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ASX Announcement
FBR Limited

FBR Limited Quarterly Report | September 2020

Friday, 30 October 2020 – Robotic technology company **FBR Limited (ASX:FBR)** ('FBR' or 'the Company') is pleased to provide its quarterly update for the three months ending September 30, 2020.

Hadrian X® completes walls of first display home
On 2 July 2020, FBR announced to the ASX that it had entered into a contract with Architruct Builders & Designers to build the first display home in a residential suburb using the Hadrian X® construction robot.

On 13 July 2020, FBR announced that the Hadrian X® had finished building the structural walls of its first display home in Dayton, Western Australia. This was the first display home built by an end-to-end autonomous bricklaying robot anywhere in the world.

The Hadrian X® completed the three-bedroom, two-bathroom structure in three and a half standard shifts. The site was bordered by seven occupied homes and attracted a number of visitors and interested members of the public.

The Hadrian X® operated in light rain and low light conditions in the mornings and evenings, with block wastage less than one fifth than what is typically generated in a house build using traditional bricklaying methods.

The Dayton display home has since reached lockup stage and will be available for viewing as a display home upon completion.

A video detailing the Dayton display home building process can be viewed at the following link:
https://youtu.be/HYsWbDA0xlc

FBR completes Pilot Program with GP Vivienda
On 25 August 2020 it was announced to the ASX that the Pilot Program Stage of the Building Pilot Program Agreement between FBR and GP Vivienda had been completed. FBR constructed four Mexican-style two-bedroom, one-bathroom house structures using the Hadrian X® at FBR's premises, with each structure taking less than one standard shift on average to complete.

Two of the structures were built indoors at FBR's facility, with the remaining two structures built simultaneously side by side outdoors to emulate the most economical operating process for a Hadrian X® in a residential development in Mexico.

Having completed the Pilot Program stage, FBR and GP Vivienda intend to progress the Block Development stage of the Building Pilot Program Agreement, by building additional Mexican-style structures using the Hadrian X® with blocks produced in Mexico.

Following satisfactory completion of the Block Development stage, FBR and GP Vivienda will collaborate to plan the entry of the Hadrian X® into the Mexican market at an appropriate time once COVID-19 has passed. This will also include achieving certification of the Fastbrick Wall System® in the United States and Mexico and the establishment of a Wall as a Service® operating entity in North America to service the Mexican market.

A video detailing the GP Vivienda Pilot Program can be viewed at the following link:
https://youtu.be/M0QmPmlPFK8

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Hadrian X® completes commercial and community centre in Western Australia
FBR announced on 9 September 2020 that the Hadrian X® had completed the structural walls of a commercial and community centre in Byford, Western Australia.

This was the first non-residential structure the Hadrian X® had built, and the first time the Hadrian X® had built both the internal and external leaf of a double brick cavity wall with a slab step-down. The project was completed as the third and final stage of FBR's Building Pilot Program Agreement with Archistruct Builders & Designers following the amendment of the Agreement to encompass commercial structures in addition to residential structures.

Construction commenced on 1 September 2020, with the Hadrian X® returning to FBR's headquarters on the weekend before completing the structure on 8 September 2020. The completed structure is 15 courses high, including slab step-down, or approximately one and a half storeys, with brick ties manually installed.

A video detailing the commercial structure building process can be viewed at the following link:
https://youtu.be/0uAzSYL5RSI

Hadrian X® completes first two storey structure
Subsequent to the end of the period, FBR completed construction of its first two storey structure using the Hadrian X®.

The structure was built on FBR's premises in a building style commonly found around the world in developing markets, including in key FBR markets such as Mexico, the MENA and GCC region and throughout Asia. This was the first time FBR had demonstrated the Hadrian X®'s ability to build two storey structures, as well as working with design elements like steel reinforced concrete columns, suspended concrete slabs and rebar.

Starter bars were inserted into the concrete slab, with couplers used to install rebar through the aligned cores of the blocks and concrete manually poured into the cores. Steel cages were inserted into the block columns built by the Hadrian X®, with a concrete pump used to fill the columns.

FBR crane-lifted a precast concrete slab onto the structure the day after the first storey was completed, with the Hadrian X® commencing building of the second storey immediately after the crane left FBR's premises. In large greenfield developments it is likely the Hadrian X® would continue building the first levels of the adjacent buildings in the development while the second storey slabs are formed and poured, before returning to build the second storey of each structure once the slabs have cured.

A video detailing the two storey building process can be viewed at the following link:
https://youtu.be/l101yRZ02Fg

FBR completes $16 million placement to institutional and sophisticated investors
During the quarter FBR completed a A$16 million placement to institutional and sophisticated investors via the issue of 280,701,765 shares at 5.7c.

The placement was managed by MST Financial and was conducted in accordance with ASX Listing Rule 7.1 and 7.1A. The capital raising was supported by existing and new institutional and sophisticated investors from Australia, New Zealand, the United Kingdom and Hong Kong. The new shares were issued on 25 August 2020.

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Appointment of Non-Executive Director
On 5 August 2020 FBR announced the appointment of Mr Greg Smith to the Board as a Non-Executive Director. Mr Smith has 39 years' experience in the building products industry in manufacturing, technical and sales across the clay and concrete products sectors. Mr Smith was the General Manager of Midland Brick and has worked for Selkirk Brick Pty Ltd, The Austral Brick Company, and Metro Brick across his Career.

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

Corporate and Finance
Note to item 6 in Appendix 4C: Payments to related parties and their associates were made in the quarter. Approximately $289,896 was paid to related parties as Executive and Non-Executive Director fees, salary and superannuation.

In the quarter ending 30 June 2020, FBR provided an unsecured interest-bearing loan of $25,000 to Executive Director Mark Pivac to assist with repayment of a taxation liability. In the quarter ended 30 June 2020, FBR also paid $154,862 to related parties as Executive and Non-Executive Director fees, salary and superannuation. The total payment to related parties in the June quarter was lower than in the September quarter as Executive Director fees, salary and superannuation for Mark Pivac had been prepaid in the March quarter, and FBR appointed an additional Non-Executive Director to the Board in the September quarter.

As part of the deferred consideration for the acquisition of FBR (formerly Fastbrick Robotics), 166,666,666 Class C Performance Shares were issued in 2015 under the Prospectus. These Class C Performance Shares have a milestone date of 11 November 2020. FBR is of the view that these Class C Performance Shares are likely to expire before the performance condition attached to them is met. The expiry of the Class C Performance Shares will have no impact on the number of securities quoted on the ASX currently.

FBR repaid the advance payment of $2.8 million received from Radium Capital during the quarter using funds raised in the placement to institutional and sophisticated investors. This means that FBR will bank the full value of the research and development tax incentive refund when it is received. FBR has lodged its application for the refund and anticipates receiving it shortly.

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

Ends

For more information please contact:

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About FBR

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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.

The first application of DST® is the Hadrian X®, a bricklaying robot designed to build structural walls faster, safer, more accurately and with less wastage than traditional manual methods. The Hadrian X® will provide Wall as a Service®, FBR's unique commercial offering, to builders on demand.

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

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

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Name of entity	
FBR Limited	
ABN	**Quarter ended ("current quarter")**
58 090 000 276	30 September 2020

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	11	11
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing and business development	(97)	(97)
	(d) leased assets	-	-
	(e) staff costs - administration	(881)	(881)
	(f) administration and corporate costs	(384)	(384)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	8	8
1.5	Interest and other costs of finance paid	(88)	(88)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	277	277
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(1,154)**	**(1,154)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(116)	(116)
	(d) investments	-	-
	(e) intellectual property	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)		
	- Hadrian Development costs	(352)	(352)
	- Staff costs – Hadrian Development	(812)	(812)
	- Intellectual Property, Patents and Trademarks	(225)	(225)
2.6	**Net cash from / (used in) investing activities**	**(1,505)**	**(1,505)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	16,000	16,000
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(905)	(905)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(2,800)	(2,800)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**12,295**	**12,295**

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	5,082	5,082
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,154)	(1,154)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,505)	(1,505)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	12,295	12,295
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**14,718**	**14,718**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	168	1,082
5.2	Call deposits	5,718	3,167
5.3	Bank overdrafts		-
5.4	Other (provide details)		
	- Guarantee facilities	832	832
	- Term deposits	8,000	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**14,718**	**5,082**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(290)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	
7.2	Credit standby arrangements	-	-
7.3	Other (corporate credit cards)	200	-
7.4	**Total financing facilities**	200	-

7.5	**Unused financing facilities available at quarter end**	200

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Corporate credit card facility.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,154)
8.1b	Net cash from / (used in) other investing activities (Item 2.6)	(1,505)
8.2	Cash and cash equivalents at quarter end (item 4.6)	14,718
8.3	Unused finance facilities available at quarter end (item 7.5)	200
8.4	Total available funding (item 8.2 + item 8.3)	14,918
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	5.6

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

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Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: .....30 October 2020.....

Authorised by: .....Rachelle Brunet, Company Secretary.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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