

FBR Limited Quarterly Report | March 2021

Tuesday, 27 April 2021 – Robotic technology company **FBR Limited (ASX:FBR)** ('FBR' or 'the Company') is pleased to provide its quarterly update for the three months ending March 31, 2021.

FBR to commence Pilot Program with Xella

On 15 January 2021, FBR announced that it had executed a Pilot Program Agreement with Xella Technologie- und Forschungsgesellschaft mbH ('Xella') to construct houses at FBR's premises using the Hadrian X® and Xella building products.

Headquartered in Germany, Xella is a multi-billion dollar international business that specialises in the manufacture and supply of innovative building products, including Ytong autoclaved aerated concrete blocks and Silka calcium silicate blocks.

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.

FBR and Xella are in the final stages of preparation to send the first shipment of Xella blocks from Rotterdam to FBR's premises in Western Australia for use in the Pilot Program.

FBR receives shipment of blocks from Wienerberger

During the quarter, FBR received a large shipment of assorted Wienerberger blocks in order to conduct Phase 2 of the Global Partnership Agreement between the two companies.



Approximately 12,000 large-format blocks were delivered to FBR's premises, as well as a number of accessories such as lintels.

ASX Announcement FBR Limited



Phase 2 of the Global Partnership Agreement is a pilot building program to be conducted in Australia ('Australian Pilot Building Program') in which Wienerberger will supply clay blocks to FBR in Australia and FBR will use those blocks to construct buildings in Australia with the Hadrian X® for the purpose of fulfilling commercial contracts for the supply of Wall as a Service® ('WaaS®') and as a part of the continuing development, improvement, configuration and demonstration of the Hadrian X®.

The purpose of the Australian Pilot Building Program is to enable FBR and Wienerberger to continue to develop their collaboration within the limitations of the economic conditions and travel restrictions resulting from the COVID-19 pandemic, with a view to progressing the commercialisation of FBR's technology with Wienerberger's clay block products in key international territories by demonstrating the commercial operation of the Hadrian X® with Wienerberger clay blocks in Australia.

Operational update

FBR received building plans from a number of interested and well-known builders during the quarter and is in the process of programming those builds into its schedule in parallel with the continuous development of the Hadrian X.

As noted in the previous activities report for the December quarter, procurement of long-lead items has commenced for the next iteration of the Hadrian X®.

FBR has also exchanged plans for buildings with Wienerberger, Xella and builders in the United Arab Emirates, and is working closely with both the builders and the relevant municipalities to achieve certification of the Hadrian X® in the UAE. Additionally, FBR has engaged with materials suppliers in the United States, and is working closely with the materials suppliers to achieve certification of FBR's preferred construction products in the United States.

Dayton home open to the public

FBR's first residential build in Dayton, Western Australia, is now listed for sale through The Vines Real Estate and was set to have its first home open on Saturday, 24 April 2021, which had to be postponed due to the recent COVID lockdown. The home, built in conjunction with Archistruct Builders & Designers, will go to auction on Sunday, 16 May 2021.

Corporate and Finance

Note to item 6 in Appendix 4C: Payments to related parties and their associates were made in the quarter. Approximately \$278,000 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 Board of Directors.

Ends

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

Name of entity

FBR Limited

ABN

58 090 000 276

Quarter ended ("current quarter")

31 March 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 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	(75)	(264)
(d) leased assets	-	-
(e) staff costs - administration	(827)	(2,428)
(f) administration and corporate costs	(295)	(1,300)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	24
1.5 Interest and other costs of finance paid	(10)	(98)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	100	437
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,106)	(3,618)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(1,379)	(1,871)
(d) investments	-	-
(e) intellectual property	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 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	(304)	(1,389)
	- Staff costs – Hadrian Development	(998)	(2,734)
	- Intellectual Property, Patents and Trademarks	(116)	(477)
2.6	Net cash from / (used in) investing activities	(2,797)	(6,471)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	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	-	(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	-	12,282

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 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	11,178	5,082
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,106)	(3,618)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,797)	(6,471)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	12,282
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	7,275	7,275

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	923	1,426
5.2	Call deposits	5,520	4,920
5.3	Bank overdrafts		
5.4	Other (provide details)		
	- Guarantee facilities	832	832
	- Term deposits	-	4,000
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	7,275	11,178

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	(278)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>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.</i>		

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	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)	(1,106)
8.1b Net cash from / (used in) other investing activities (Item 2.6)	(2,797)
8.2 Cash and cash equivalents at quarter end (item 4.6)	7,275
8.3 Unused finance facilities available at quarter end (item 7.5)	200
8.4 Total available funding (item 8.2 + item 8.3)	7,475
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.9
<i>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.</i>	
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: Yes	
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: The Company has submitted its tax return for the year ended 30 June 2020 but not yet received the R&D tax refund from this return. Additionally, the Company also expects to receive the R&D tax refund for the year ended 30 June 2021 in approximately September 2021. These tax refunds are a material amount of funding for the Company.	

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: Yes, based on the two R&D tax refunds receivable, the Company has significantly more than 2 quarters of funding available.

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.

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:27 April 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.