



FBR Strategy Update

Wednesday, 18 March 2020 – Robotic technology company **FBR Limited (ASX:FBR)** ('FBR' or 'the Company') wishes to provide the following strategy update to Shareholders.

In light of the current COVID-19 pandemic and uncertainty around the proposed cuts to the Australian R&D Tax Incentive Refund Program, FBR has made the difficult decision to commence a cost rationalisation program to preserve Shareholder value until global economic conditions improve.

FBR was scheduled to commence its first display home build in Dayton, Western Australia in the coming days, but has elected to postpone the first display home build to ensure FBR maximises the value of its world first achievement. The purpose of the display home build was to demonstrate to the world the capability of FBR's Hadrian X® construction robot on a suburban residential building site, but management has determined that delaying the build until the COVID-19 health crisis passes is the most prudent course of action for its Shareholders.

Immediately following the display home build, FBR intended to transport a Hadrian X® to the United States by request to demonstrate its capabilities to interested commercial parties in California. FBR also intended to transport a Hadrian X® to Europe during 2020 to commence a pilot program there. In light of international travel restrictions, FBR has resolved to postpone these activities until further notice.

As part of its cost rationalisation program, FBR has scaled back its Executive Team to consist of Mr Mike Pivac as Managing Director & CEO, Mr Mark Pivac as Chief Technical Officer, and Mr Aidan Flynn as Chief Financial Officer. Given the mature state of FBR's technology development program, headcount has been significantly reduced across the business to further rationalise costs, while making sure that a core technical team remains in place to operate the Hadrian X® machines and continue to refine FBR's technology in preparation for deployment in international markets.

Measures implemented to date in the ongoing cost rationalisation program have resulted in a reduction of approximately \$10 million per annum in payroll costs alone, and have reduced FBR's funding requirements going forward.

FBR's Managing Director & CEO, Mike Pivac: "Faced with a global health and economic crisis and uncertainty around the Government's support of R&D activities in Australia through the R&D Tax Incentive Refund Program, FBR has acted swiftly to ensure the Company remains well positioned for success as the world recovers from this pandemic. Unfortunately, one of the measures implemented has been to reduce the size of our highly skilled and hard-working team. FBR wishes those departing the Company all the best in their future endeavours, and they leave knowing that they made a valuable contribution to the development of the world's first autonomous outdoor bricklaying robot and the supporting technologies that comprise the digital construction ecosystem it operates within. FBR will still be progressing with its technology and global commercialisation plans, but with a much lower cost base to provide the Company with greater financial security in this uncertain economic environment. As a pre-revenue R&D company, FBR has acted in the best interests of its Shareholders to insulate the Company and its intellectual property against the macro factors the world is currently facing, and in particular the Australian R&D environment."

This announcement is authorised by order of the Board of Directors.

Ends



ASX Announcement FBR Limited



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About FBR Limited

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.

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

