noted.

12 Other current assets

Other current assets consist of the following:

	CONSOLIDATED	
	30 JUNE 2019	30 JUNE 2018
	$	$
Prepayments	**1,809,205**	295,144
	1,809,205	295,144

13 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	30 JUNE 2019 $	30 JUNE 2018 $
30 June 2019			
Financial assets			
Cash and cash equivalents	10	**14,426,343**	14,426,343
Trade and other receivables		**15,220**	15,220
		14,441,563	14,441,563
Financial liabilities			
Trade and other payables	16	**2,169,325**	2,169,325
Finance lease	26	**27,658**	27,658
		2,196,983	2,196,983

	NOTES	FINANCIAL ASSETS AT AMORTISED COST $	TOTAL $
30 June 2019			
Financial assets			
Cash and cash equivalents	10	**21,956,657**	21,956,657
Trade and other receivables		**58,221**	58,221
		22,014,878	22,014,878
Financial liabilities			
Trade and other payables	16	**2,273,431**	2,273,432
Finance lease	26	**40,493**	40,493
		2,313,925	2,313,925

The methods used to measure financial assets and liabilities reported at fair value are described in Note 28.

Other financial instruments

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

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

14 Property, plant and equipment

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

	PLANT & EQUIPMENT	FURNITURE & FITTINGS	ICT EQUIPMENT	LEASEHOLD IMPROVEMENTS	LEASED PLANT & EQUIPMENT	WORK IN PROGRESS	TOTAL
	$	$	$	$	$	$	$
Gross carrying amount							
Balance at 1 July 2018	472,110	107,174	620,574	295,251	52,235	-	**1,547,344**
Additions	528,976	39,002	329,801	115,160	-	105,476	**1,118,415**
Disposals	-	-	(3,596)	-	-	-	**(3,596)**
Balance at 30 June 2019	**1,001,086**	**146,176**	**946,779**	**410,411**	**52,235**	**105,476**	**2,662,163**
Depreciation and impairment							
Balance at 1 July 2018	(32,378)	(19,865)	(138,773)	(70,068)	(16,321)	-	**(277,405)**
Disposals	-	-	2,008	-	-	-	**2,008**
Depreciation*	(144,214)	(39,987)	(235,836)	(85,422)	(13,059)	-	**(518,518)**
Balance at 30 June 2019	**(176,592)**	**(59,852)**	**(372,601)**	**(155,490)**	**(29,380)**	**-**	**(793,915)**
Carrying amount at 30 June 2019	**824,494**	**86,324**	**574,178**	**254,921**	**22,855**	**105,476**	**1,868,248**

**$302,092 of depreciation charges for the current year have been capitalised to development costs of the Hadrian X.*

15 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. 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.

15 Development costs - *CONTINUED*

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

	CONSOLIDATED	
	30 JUNE 2019 $	30 JUNE 2018 $
Gross carrying amount	**14,794,119**	1,345,329
Additions	**23,285,300**	21,145,957
R&D tax incentives	**(9,449,954)**	(7,697,167)
Disposals	**-**	-
	28,629,465	14,794,119
Additions		
Software development	**-**	16,585
Consultants	**2,884,603**	4,900,069
Employee benefits	**11,448,623**	5,909,932
Equipment hire	**247,736**	38,216
Materials	**2,790,035**	5,998,574
Occupancy expense	**1,168,471**	555,293
Share-based payments	**1,382,453**	890,063
Patents and trademarks	**1,102,506**	368,690
Overheads and other	**2,260,873**	2,468,535
Total additions	**23,285,300**	21,145,957
R&D Tax Incentives		
R&D tax incentives received and accrued	**(9,449,954)**	(7,697,167)

16 Trade and other payables

Trade and other payables consist of the following:

	CONSOLIDATED	
	30 JUNE 2019 $	30 JUNE 2018 $
Trade creditors	**1,165,888**	1,010,600
Accrued expenses	**223,798**	335,559
Other payables	**779,639**	927,272
	2,169,325	2,273,431

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

17 Provisions

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

	CONSOLIDATED	
	30 JUNE 2019	30 JUNE 2018
	$	$
Current		
Employee entitlements – Annual leave	**599,986**	520,895
Employee entitlements – Long service leave	**-**	32,962
Other provisions	**50,000**	-
	649,986	553,857
Non-current		
Employee entitlements – Annual leave	**80,541**	-
Employee entitlements – Long service leave	**101,843**	-
	182,384	-

The current portion of these liabilities represents the Company's obligations to its current and former employees that are expected to be settled during the next financial year.

18 Share capital

Ordinary shares

	2019		2018	
	$	NO.	$	NO.
Ordinary shares, fully paid	**75,935,722**	**1,403,631,512**	57,899,177	1,061,098,827

	$	NO.
Movement in ordinary shares on issue		
Shares on issue at 1 July 2018	57,899,177	1,061,098,827
Capital raising		
Capital raising costs	17,000,001	161,904,769
1 March 2019 ($0.105 per share)	(968,605)	-
Option conversion		
13 August 2018 (at $0.08 per option)	7,900	98,750
18 September 2018 (at $0.08 per option)	53,000	662,500
Performance rights converted (28 September 2018)	972,125	6,600,000
Performance rights converted (13 November 2018)	972,125	6,600,000
Performance shares converted (13 November 2018)	-	166,666,666
Shares on issue at 30 June 2019	**75,935,722**	**1,403,631,512**

18 Share capital - *CONTINUED*

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held and in proportion to the amount paid up on the shares held. At shareholders meetings, each ordinary share is entitled to one vote in proportion to the paid-up amount of the share when a poll is called, otherwise each shareholder has one vote on a show of hands.

The share capital of FBR consists only of fully paid ordinary shares, and the shares do not have a par value. All ordinary shares are equally eligible to receive dividends and the repayment of capital and represent one vote at the shareholders' meeting of FBR.

Performance shares

There were no performance shares issued during the current year (2018: nil). There were 166,666,666 performance shares that converted to ordinary fully paid shares during the current year (2018: nil).

The following table illustrates the outstanding performance shares granted, converted and forfeited during the year.

	2019 NUMBER	2018 NUMBER
Outstanding at 1 July	**499,999,998**	499,999,998
Granted during the year	**-**	-
Converted during the year	**(166,666,666)**	-
Cancelled/forfeited during the year	**-**	-
Performance Shares at 30 June	**333,333,332**	499,999,998

Performance shares do not have a par value. Performance shares are not eligible to receive dividends or repayment of capital. Performance shares are not entitled to vote at the shareholders' meeting of FBR.

Each performance share converts to 1 ordinary share for nil consideration upon satisfaction of the vesting conditions detailed below.

Under the Goldwing Offer and pursuant to the prospectus dated 23 September 2015, the Company allotted 499,999,998 unquoted performance shares to the shareholders of FBR.

i. 166,666,666 Performance Shares Class A

Vesting condition for Class A; Upon successful demonstration of the Company's robotic building technology as proven by the construction of a 3 bedroom, 2 bathroom home structure within three (3) days from commencement of construction by the Company's robotic home building technology on the site. During the current financial year, all Class A Performance Shares were converted to ordinary shares;

ii. 166,666,666 Performance Shares Class B

Vesting condition for Class B; Upon successful completion, being payment for service, of the Company's tenth home structure constructed under a commercial arm's length contract. If unconverted, Class B Performance Shares will expire after 48 months from the date of issue; and

iii. 166,666,666 Performance Shares Class C

Vesting condition for Class C; Upon achievement by the Company of reported annual operating revenue in a financial year attributable to the FBR technology (excluding grant receipts and R&D rebates received from the ATO) of at least $10,000,000. If unconverted, Class C Performance Shares will expire after 60 months from the date of issue.

19 Share based payments

Ordinary shares

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

Options

On 20 July 2018, 4,000,000 options were granted to certain employees of the Company. These options have an exercise price of $0.30 per option, and expiry date of 20 July 2021, and vest upon the option holder remaining employed with the Company on the following dates;

- 1/3 options vest on 31 December 2018 (vested as at 31 December 2018)
- 1/3 options vest on 31 December 2019
- 1/3 options vest on 31 December 2020

The Black-Scholes option pricing model was used to value these options. Inputs into the valuation model were as stated and as follows:

- Spot price: The spot price of the Company's shares was $0.185 per share at the close of trade on 20 July 2018, the closing price at the Valuation Date.
- Expected future volatility: The share price volatility of the Company at 103% for the securities, was calculated and based on assessing historical volatility over recent trading periods.
- Risk free rate: Determined based on volatility yields of Commonwealth bonds using a three-year bond, the period which most closely corresponds to the maximum life of the Options. The interest rates were measured as the closing rate on the day prior to the Valuation Date. A three (3) year bond yielded 2.1% on 20 July 2018, as disclosed by the Reserve Bank of Australia.
- Dividend yield: Assumed dividend yield of 0% as the Company does not have a history of paying dividends and is not expected to declare or pay any dividends over the life of the Rights.

The fair value of these 4,000,000 options granted during the year was $404,536. $130,515 was expensed for the current year, and a further $144,253 capitalised, based on the vesting period.

On 13 August 2018, 1,500,000 options were granted to the Chief Operating Officer of the Company. These options have an exercise price of $0.30 per option, and expiry date of 12 August 2021, and vest upon the option holder remaining employed with the Company on the following dates;

- 1/3 options vest on 31 December 2018 (vested as at 31 December 2018)
- 1/3 options vest on 31 December 2019
- 1/3 options vest on 31 December 2020

The Black-Scholes option pricing model was used to value these options. Inputs into the valuation model were as stated and as follows:

- Spot price: The spot price of the Company's shares was $0.17 per share at the close of trade at the Valuation Date.
- Expected future volatility: The share price volatility of the Company at 103% for the securities, was calculated and based on assessing historical volatility over recent trading periods.
- Risk free rate: Determined based on volatility yields of Commonwealth bonds using a three-year bond, the period which most closely corresponds to the maximum life of the Options. The interest rates were measured as the closing rate on the day prior to the Valuation Date. A three (3) year bond yielded 2.03% on 13 August 2018, as disclosed by the Reserve Bank of Australia.
- Dividend yield: Assumed dividend yield of 0% as the Company does not have a history of paying dividends and is not expected to declare or pay any dividends over the life of the Rights.

19 Share based payments - *CONTINUED*

The fair value of these 1,500,000 options granted during the year was $134,949. $27,046 was expensed for the current year, and a further $63,108 capitalised, based on the vesting period.

On 6 September 2018, 300,000 options were granted to an advisor of the Company. These options have an exercise price of $0.325 per option, and expiry date of 5 September 2021, and vest upon the option holder remaining employed with the Company on the following dates;

- 1/3 options vest on 31 December 2018 (vested as at 31 December 2018)
- 1/3 options vest on 31 December 2019
- 1/3 options vest on 31 December 2020

The Black-Scholes option pricing model was used to value these options. Inputs into the valuation model were as stated in the table above, and as follows:

- Spot price: The spot price of the Company's shares was $0.165 per share at the close of trade at the Valuation Date.
- Expected future volatility: The share price volatility of the Company at 103% for the securities, was calculated and based on assessing historical volatility over recent trading periods.
- Risk free rate: Determined based on volatility yields of Commonwealth bonds using a three-year bond, the period which most closely corresponds to the maximum life of the Options. The interest rates were measured as the closing rate on the day prior to the Valuation Date.
- A three (3) year bond yielded 1.99% on 6 September 2018, as disclosed by the Reserve Bank of Australia.
- Dividend yield: Assumed dividend yield of 0% as the Company does not have a history of paying dividends and is not expected to declare or pay any dividends over the life of the Rights.

The fair value of these 300,000 options granted during the year was $25,099. $16,466 was expensed for the current year, based on the vesting period.

During the prior year, 6,750,000 options were granted to certain employees of the Company. These options have an exercise price of $0.30 per option, and expiry date of 14 March 2021, and vest upon the option holder remaining employed with the Company on the following dates;

- 1/3 options vest on 1 July 2018 (vested as at 1 July 2018)
- 1/3 options vest on 1 July 2019
- 1/3 options vest on 1 July 2020

The Black-Scholes option pricing model was used to value these options. Inputs into the valuation model were as stated in the table above, and as follows:

- Spot price: The spot price of the Company's shares was $0.155 per share at the close of trade on 1 March 2018, the closing price immediately prior to Valuation Date.
- Expected future volatility: The share price volatility of the Company at 103% for the securities, was calculated and based on assessing historical volatility over recent trading periods.
- Risk free rate: Determined based on volatility yields of Commonwealth bonds using a three-year bond, the period which most closely corresponds to the maximum life of the Options. The interest rates were measured as the closing rate on the day prior to the Valuation Date. A three (3) year bond yielded 2.09% on 1 March 2018, as disclosed by the Reserve Bank of Australia.
- Dividend yield: Assumed dividend yield of 0% as the Company does not have a history of paying dividends and is not expected to declare or pay any dividends over the life of the Rights.

The fair value of these 6,750,000 options granted during the prior year was $563,207. $184,514 has was expensed for the prior year, and a further $74,959 capitalised, based on the number of options vested during the prior year. $158,277 was expensed for the current year, and a further $64,300 capitalised, based on the vesting period.

19 Share based payments - *CONTINUED*

During the prior year 4,050,000 options were granted to certain employees of the Company. 3,750,000 of these options have an exercise price of $0.30 per option, an expiry date of 11 May 2021, and vest upon the option holder remaining employed with the Company on the following dates;

- 1/3 options vest on 1 July 2018 (vested as at 1 July 2018)
- 1/3 options vest on 1 July 2019
- 1/3 options vest on 1 July 2020

300,000 of these options have an exercise price of $0.325 per option, an expiry date of 11 May 2021, and vest upon the commencement date of employment of the option holder.

The Black-Scholes option pricing model was used to value these options. Inputs into the valuation model were as stated in the table above, and as follows:

- Spot price: The spot price of the Company's shares was $0.17 per share at the close of trade on 18 April 2018, the closing price immediately prior to Valuation Date.
- Expected future volatility: The share price volatility of the Company at 103% for the securities, was calculated and based on assessing historical volatility over recent trading periods.
- Risk free rate: Determined based on volatility yields of Commonwealth bonds using a three (3) year bond, the period which most closely corresponds to the maximum life of the Options. The interest rates were measured as the closing rate on the day prior to the Valuation Date. A three (3) year bond yielded 2.23% on 18 April 2018, as disclosed by the Reserve Bank of Australia.
- Dividend yield: Assumed dividend yield of 0% as the Company does not have a history of paying dividends and is not expected to declare or pay any dividends over the life of the Rights.

The fair value of these 4,050,000 options granted during the prior year was $368,995. $56,769 was expensed for the prior year, and a further $111,741 capitalised, based on the number of options vested during the prior year. $59,276 was expensed for the current year, and a further $88,914 capitalised, based on the vesting period.

During the prior year 75,000,000 options already on issue were released from escrow on 18 November 2017.

The following table illustrates the outstanding options granted, exercised and forfeited during the year.

	2019		2018	
	NUMBER	**WEIGHTED AVERAGE EXERCISE PRICE (CENTS)**	NUMBER	WEIGHTED AVERAGE EXERCISE PRICE (CENTS)
Outstanding at 1 July	**23,937,500**	**23**	87,636,250	4
Granted during the year	**5,800,000**	**30**	10,800,000	30
Exercised during the year	**(761,250)**	**8**	(74,498,750)	2
Expired during the year	**(688,750)**	**8**	–	–
Outstanding as at 30 June	**28,287,500**	**25**	23,937,500	23

The weighted average remaining contractual life for the share-based payment options outstanding as at 30 June 2019, was 1.76 years (2018: 2.61 years).

The range of exercise prices for share-based payment options outstanding as at the end of the year was $0.02 to $0.325 (2018: $0.02 to $0.325).

19 Share based payments - *CONTINUED*

Performance rights

There were 31,551,204 performance rights issued during the current year (2018: 15,150,000).

The weighted average fair value of the performance rights granted during the current year is $0.08 (2018: $0.16).

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.

	2019 NUMBER	2018 NUMBER
Outstanding at 1 July	**24,416,664**	20,700,000
Granted during the year	**31,551,204**	15,150,000
Converted during the year	**(13,200,000)**	(11,333,336)
Expired during the year	**(1,733,334)**	-
Forfeited during the year	**(1,422,300)**	(100,000)
Performance rights at 30 June	**39,612,234**	24,416,664

On 13 August 2018, the Company issued 1,000,000 unlisted retention performance rights to the Chief Operating Officer. These retention performance rights have no escrow period and are split in the following classes:

i. 500,000 Retention Performance Rights Class A

Vesting condition for Class A; Continued employment until 1 August 2019.

Milestone date is 1 August 2019.

If unconverted, Class A Retention Performance Rights will expire on the milestone date;

ii. 500,000 Retention Performance Rights Class A

Vesting condition for Class B; Continued employment until 1 August 2020.

Milestone date is 1 August 2020.

If unconverted, Class B Retention Performance Rights will expire on the milestone date;

The retention performance shares were valued using the spot price on grant date. The spot price was $0.17 per share at the close of trade on 13 August 2018, being the date the performance shares were issued.

The fair value of these 1,000,000 retention performance rights granted during the year, assuming that 100% of the performance rights will vest, was $170,000. $78,455 was capitalised to development costs and $33,624 was expensed in the current year based on the allocation of activities in the COO role.

On 20 May 2019, the Company issued 30,551,204 unlisted performance rights to the employees of FBR. These performance rights have no escrow period and are split in the following classes:

i. 12,201,196 Performance Rights Class A

Vesting condition for Class A; Successful completion of business commercialisation goals

Milestone date is 31 December 2019

Expiry date is 30 March 2020

If unconverted, Class A Performance Rights will expire on the expiry date;

19 Share based payments - *CONTINUED*

Performance rights - *CONTINUED*

ii. 12,201,196 Performance Rights Class B

Vesting condition for Class B; Successful completion of employee individual performance goals

Milestone date is 31 December 2019

Expiry date is 30 March 2020

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

iii. 3,074,406 Performance Rights Class C

Vesting condition for Class C; Successful completion of long term business commercialisation goals

Milestone date is 31 December 2021

Expiry date is 30 March 2022

If unconverted, Class C Performance Rights will expire on the expiry date;

iv. 3,074,406 Performance Rights Class D

Vesting condition for Class D; Successful completion of long term individual project goals

Milestone date is 31 December 2021

Expiry date is 30 March 2022

If unconverted, Class D Performance Rights will expire on the expiry date;

The performance rights were valued using the spot price on grant date. The spot price was $0.073 per share at the close of trade on 3 May 2018, being the date the performance rights were offered to the employees.

The fair value of these 30,551,204 performance rights granted during the current year, assuming that 100% of the performance rights will vest, was $2,230,238. $321,764 was capitalised to development costs, based on the number of performance rights issued to technical and engineering employees and $113,173 was expensed based on the number of performance rights issued to corporate employees during the current year.

In the prior year, on 27 November 2017, the shareholders approved the issue of 5,200,000 unlisted performance rights to the directors of FBR. These Performance Rights have no escrow period and are split in the following classes:

i. 1,733,334 Performance Rights Class A (since expired on 31 December 2018 due to not meeting the VWAP target by the expiry date)

Vesting condition for Class A; Upon the Company shares achieving a fifteen (15) day volume weighted average price ('VWAP') of $0.325.

Escrow period applies if vesting hurdle met after grant date and before 1 July 2018.

Class A Performance Rights expired on 31 December 2018;

ii. 1,733,334 Performance Rights Class B

Vesting condition for Class B; Upon the Company shares achieving a fifteen (15) day VWAP of $0.425.

Escrow period applies if vesting hurdle met after grant date and before 1 July 2019.

If unconverted, Class B Performance Rights will expire on 31 December 2019; and

iii. 1,733,332 Performance Rights Class C

Vesting condition for Class C; Upon the Company shares achieving a fifteen (15) day VWAP of $0.525.

Escrow period applies if vesting hurdle met after grant date and before 1 July 2020.

If unconverted, Class C Performance Rights will expire on 31 December 2020.

19 Share based payments - *CONTINUED*

The binomial pricing model was used to value these performance rights. Inputs into the valuation model were as stated in points (i) to (iii) above, and as follows:

- Spot price: The spot price of the Company's shares was $0.20 per share at the close of trade on 27 November 2017, the last date the Company's shares traded prior to the Valuation Date.
- Expected future volatility: Assumed volatility of 100% for the securities. This is calculated based on historical volatility over recent trading periods.
- Risk free rate: Determined based on volatility yields of Commonwealth bonds using the period which most closely corresponds to the maximum lives of the Rights. The interest rates are measured as the closing rate on the day prior to the Valuation Date. The bond rates used were 1.72%, 1.76% and 1.91% as disclosed by the Reserve Bank of Australia.
- Dividend yield: Assumed a dividend yield of 0% as the Company does not have a history of paying dividends and is not expected to declare or pay any dividends over the life of the Rights.

The fair value of these 5,200,000 performance rights granted during the prior year, assuming that 100% of the performance rights will vest, was $753,393. 3,580,000 performance rights were issued to Directors for their corporate services to the Company, and as such $216,395 was expensed (2018: $169,696) in the current year based on the number of performance rights vested during the current year. The remaining 1,620,000 performance rights were issued to directors for their technical and engineering contribution to the Company, and as such $97,922 (2018: $76,790) was capitalised to development costs, based on the number of performance rights vested during the current year.

In the prior year on 20 March 2017, a further 2,700,000 performance rights were awarded to employees of FBR. These performance rights have no escrow period and are split in the following classes:

i. 1,350,000 Performance rights Class A

Vesting condition for Class A; Successful and fully operational completion of build of the Hadrian X by 31 December 2018. Hadrian X to successfully demonstrate key features as outlined in the Hadrian X launch Video.

On 28 September 2018, the outstanding Class A performance rights vested and were converted to ordinary shares.

ii. 1,350,000 Performance rights Class B

Vesting condition for Class B; Upon successful demonstration of the Company's robotic home building technology as proven by the construction of a Full Home Structure within three (3) days from commencement of construction by the Company's robotic home building technology on the site.

On 13 November 2018, the outstanding Class B performance rights vested and were converted to ordinary shares.

The fair value of these 2,700,000 performance rights granted during the prior year was $270,000, based on a closing share price of $0.10 per share on 20 March 2017 (Grant Date). 2,550,000 performance rights were issued to technical and engineering employees and as such $255,000 was capitalised to development costs in prior periods. The remaining 150,000 performance rights were issued to corporate staff and as such $15,000 was expensed in prior periods.

In the prior year on 16 February 2018, the Company issued 3,500,000 unlisted performance rights to the employees of FBR. These performance rights have no escrow period and are split in the following classes:

i. 1,750,000 Performance Rights Class A (since converted to ordinary shares on 28 September 2018)

Vesting condition for Class A; Successful and fully operational completion of build of the Hadrian X

Milestone date is 30 September 2018.

On 28 September 2018, the outstanding Class A performance rights vested and were converted to ordinary shares.

ii. 1,750,000 Performance Rights Class B (since converted to ordinary shares on 13 November 2018)

Vesting condition for Class B; Upon successful demonstration of the Company's robotic home building technology as proven by the construction of a Full Home Structure

Milestone date is 12 November 2018.

On 13 November 2018, the outstanding Class B performance rights vested and were converted to ordinary shares.

19 Share based payments - *CONTINUED*

The performance rights were valued using the spot price on grant date. The spot price was $0.17 per share at the close of trade on 15 December 2017, being the date the performance rights were approved by the board of directors.

The fair value of these 3,500,000 performance rights granted during the prior year, assuming that 100% of the performance rights will vest, was $577,500. 3,100,000 performance rights were issued to technical and engineering employees, and as such $185,410 (2018: $329,287) was capitalised to development costs, based on the number of performance rights vested during the current year. The remaining 400,000 performance rights were issued to corporate employees and as such $20,933 (2018: $42,489) was expensed in the current year based on the number of performance rights vested during the current year.

In the prior year, on 14 March 2018, the Company issued 4,000,000 unlisted performance rights to the employees of FBR. These Performance Rights have no escrow period and are split in the following classes:

i. 2,000,000 Performance Rights Class A (since converted to ordinary shares on 28 September 2018)

Vesting condition for Class A; Successful and fully operational completion of build of the Hadrian X

Milestone date is 30 September 2018.

On 28 September 2018, the outstanding Class A performance rights vested and were converted to ordinary shares.

ii. 2,000,000 Performance Rights Class B (since converted to ordinary shares on 13 November 2018)

Vesting condition for Class B; Upon successful demonstration of the Company's robotic home building technology as proven by the construction of a Full Home Structure

Milestone date is 12 November 2018.

On 13 November 2018, the outstanding Class B performance rights vested and were converted to ordinary shares.

The performance rights were valued using the spot price on grant date. The spot price was $0.16 per share at the close of trade on 1 March 2018, being the date the performance rights were approved by the board.

The fair value of these 4,000,000 performance rights granted during the current year, assuming that 100% of the performance rights will vest, was $640,000. 2,000,000 performance rights were issued to technical and engineering employees, and as such $138,135 (2018: $149,865) was capitalised to development costs, based on the number of performance rights vested during the current year. The remaining 2,000,000 performance rights were issued to corporate employees and as such $168,831 (2018: $183,169) was expensed in the current year based on the number of performance rights vested during the current year.

In the prior year, on 23 April 2018, the Company issued 2,450,000 unlisted performance rights to employees of FBR. These Performance Rights have no escrow period and are split in the following classes:

i. 1,225,000 Performance Rights Class A (since converted to ordinary shares on 28 September 2018)

Vesting condition for Class A; Successful and fully operational completion of build of the Hadrian X

Milestone date is 30 September 2018.

On 28 September 2018, the outstanding Class A performance rights vested and were converted to ordinary shares.

ii. 1,225,000 Performance Rights Class B (since converted to ordinary shares on 13 November 2018)

Vesting condition for Class B; Upon successful demonstration of the Company's robotic home building technology as proven by the construction of a Full Home Structure

Milestone date is 12 November 2018.

On 13 November 2018, the outstanding Class B performance rights vested and were converted to ordinary shares.

The performance rights have been valued using the spot price on grant date. The spot price was $0.17 per share at the close of trade on 18 April 2018, being the date the performance rights were approved by the board.

The fair value of these 2,450,000 performance rights granted during the prior year, assuming that 100% of the outstanding performance rights will vest, was $416,500. 1,586,000 performance rights were issued to technical and engineering employees, and as such $164,100 (2018: $105,865) was capitalised to development costs, based on the number of performance rights vested during the current year. The remaining 864,000 performance rights were issued to corporate employees and as such $87,178 (2018: $57,672) was expensed in the current year based on the number of performance rights vested during the current year.

20 Reserves

	2019 $	2018 $
Share option reserve	**1,711,347**	915,511
Performance right reserve	**1,423,168**	1,831,709
	3,134,515	2,747,220

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

	NOTES	2019 $	2018 $
Movement in option reserve			
Opening at 1 July		**915,511**	1,211,436
Options vested during the year	19	**795,836**	805,522
Options exercised during the year		**-**	(1,101,447)
Closing at 30 June		**1,711,347**	915,511

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

	NOTES	2019 $	2018 $
Movement in performance right reserve			
Opening at 1 July		**1,831,709**	914,071
Performance rights converted to shares during the year	19	**(1,944,250)**	(1,161,666)
Performance rights issued during the year		**1,833,697**	2,079,304
Performance rights expired during the period		**(229,563)**	-
Performance rights forfeited during the period		**(68,425)**	-
Closing at 30 June		**1,423,168**	1,831,709

21 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 Limited) as the numerator, i.e. no adjustments to profits were necessary during the twelve (12) months period to 30 June 2019 and 30 June 2018.

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 2019 $	30 JUNE 2018 $
Weighted average number of shares used in basic earnings per share	**1,255,669,624**	954,126,071
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	**1,255,669,624**	954,126,071

22 Reconciliation of cash flows from operating activities

Reconciliation of cash flows from operating activities:

	30 JUNE 2019 $	30 JUNE 2018 $
Cash flows from operating activities		
Loss for the period after income tax expense	**(9,141,554)**	(7,115,679)
Adjustments for:		
• depreciation, amortisation and impairment	**216,426**	16,541
• share-based payments	**1,173,071**	1,994,763
• interest receivable	**(20,039)**	-
• costs capitalised recognised in investing activities	**-**	6,348,570
Net changes in working capital:		
• change in trade and other receivables	**(23,822)**	(7,407,585)
• change in other assets	**203,526**	(189,227)
• change in trade and other payables	**(58,555)**	2,210,154
• change in deferred tax liabilities	**560,281**	-
Net cash from operating activities	**(7,090,666)**	(4,142,463)

23 Auditor remuneration

	30 JUNE 2019 $	30 JUNE 2018 $
Total remuneration paid to Grant Thornton, the auditor of the Company:		
Audit and review of financial statements	**50,000**	40,000
Remuneration for audit and review of financial statements	**50,000**	40,000

24 Related party transactions

The Company'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	
	COUNTRY OF INCORPORATION	30 JUNE 2019 $	30 JUNE 2018 $
Fastbrick IP Pty Ltd (1)	Australia	**100%**	100%
Fastbrick Engineering Pty Ltd (1)	Australia	**100%**	100%
The Architectural Designer Pty Ltd (1)	Australia	**100%**	100%
Fastbrick Operations Pty Ltd (1)	Australia	**100%**	-
Fastbrick Australia Pty Ltd (2)	Australia	**50%**	-

1) *equity interest is held directly by FBR Limited.*

2) *equity interest is held 50% by Fastbrick Operations Pty Ltd.*

Key Management Personnel remuneration

Key Management Personnel of the Company 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 2019 $	30 JUNE 2018 $
Short-term employee benefits	**2,475,673**	1,400,789
Post-employment benefits	**180,347**	91,375
Long-term benefits	**32,074**	112,388
Share based payments – Short Term Incentive	**419,985**	505,358
Share based payments – Long Term Incentive	**1,032,030**	1,677,093
	4,140,109	3,787,003

24 Related party transactions - *CONTINUED*

Agreements with Directors or Related Parties

Laurus Agreement

A consultancy agreement existed between the Company and Laurus Corporate Services Pty Ltd, an entity related to Mr Gabriel Chiappini, to provide director, financial, company secretarial and administrative services to the Company. The services were provided for a fee of $10,500 per month (excluding GST) and the services could be terminated by either party with six (6) months written notice. The agreement was terminated during the current year. During the current year the Company paid $4,000 to Laurus Corporate Services Pty Ltd for corporate services provided in addition to the non-executive director fees, at arm's length rates and on normal commercial terms (2018: $82,000).

Exponential Insights Services Agreement

During the period Exponential Insights, an entity related to Mr Steve Pierz provided consulting services to the Company for a fee of US$10,000 per month for business development in North America. During the period, the Company paid $162,813 to Exponential Insights LLC (2018: $70,373).

Director Loan Agreement

During the twelve (12) month period the Company paid $150,000 as a loan to Mark Pivac in relation to tax payments relating to Performance Rights issued under the Company's Performance Rights Plan. The amount was repaid in full plus interest to the company during the twelve month period. No director loan exists at 30 June 2019 to any director.

Guarantees

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

25 Contingent liabilities

At the reporting date the Company had no material contingent liabilities (2018: nil).

26 Leases

Finance leases as lessee

As at 30 June 2019, the Company lease a motor vehicle under a finance lease (30 June 2018: finance lease). The Finance lease expense during the period amounted to $15,882 (2018: $15,882) representing the minimum lease payments.

The lease contract for the motor vehicle has a non-cancellable term of 48 months and expires 1 March 2021.

The future minimum lease payments are as follows:

	MINIMUM LEASE PAYMENTS DUE			
	WITHIN 1 YEAR $	1-5 YEARS $	AFTER 5 YEARS $	TOTAL $
30 June 2019	14,680	12,978	-	27,658
30 June 2018	13,970	26,523	-	40,493

26 Leases - CONTINUED

Operating leases as lessee

As at 30 June 2019, the Company operates leases in respect of an office, workshop and equipment. The operating lease expense during the period amounted to $828,953 (2018: $461,513) representing the minimum lease payments.

The lease contract for the main office and workshop has a non-cancellable term of eighteen (18) months and expires 31 March 2020.

During the year, the Company leased an additional workshop and office space, commenced from 1 April 2019 and expires on 31 March 2020. The Company has now been terminated one workshop space and continues to lease a workshop space that commenced from 1 June 2018, that expires on 31 December 2019 and has a one (1) month termination clause.

The future minimum lease payments are as follows:

	MINIMUM LEASE PAYMENTS DUE			
	WITHIN 1 YEAR	1-5 YEARS	AFTER 5 YEARS	TOTAL
	$	$	$	$
30 June 2019	-	1,568,118	-	1,568,118
30 June 2018	555,870	187,500	-	743,370

27 Financial instrument risk

a) Risk management objectives and policies

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and liabilities are summarised by category in Note 13. The main types of risks are market risk, credit risk and liquidity risk.

The Company's risk management is coordinated at its headquarters, in close cooperation with the Board of Directors, and focuses on actively securing the Company'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 Company 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 Company is exposed are described below.

b) Market risk analysis

The Company 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.

	2019		2018	
	WEIGHTED AVERAGE INTEREST RATE	BALANCE	WEIGHTED AVERAGE INTEREST RATE	BALANCE
	%	$	%	$
Cash at bank	0.26%	3,594,030	0.22%	5,650,157
Cash on deposit	2.03%	10,832,313	2.18%	16,306,500
		14,426,343		**21,956,657**

27 Financial instrument risk - *CONTINUED*

b) Market risk analysis - *CONTINUED*

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/- 0.5% (2018: +/- 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%
Cash at bank				
30-Jun-19	17,970	(17,970)	(17,970)	17,970
30-Jun-18	28,251	(28,251)	(28,251)	28,251
Cash on deposit				
30-Jun-19	54,162	(54,162)	(54,162)	54,162
30-Jun-18	81,533	(81,533)	(81,533)	81,533

c) Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company 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 Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

	2019	2018
	$	$
Classes of financial assets		
Carrying amounts:		
• cash and cash equivalents	**14,426,343**	21,956,657
• trade and other receivables	**15,220**	58,211
Remuneration for audit and review of financial statements	**14,441,563**	22,014,878

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

The Company'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 receivables consist of GST refunds and Research and Development Rebates. 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.

27 Financial instrument risk - *CONTINUED*

d) Liquidity risk analysis

Liquidity risk is the risk that the Company might be unable to meet its obligations. The Company 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 Company'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.

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

As at 30 June 2019, the Company'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 2019				
Trade and other payables	2,169,328	-	-	-
Finance lease	7,340	7,340	12,978	-
Total	2,176,668	7,340	12,978	-

This compares to the maturity of the Company'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 2018				
Trade and other payables	2,273,432	-	-	-
Finance lease	6,985	6,985	26,523	-
Total	2,280,417	6,985	26,523	-

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

28 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 2019 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.

29 Events after the reporting date

11 September 2019 – FBR received a research and development tax incentive cash refund of $9,449,954 for the 12 month period ended 30 June 2019.

16 September 2019 – Fastbrick Australia, the joint venture company established with Brickworks Building Products Pty Ltd ('Brickworks') offering Wall as a Service® ('WaaS®') to the Australian market, entered into a Building Pilot Program Agreement with Western Australian builder Archistruct Builders & Designers ('Archistruct'). Advancing the Framework Agreement with Archistruct announced to the ASX on 06 September 2016, Fastbrick Australia commenced a Building Pilot Program with Archistruct to demonstrate the speed, accuracy and reliability of the Hadrian X® construction robot, as well as the performance of the new Hadrian-optimised blocks developed by Brickworks and FBR. The Building Pilot Program Agreement with Archistruct consists of three stages. The first stage is a Demonstration Stage under which Fastbrick Australia will supply WaaS® for between five and 12 house structures on FBR premises using a range of designs supplied by Archistruct. The second stage of the Agreement is the Display Home Stage, where FBR and Archistruct will enter into a contract under which Archistruct will build a display home using Fastbrick Australia's blocklaying services, with the display home to be purchased by FBR. The third stage of the Agreement is the Builder's Project Stage, in which Archistruct will engage Fastbrick Australia to supply WaaS® for a single storey residential structure under a building contract with a homebuyer. Both the Display Home Stage and the Builder's Project Stage are subject to additional agreements and satisfactory completion of the Demonstration Stage.

26 September 2019 - The Company entered into a Building Pilot Program Agreement with GP Vivienda, the housing division of Mexican construction giant Grupo GP.

The Building Pilot Program Agreement between FBR and GP Vivienda consists of three stages.

The first stage is a Pilot Program stage under which FBR will supply WaaS® for between one and five house structures on FBR premises using a range of designs supplied by GP Vivienda. Each of these structures will be subject to inspection, assessment and reporting by both GP Vivienda and independent consultants to ensure they meet the applicable building standards. Any time between the completion of the first house structure and the fifth house structure, GP Vivienda can determine that the Pilot Program stage has fulfilled its purpose and is complete.

In the Block Testing stage, which occurs in parallel to the Pilot Program stage, GP Vivienda and FBR will work together to test the performance of FBR's adhesive with concrete blocks that are commonly used in Mexico. The Block Testing Stage will continue for at least six months, unless otherwise agreed between the parties.

In the Collaboration stage, which occurs during and for up to three months after the Pilot Program stage (unless otherwise agreed between the parties) GP Vivienda and FBR will consult to collate and assess the learnings from the Pilot Program Stage and the Block Testing Stage and identify, scope and schedule the next steps in the Strategic Collaboration Agreement.

30 Parent entity information

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

	2019 $	2018 $
Statement of financial position		
Current assets	12,783,858	20,479,894
Non- current assets	107,928	2,980
Total assets	12,891,786	20,482,874
Current liabilities	874,624	1,053,434
Non- current liability	43,008	-
Total liabilities	917,632	1,053,434
Net assets	**11,974,154**	**19,429,440**
Issued capital	98,522,585	80,486,041
Share option reserve	3,134,515	2,747,220
Retained losses	(89,682,946)	(63,803,821)
Total equity	**11,974,154**	**19,429,440**
Statement of profit or loss and other comprehensive income:		
Loss for the year	25,879,125	27,885,105
Other comprehensive income	-	-
Total comprehensive income	**25,876,125**	**27,885,105**

The Parent Entity has no capital commitments (2018: Nil).

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

Directors' Declaration

1 In the opinion of the Directors of FBR Limited:

  a The consolidated financial statements and notes of FBR Limited are in accordance with the Corporations Act 2001, including:

    i. Giving a true and fair view of its financial position as at 30 June 2019, and of its performance for the financial year ended on that date; and

    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 Limited will be able to pay its debts as and when they become due and payable.

2 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 2019.

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 30th day of September 2019

Independent Auditor's Report

Central Park, Level 43,
152-158 St Georges Terrace
Perth WA

Correspondence to:
PO Box 7757
Cloisters Square
Perth WA 6850

T +61 8 9480 2000
E info.wa@au.gt.com
W www.grantthornton.com.au

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 2019, 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 a summary of significant accounting policies, 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 2019 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* (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 $9,141,554 during the year ended 30 June 2019, and as of that date, the Group's cash outflows from operating and investing activities of $23,622,609. 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.

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
Recognition of development costs asset - Note 15	
The Group has capitalised development costs in relation to the Hadrian X project. There is a risk that costs that have been capitalised may not comply with the recognition requirements relevant to AASB 138 *Intangible Assets*. Management judgement is required to assess the commercial and technical feasibility of the Hadrian X project, including the future economic benefits. This area is a key audit matter due to subjectivity and management judgement applied in the assessment of whether costs meet the capitalisation criteria described in AASB 138.	Our procedures included, amongst others: • assessing the appropriateness of management's policy for capitalising development costs pursuant to AASB 138; • testing the mathematical accuracy of management's development costs schedule; • selecting a sample of capitalised costs and agreeing to supporting documentation to identity whether they have been appropriately capitalised in accordance with accounting policies; • examining existing patents held by the Group that support project activities; • examining MOU agreements in place to support technical and commercial feasibility; and • assessing the appropriateness of financial statement disclosures.
Impairment of development costs asset - Note 15	
The Group holds an intangible asset of $28,629,465 on the statement of financial position. This intangible asset is not yet available for use. AASB 136 Impairment of Assets requires an intangible asset not yet available for use to be tested for impairment annually. This area is a key audit matter due to the management judgement involved in assessing the assumptions and inputs required to prepare a fair value less costs of disposal model.	Our procedures included, amongst others: • obtaining evidence to support the key assumptions used by management in the model and challenging those assumptions; • engaging our valuation expert to assess and challenge management's impairment methodology; • performing sensitivity analysis to stress test the key assumptions used in the fair value less cost of disposal model; • evaluating the fair value less cost of disposal model against the requirements of *AASB 136 Impairment of Assets* and *AASB 13 Fair Value Measurement*; and • assessing the appropriateness of financial statement disclosures.

Recognition of R&D tax incentive – Note 15

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. An 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 2019, a receivable of $9.4 million has been recorded. This area is a key audit matter due to the size of the accrual 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.

Our procedures included, amongst others:

- comparing the nature of the R&D expenditure included in the current year estimate to the prior year claim;
- utilising an internal R&D tax specialist to assess and challenge the expenditure methodology employed by management for consistency with the R&D tax offset rules;
- utilising an internal R&D tax specialist to consider the nature of the expenditure against the eligibility criteria of the R&D tax incentive scheme to form a view about whether the expenses included in the estimate were likely to meet the eligibility criteria;
- comparing the eligible expenditure used in the receivable calculation to the expenditure recorded in the general ledger;
- assessing the treatment of the refundable tax offset in accordance with Group's stated accounting policy and accounting standards;
- inspecting copies of relevant correspondence with AusIndustry and the ATO related to 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 2019, 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 the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Independent Auditor's Report

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.pdf. This description forms part of our auditor's report.

Report on the remuneration report

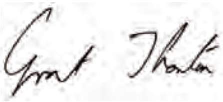
Opinion on the remuneration report

We have audited the Remuneration Report included in pages 12 to 25 of the Directors' report for the year ended 30 June 2019.

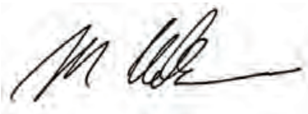
In our opinion, the Remuneration Report of FBR Ltd, for the year ended 30 June 2019 complies with section 300A of the *Corporations Act 2001*.

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



M J Hillgrove
Partner – Audit & Assurance

Perth, 30 September 2019

Additional ASX Information

Additional information required by the Australian Stock Exchange Listing Rules and not disclosed elswhere in this report. The information was repared based on share registry information processed up to 15 October 2019.

Range of Shares

RANGE	TOTAL HOLDERS	SHARES	% OF SHARES
1 - 1,000	796	122,125	0.01
1,001 - 5,000	2,360	8,387,071	0.60
5,001 - 10,000	2,295	18,091,039	1.29
10,001 - 100,000	5,692	214,375,543	15.27
100,001 Over	1,607	1,163,155,734	82.84
Rounding			**-0.01**
Total	**12,750**	**1,404,131,512**	**100.00**

Unmarketable Parcels

	MINIMUM PARCEL SIZE	HOLDERS	UNITS
Minimum $500.00 parcel at $ 0.0630 per unit	7,937	4,306	15,732,376

Voting Rights

All ordinary shares carry one vote per share without restriction. Options for ordinary shares do not carry any voting rights. Performance Rights for ordinary shares do not carry any voting rights.

Additional ASX Information

Top 20 Shareholders

RANK	NAME	SHARES	% OF SHARES
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	168,580,017	12.01
2	MR MARK JOSEPH PIVAC	104,230,741	7.42
3	MR MARK JOSEPH PIVAC	86,531,746	6.16
4	MR MICHAEL JOHN PIVAC	26,111,799	1.86
5	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	24,521,416	1.75
6	CITICORP NOMINEES PTY LIMITED	23,660,642	1.69
7	MR MICHAEL JOHN PIVAC	22,805,165	1.62
8	HORSLEY PARK HOLDINGS PTY LTD	18,042,311	1.28
9	RAVENHILL INVESTMENTS PTY LTD <HOUSE OF EQUITY A/C>	13,750,000	0.98
10	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	12,315,470	0.88
11	MR GARY STANLEY PAULL	12,000,000	0.85
12	MR BARRY FEICKERT	10,000,000	0.71
13	MR ANTHONY VINCENT RIDOLFO + MRS CAROLINE LISA RIDOLFO	9,500,000	0.68
14	KIDSKLUBS KARIONG PTY LTD <GUIDING LIGHT SUPERFUND A/C>	8,000,000	0.57
15	MR JOVO CIRKOVIC <THE CIRKOVIC FAMILY A/C>	7,461,992	0.53
16	GOLDFEET PTY LTD <DODGE FAMILY A/C>	6,511,740	0.46
17	WEAPONSHOPSOFISHER PTY LTD <PTATH SUPERFUND A/C>	4,868,654	0.35
18	PORTCULLIS HOUSE PTY LTD	3,809,523	0.27
19	BNP PARIBAS NOMS PTY LTD <DRP>	3,751,038	0.27
20	MR PAUL STEPHEN MOSS	3,700,973	0.26
Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (Total)		**570,153,227**	**40.61**
Total Remaining Holders Balance		**833,978,285**	**59.39**

Substantial Holders

NAME	SHARES	% OF SHARES
MR MARK JOSEPH PIVAC	190,762,487	13.59
FIL LIMITED	137,920,550	9.83

FBR Limited (ASX:FBR)
ABN 58 090 000 276

+61 8 9380 0240 | www.fbr.com.au
investor@fbr.com.au | media@fbr.com.au

Registered Office
122 Sultana Road West
High Wycombe
Western Australia 6057

Hadrian X

Dynamic robotics reinvented

Contact
FBR Limited

122 Sultana Road West
High Wycombe, WA 6057

Web: www.fbr.com.au
Email: investor@fbr.com.au
Phone: +61 8 9380 0240

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