

FBR Limited Quarterly Report | March 2019

Tuesday, 16 April 2019 – 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, 2019.

First outdoor build completed

On 11 February 2019, FBR announced that the Hadrian X had completed its first outdoor build. Known as Build1, FBR's first outdoor build of a three-bedroom, two-bathroom home structure was an important technical and commercial milestone for the Company, and a demonstration of the Hadrian X's ability to work through a range of environmental factors.



CTO Mark Pivac and the finished three-bedroom, two-bathroom structure built outdoors at FBR's High Wycombe facility

After the structure was completed, a selection of interior and exterior finishing items were applied to demonstrate the possible look and feel of a completed structure to the representatives from interested commercial parties and governments FBR hosted during the period.

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MD & CEO Mike Pivac and the outdoor structure with finishing items applied

The Hadrian X was brought back indoors upon completion of the outdoor structure to implement improvements that were developed as a result of the initial outdoor testing efforts. The Hadrian X has since returned outdoors to continue the testing program.

Memorandum of Understanding with Brickworks announced

On 5 February 2019, FBR announced it had signed a Memorandum of Understanding (MOU) with Brickworks Building Products Pty Ltd ("Brickworks") under which FBR and Brickworks agreed to collaborate on the manufacture and certification of concrete masonry unit blocks suitable for use with the Hadrian X, and to negotiate in good faith the terms of a formal Shareholders Agreement in relation to a proposed joint venture between the parties. The joint venture, to be called Fastbrick Australia Pty Ltd, will begin Pilot Program operations in Western Australia immediately upon its commencement and will demonstrate the Wall as a Service™ operating model in Australia. The MOU period was extended by 45 days on 20 March 2019 to allow the parties additional time to negotiate the Shareholders Agreement and associated documentation.

Capital raise completed; additional facility secured; recruitment underway

During the period FBR announced it had successfully raised \$17 million via a placement to institutional and sophisticated investors. The funds raised will be used to accelerate the commercialisation of the Hadrian X and for working capital. The 161,904,769 fully paid ordinary shares issued as a result of the placement were allotted on 1 March 2019.

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ASX Announcement FBR Limited



Following the completion of the capital raise, FBR secured the lease of a brand new 10,000m² facility in High Wycombe, in the same street, 200m from FBR's registered head office. The new significantly larger facility will allow FBR to expand its operations and will be used to further develop the Hadrian X and test and develop concepts for automated building and DST applications. The existing High Wycombe facility will continue as a workshop, outdoor testing facility and FBR's corporate head office, with activities at the Company's separate temporary indoor test facility to be moved to the new High Wycombe site and the lease ended.



FBR's new facility in High Wycombe

Also, following the capital raise FBR has begun a recruitment drive to grow the company's capability, particularly in the areas of engineering, software and controls. This will enable the continued acceleration of the commercialisation of the Hadrian technology.

Rachelle Brunet appointed Joint Company Secretary

On 8 March 2019, FBR announced the appointment of Ms Rachelle Brunet, Executive Officer, as Joint Company Secretary, joining Aidan Flynn who continues in his role as Chief Financial Officer and Joint Company Secretary.

FBR wins gold at Edison Awards

FBR was named a Gold Winner at the 2019 Edison Awards, held in New York on 4 April 2019. Being recognized with an Edison Award has become one of the highest accolades a company can receive in the name of innovation and business, and this year's ballot of nominees was judged by a panel of more than 3,000 leading business executives, including past award winners, academics and leaders in the fields of product development, design, engineering, science and medical. Each entry was judged on four evaluation criteria: concept, value, delivery and impact. The Hadrian X was awarded gold in the Robotics section of the Applied Technology category, with FBR's Chief Innovation Officer Steve Pierz in attendance at the ceremony in New York to accept the award.



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For more information please contact:

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About FBR

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

Appendix 4C

Quarterly 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 2019

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	-	-
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising, marketing and business development	(377)	(911)
(d) leased assets	(2)	(8)
(e) staff costs – Administration	(1,064)	(3,096)
(f) administration and corporate costs	(669)	(1,581)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	53	235
1.5 Interest and other costs of finance paid	-	(1)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(2,059)	(5,362)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(180)	(512)
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	1	1
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	150	-
2.4	Dividends received (see note 3)	-	-
2.5	Other		
	- Hadrian Development costs	(1,829)	(6,740)
	- staff costs – Hadrian Development	(2,376)	(8,189)
	- R & D rebate	-	7,376
	- Intellectual Property, Patents and Trademarks	(594)	(975)
2.6	Net cash from / (used in) investing activities	(4,828)	(9,039)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	17,000	17,000
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	61
3.4	Transaction costs related to issues of shares, convertible notes or options	(969)	(969)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
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	16,031	16,092

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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 quarter/year to date	14,503	21,957
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,059)	(5,362)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(4,828)	(9,039)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	16,031	16,092
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	23,648	23,648

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	2,811	5,247
5.2	Call deposits	20,005	9,000
5.3	Bank overdrafts	-	-
5.4	Other (Guarantee facilities)	832	257
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	23,648	14,504

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	376
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Payments to Directors including fees, salary and superannuation.

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7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

N/A

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-

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

N/A

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	5,138
9.2 Product manufacturing and operating costs	-
9.3 Advertising, marketing and business development	104
9.4 Leased assets	3
9.5 Staff costs - Administration	1,053
9.6 Administration and corporate costs	880
9.7 Other (Patents & Trademarks)	471
9.8 Total estimated cash outflows*	7,649

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity	n/a	n/a
10.2	Place of incorporation or registration	n/a	n/a
10.3	Consideration for acquisition or disposal	n/a	n/a
10.4	Total net assets	n/a	n/a
10.5	Nature of business	n/a	n/a

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.



Aidan Flynn, Company Secretary

16 April 2019

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.