RBR GROUP Limited

ASX Release

29 October 2020

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September Quarterly Report

RBR ramps up activities to supply labour and training services to Mozambican LNG industry

Noticeable increase in tenders calling for supply of services in 2021

Key Points

- **RBR completed phase 2 of the upgrade of its Wentworth camp facilities in the Mozambican town of Palma. Accommodation, offices, training rooms and ablution facilities are operational**
- **Wentworth facilities were inspected by health officials and approved for the commencement of training activities. A group of construction interns started their program in September**
- **RBR's mobile device-based remote learning and assessment app has been launched across all three app platforms**
- **Alliance established with African-based re-deployable camp supplier to jointly develop large capacity accommodation camps in Mozambique**
- **Developers of the US$23b Mozambique LNG project (Total, its partners and lead contractors) issued two tenders for training services to the project for 2021. RBR has submitted proposals for both**
- **The UKaid-funded JOBA Construction Skills Internship Program contract has now been officially cancelled due to enforced budget cuts by the UK government. The final contract sum is expected to be c.GBP85,000 (A$155,000), of which c.GBP53,000 is to be received in the December quarter**
- **Demand for RBR's business services continue to grow. The quarter saw continuing improvement in operating revenues (3rd successive quarter). In addition, c.$900k of short-term convertible debt was converted to equity**

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Delivering skilled labour to site, every day

FUTURO GROUP

Labour and training specialist RBR Group (ASX: RBR) is pleased to present its September 2020 Quarterly Report.

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Wentworth Camp in Palma, Mozambique

RBR has now upgraded its areas of the Wentworth camp to render it fit for commencement of training and general operational activities. The key facilities that were renovated included 6 accommodation units, offices, training rooms and ablution facilities for both the office areas and the training centre. The government's health department assessed the facilities and RBR's operating procedures to confirm they complied with Covid-19 requirements, which they did. As a result, RBR was given approval in September to commence a construction internship program for a group of locals sourced from Total's Catalisa Work Readiness Program.

Futuro Skills remote learning and assessment application

RBR has commissioned the white-labelling of a mobile device-based remote learning and assessment app, which will operate across all three platforms (Apple/iOS, Android, Huawei). It allows users to access training refresher modules, with assessments, in English or Portuguese and without using mobile data. The refresher modules use a short language-free video (typically under two minutes) and then follow-up with an assessment of the user's understanding of the content by way of questions in the language of their choice.

Not every individual will have a suitable device of their own or be willing to install the app on their device. As a result, RBR will make available tablets for use at site, likely as part of the pre-start meeting for each shift.

There are almost 200 videos currently available, which can arranged in any order or combination to cater for the needs of an individual, a company, or specific activities, e.g. a "New Starter" package which covers key induction-type health and safety topics, site specific requirements, etc.

Further, it is a simple process to upload video messages to the platform (such as important safety messages or site-wide notifications), which all linked users will see via the app. Similarly, surveys can be pushed to users to gauge their views on matters or gain valuable insights. All activity is tracked and compiled into simple reports for analysis.

The intention of this system is for it to add an additional layer of rigour to RBR's training service. Furthermore, if a specific group of workers has been assigned a high-risk task requiring specific procedures/processes, refreshers on these specifics can be pushed to them as a prerequisite for commencing the task.

The app has the potential to become a revenue stream via a monthly subscription service.

The app has been released by Apple's store as of today and is undergoing peer review and testing by a group of users. RBR plans to make the product available from January 2021.

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Alliance to Develop Large Capacity Accommodation Camps

The global COVID-19 pandemic has led to a change in the way project accommodation camps are developed and operated in Mozambique, to cater for social distancing standards and to minimise the risks of community transmission. This has resulted in immediate demand for additional high-quality, secure camp accommodation in the vicinity of Mozambique's massive LNG project developments in the Palma/Afungi region of Cabo Delgado province.

As announced on 26 October 2020, RBR has established a Memorandum of Understanding (MoU) with Cube Modular to develop, via Joint Venture, an oil & gas industry-specification accommodation camp for 500+ guests, at the Wentworth property.

Under the terms of the MoU, Cube Modular and its related group entities will produce the re-deployable camp infrastructure (including accommodation units, kitchens, water and sewage plants) and manage the future operations of the camp. RBR will, via its Mozambican Futuro Group subsidiaries, provide trained local workers to assist with the installation and maintenance of the camp.

Subject to tender award and contractual commitment, it is the intent of the Parties to move to immediate development. The Parties will invest in the project and manage it via an unincorporated Joint Venture. RBR's share in the joint venture will be 35% with Cube Modular holding the balance 65%.

Once the model for the JV is successfully established in Mozambique, it is the intent of the Parties to pursue further opportunities to deploy large scale camps to resource development projects across the broader African continent.





Figures above: An installation completed in Mozambique by Cube Modular.

Tender Activity

Two tenders of relevance to RBR were published by the developers of the c.US23 billion Mozambique LNG project (Total, its partners and lead contractors) during the quarter.

The first was to design and implement a rolling informal sector vocational and technical skills development program to support engagement in non-Project employment and micro, small and medium

enterprise development. This program will ensure rolling delivery of training in informal sector employment/business.

The second was to provide a range of mechanical training programs up to semi-skilled level, to employees of the Mozambique LNG's contractors/subcontractors, and delivered in a training centre to be built on the LNG construction site.

These contracts will be for work to be delivered in 2021. RBR has submitted proposals in both cases, engaged with the Parties as/when requested, and awaits further feedback.

Work with Kuiper International on Mozambique's ENI-led Floating LNG Project

RBR and Kuiper have an existing MoU to support one another when offering skilled labour to the Mozambique LNG projects and related industries. As reported on 28 July 2020, Kuiper has been awarded a contract by TechnipFMC for the supply of qualified rigging and rope access teams, with operations planned to start from Q1 2021. TechnipFMC is executing ENI's c.US$9 billion Coal South Floating LNG project in Area 4 of Mozambique's Rovuma Basin.

Kuiper's successful tender identified RBR's Futuro Skills as the provider of local training and verification of competency services. The scale of the services provided by RBR has yet to be developed and this detail is expected to be released in the coming months.

JOBA Construction Skills Internship Program contract

The UKaid-funded JOBA Construction Skills Internship Program contract (see ASX releases dated 14 April and 31 August 2020) has now been officially cancelled due to enforced budget cuts by the UK government, affecting grant contracts globally.

Under the terms of the cancellation, JOBA will only reimburse historical justified costs and future unavoidable costs to the end of October 2020. The final contract sum is expected to be c.GBP85,000 (A$155,000), of which c.GBP53,000 is to be received in the December quarter.

While disappointing given this contract would have created sustainable employment pathways for many disadvantaged youth (young women and men) from the Palma district, the settlement amount has ensured that RBR has not been left "out of pocket" and has been fairly compensated for efforts made on this contract, to date.

COVID-19

RBR advises that as a training and labour hire company, people are its key asset and therefore the health, safety and wellbeing of its staff, students and contractors is its number one priority. In line with this, RBR and its subsidiaries are implementing the requirements and recommendations of the Mozambican and Australian authorities in respect to managing the COVID-19 issue.

Mozambique continues to be only moderately impacted by COVID-19. While the government continues to apply various restrictions aimed at reducing the spread of the virus, economic activity is ramping up again. As of 27 October 2020, Mozambique has 2,819 active cases and 88 deaths.

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Revenue and Balance Sheet improvement

The September quarter saw a continuing improvement in Group revenues. Since the beginning of the year RBR has grown its cash receipts from customers: March quarter $44k, June quarter $59k (34% quarterly increase) and September quarter $74k (25% quarterly increase). The expectation for the next quarter is continued growth in revenues following settlement of the JOBA contract together with ongoing customer receipts. This coupled with the progression of further income streams, positions RBR for continued growth of its revenue line.

Holders of c.$905k in Convertible Notes elected for early conversion, reducing the Company's Convertible Notes debt to $400k and significantly improving the balance sheet of the Group.

Corporate and Administration

As at quarter end, the Company held cash balances of approximately $388,000.

During the quarter, the Company made payments totalling $75,000 to related parties and their associates representing Director remuneration and contracting fees and Director, Athol Emerton, loaned the Company $29,200. During the reporting period approximately $335,000 was spent on operating activities including staff costs and administration and corporate costs across Australia and Mozambique.

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For the purpose of ASX Listing Rule 15.5, the Executive Chairman and Chief Executive Officer have authorised for this announcement to be released.

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