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ASX Announcement
FBR Limited

FBR Limited Quarterly Report | December 2020

Friday, 29 January 2021 – Robotic technology company **FBR Limited (ASX:FBR)** ('**FBR**' or '**the Company**') is pleased to provide its quarterly update for the three months ending December 31, 2020.

FBR completes first two storey structure
On 26 October 2020 FBR announced that it had 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.

Pilot Programs with international block manufacturers
Subsequent to the end of the period, FBR announced the execution of a Pilot Program agreement with Xella, a multi-billion dollar international business that specialises in the manufacture and supply of innovative building products, including Ytong autoclaved aerated concrete blocks (AAC blocks) and Silka calcium silicate blocks (CSUs).

Ytong AACs are large format concrete blocks constructed to a high dimensional accuracy which are potentially very well suited to be laid by the Hadrian X®. Silka CSUs are a sustainable, low energy, sound absorbent, low compression, non-combustible, weatherproof building block that are in common use throughout the world.

The purpose of the Australian Pilot Program is to enable FBR and Xella to develop a practical understanding of the capabilities of each other's products, within the limitations of the economic conditions and travel restrictions resulting from the COVID-19 pandemic.

Xella will deliver a number of AAC and CSU blocks to FBR, which FBR will use to construct at least two buildings at FBR's premises using the Hadrian X®. After completion of the Pilot Program, FBR and Xella will consult with one another on any changes to the AAC or CSU blocks, adhesives or the Hadrian X® that may be beneficial to progress the commercialisation of the Hadrian X® with Xella blocks in Europe, as well as a European pilot building program.

FBR is also anticipating the delivery of a large shipment of Wienerberger blocks in the coming weeks. The Wienerberger blocks are in transit currently and, upon delivery, will be used to complete a Pilot Program with Wienerberger at FBR's premises.

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Operational update
FBR has commenced the ordering of long lead items for the next iteration of the Hadrian X®, as well as capital equipment to accelerate the R&D work and production of the next Hadrian X® robots. Additionally, improvements have been made to the current Hadrian X® in the adhesive application system and the range of motion of the boom to allow the Hadrian X® to build in a broader range of situations and site layouts.

FBR is also working with a number of builders to plan various projects for the Hadrian X®, and has ordered and received a batch of products from a local supplier for testing purposes and to identify opportunities to optimise the blocks for use with the Hadrian X®. Additionally, an order for 25,000 blocks will be placed shortly with a local manufacturer to ensure sufficient supply for upcoming building projects.

Consolidation and conversion of Class C Performance Shares
On 15 December 2020 FBR advised that the expiry date of the Milestone Class C Performance Shares ('Performance Shares'), issued as part of the deferred consideration for the acquisition of Fastbrick Robotics under FBR's November 2015 Prospectus, had passed without the Milestone condition having been met, and as a result, 166,666,666 Performance Shares were consolidated to one Performance Share for each of the 21 Shareholders who held the Performance Shares, and then converted into ordinary shares on a one for one basis in accordance with the terms of the Performance Shares as provided in the Prospectus.

Issue of Short Term and Long Term Loan Funded Shares
On 26 November 2020 FBR held its Annual General Meeting. Shareholder approval was received at the Annual General Meeting in accordance with Listing Rule 10.11 for the purpose of the Company's Managing Director and CEO Mr Michael Pivac, and Executive Director and CTO Mr Mark Pivac, subscribing for up to 25,000,000 Short Term Loan Funded Shares and 25,000,000 Long Term Loan Funded Shares, respectively, pursuant to the terms and conditions set out in the Company's Notice of Meeting. Accordingly, FBR issued 100,000,000 shares on 24 December 2020.

In forming the decision to implement the loan to the Managing Director and CEO and the CTO, FBR's Remuneration Committee reviewed similar sized listed companies operating in similar industries to benchmark Executive remuneration levels and sought and received advice regarding the most appropriate structure of incentive. This advice recommended the non-cash share loan as the most appropriate incentive structure. The Board of FBR takes the view that a cash-based incentive structure is inappropriate at the current stage of FBR's development, and that the non-cash loan structure provides a suitable incentive whilst avoiding the payment of a cash bonus.

The terms and conditions of the incentive structure can be found in the Company's Notice of Meeting, released to the ASX on 30 October 2020.

Corporate and Finance
Note to item 6 in Appendix 4C: Payments to related parties and their associates were made in the quarter. Approximately $275,000 was paid to related parties as Executive and Non-Executive Director fees, salary and superannuation.

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

Ends

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For more information please contact:

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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.

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	31 December 2020

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	11
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing and business development	(92)	(189)
	(d) leased assets	-	-
	(e) staff costs - administration	(720)	(1,601)
	(f) administration and corporate costs	(621)	(1,005)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	15	23
1.5	Interest and other costs of finance paid	-	(88)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	60	337
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(1,358)**	**(2,512)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(376)	(492)
	(d) investments	-	-
	(e) intellectual property	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 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	(733)	(1,085)
	- Staff costs – Hadrian Development	(924)	(1,736)
	- Intellectual Property, Patents and Trademarks	(136)	(361)
2.6	**Net cash from / (used in) investing activities**	**(2,169)**	**(3,674)**

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	(13)	(918)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(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**	**(13)**	**12,282**

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 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	14,718	5,082
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,358)	(2,512)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,169)	(3,674)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(13)	12,282
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**11,178**	**11,178**

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	1,425	168
5.2	Call deposits	4,920	5,718
5.3	Bank overdrafts		-
5.4	Other (provide details)		
	- Guarantee facilities	832	832
	- Term deposits	4,000	8,000
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**11,178**	**14,718**

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	(275)
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)	(1,358)
8.1b	Net cash from / (used in) other investing activities (Item 2.6)	(2,169)
8.2	Cash and cash equivalents at quarter end (item 4.6)	11,178
8.3	Unused finance facilities available at quarter end (item 7.5)	200
8.4	Total available funding (item 8.2 + item 8.3)	11,378
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	3.2

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: .....29 January 2021.....

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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