



Discontinuation of Fastbrick Australia Joint Venture; advancement of Northern Hemisphere deployment strategy

Tuesday, 23 June 2020 – Robotic technology company **FBR Limited (ASX:FBR)** ('**FBR**' or '**the Company**') wishes to advise that FBR and Brickworks Building Products Pty Ltd ('**Brickworks**') have mutually agreed to discontinue their Fastbrick Australia joint venture in light of the current uncertainty in the Australian residential construction market and the broader economy stemming from the COVID-19 pandemic. The decision allows FBR to expedite its previously-announced strategy to move into the larger international residential construction markets of the USA and Europe.

The special purpose joint venture company will be voluntarily deregistered, and each party will be released from their future obligations with respect to the company's operations. Fastbrick Australia's Building Pilot Programme Agreements with Archistruct Builders & Designers and Summit Homes Group will also be discontinued, with significant learnings having been drawn from the successful construction of residential home structures under those arrangements. FBR intends to continue as planned with building a display home in Western Australia with Archistruct this year demonstrating its robotic technology, the Hadrian X®.

FBR and Brickworks' mutual decision to discontinue the Fastbrick Australia joint venture was made after consideration of a variety of factors, including the prevailing economic conditions caused in part by the COVID-19 pandemic, the underlying state of the Australian residential construction market and the escalating nature of the obligations of each party under the joint venture agreements. The parties remain open to re-engaging with each other on suitable commercial terms once market conditions improve.

Correspondingly, the recently-announced improvement in Hadrian X® laying rates to more than 200 blocks per hour, coupled with the confidence derived from the success of the Pilot Building Programmes with Archistruct and Summit and the gradual re-opening of global economies, has strengthened the rationale for FBR to accelerate moving into the world's largest construction markets, with their associated greater opportunities for large-scale rapid uptake and deployment of robotic construction techniques. FBR has received increasing attention and demand for its technology from Northern Hemisphere markets during the COVID-19 crisis as these countries look to reposition their labour forces with less reliance on human and imported labour.

FBR's Chief Executive Officer, Mike Pivac: "The mutual decision to discontinue the Fastbrick Australia joint venture was made in the context of what is in the best commercial interests of each of FBR and Brickworks in the current unique circumstances. Going forward, FBR intends to focus on deployment of its robotic technologies in large overseas markets with a compelling use-case for our technology. The dissolution of Fastbrick Australia frees up equipment and resources previously committed to the joint venture, and will enable FBR to accelerate the progress of its global opportunities.

FBR may continue to purchase bricks and blocks from Brickworks under normal commercial arrangements and FBR may continue to engage with Australian builders like Archistruct and Summit Homes, but this would now be direct rather than through the joint venture. The joint venture obliged the parties to define a specific viable business plan which they anticipated being a challenge in the context of Australia's uncertain economy, with the decision to discontinue the joint venture preserving the flexibility of each party.



ASX Announcement FBR Limited



The COVID-19 pandemic has encouraged many companies to reassess their position in the commercial landscape with a view to ensuring their long-term viability, in particular having less reliance on manual labour and imported labour, and to understand and adjust to the new normal as fast and as seamlessly as possible. We are doing all we can to position ourselves for success while retaining our operational flexibility. Australia remains an important element of the global market for the Hadrian X® in the long term. FBR and Brickworks have accumulated significant learnings from the relationship and remain open to working together in the future. Going forward, we will continue to focus our efforts on the pathways that give us the best chance for commercial success and to maintain the operational flexibility required to respond to new opportunities as they arise.”

This announcement has been authorised for release to the ASX by the Company Secretary.

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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

