



FBR Limited Quarterly Report | September 2019

Thursday, 31 October 2019 – 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, 2019.

Fastbrick Australia Building Pilot Program Update

Summit Homes Group

On 11 October 2019, FBR announced that Fastbrick Australia, the Wall as a Service® ('WaaS®') joint venture established with Brickworks, entered into a Building Pilot Program Agreement with Summit Homes Group, one of WA's most well-known builders (Summit Agreement).

The Summit Agreement consists of three stages. The first stage is a Demonstration Stage under which Fastbrick Australia will supply WaaS® for three house structures on FBR premises using a range of designs supplied by Summit. Each of these structures will be subject to inspection, assessment and reporting by both Summit and independent consultants to ensure they meet the relevant building standards.

The Demonstration Stage of the Summit Agreement has now commenced on FBR premises and Work Orders for the first two builds of this stage have been issued and accepted in accordance with the Agreement. Fastbrick Australia will be paid for each of the structures built under the Summit Agreement at the prevailing market rate for bricklaying services in Western Australia and the various designs for the structures have been provided by Summit.

The second stage of the Summit Agreement is the Display Home Stage, in which Summit will engage Fastbrick Australia to supply WaaS® for a single storey residential structure, to be purchased by FBR to demonstrate to the public and international partners the benefits and quality of its robotic construction technology. Summit and FBR are working together to agree an appropriate site for the demonstration home. If the parties do not enter into this agreement within three months, the remainder of the Building Pilot Program Agreement may be terminated.

The third stage of the Summit Agreement is the Builder's Project Stage, in which Summit will engage Fastbrick Australia to supply WaaS® for a single storey residential structure for a Summit customer/homebuyer within six months of issuance of a certificate for the final house structure in the Demonstration Stage.

Archistuct

On 16 September 2019, FBR announced that Fastbrick Australia had entered into a Building Pilot Program Agreement with Western Australian-based builder Archistuct Builders & Designers (Archistuct Agreement), in the same three-stage format as the Summit Agreement, building upon the Framework Agreement between FBR and Archistuct announced to the ASX on 6 September 2016.

The Demonstration Stage of the Archistuct Agreement is nearing completion, with a series of house structures (based on designs provided by Archistuct) having now been successfully built on FBR premises. This stage provided for between five and 12 structures to be built. These structures have been signed off by an independent building engineer, accepted by Archistuct (as the customer) and the majority of the associated invoices for these structures have been issued and paid for by Archistuct.





ASX Announcement FBR Limited

FBR and Archistuct have also been progressing the Display Home Stage of the Archistuct Agreement. To this end, FBR has entered into a contract to purchase a block of land, on which the Display Home will be constructed by Archistuct (at FBR's cost), and FBR and Archistuct have entered into a residential building contract under which Archistuct will build a display home using Fastbrick Australia's blocklaying services.

Global commercialisation update

Mexico

On 26 September 2019, FBR announced that it had entered into a Building Pilot Program Agreement with GP Vivienda, the housing division of Mexican construction giant Grupo GP. This Agreement represents the next stage of the Strategic Collaboration Agreement between FBR and GP Vivienda announced to the ASX on 20 June 2018 (Vivienda Agreement).

The Vivienda Agreement is also a three-stage agreement. In the Pilot Program Stage, FBR will supply WaaS® for between one and five house structures on FBR premises using a range of common Mexican designs supplied by GP Vivienda.

In the Block Testing Stage, GP Vivienda and FBR will work together to test the performance of FBR's adhesive with concrete blocks that are commonly used in Mexico. FBR and GP Vivienda have engaged a structural engineer to work with the University of Monterrey to complete the Block Testing Stage.

In the Collaboration Stage, GP Vivienda and FBR will consult to collate and assess the learnings from the Pilot Program Stage and the Block Testing Stage and identify, scope and schedule the next steps in the Strategic Collaboration Agreement.

Europe

FBR recently received a large shipment of a variety of clay blocks from Wienerberger AG (<https://www.wienerberger.com/en/about.html>) in accordance with the initiatives contemplated in the Partnership Agreement between FBR and Wienerberger, so that FBR can commence testing the existing Wienerberger product range with the Hadrian X® to determine the optimal clay block design. FBR will be building a variety of structures with the Wienerberger blocks, including structures that reflect common European residential house designs, as part of its European pilot building activities.

FBR announced on 5 September 2018 that it had entered into a Global Partnership Agreement with Wienerberger (<https://www.fbr.com.au/view/asx-articles/20180905190107>), under which FBR and Wienerberger would collaborate to develop, manufacture and test clay blocks optimised for the Hadrian X construction robot, for introduction into global markets where Wienerberger is active.

Middle East

FBR is also progressing discussions with a number of parties in the Middle East and expects to be implementing and activating one or more pilot building programs associated with the region in the very near term. These programs are being designed to build structures that reflect common local residential house designs and to demonstrate a pathway for FBR technology to the markets in this region.

R&D tax incentive cash refund received

As announced on 11 September 2019, FBR received a research and development tax incentive cash refund of \$9,449,954 for the 12 month period ended 30 June 2019. The R&D tax incentive program is jointly administered by the Australian Tax Office and the Department of Innovation, Industry and Science on behalf of Innovation and Science Australia.





ASX Announcement FBR Limited

Change to Board and Executive Team

Subsequent to the end of the period, FBR announced the appointment of Mr Grant Anderson to its Board as a Non-Executive Director, and the retirement of Mr Andrew Bloore from the position of Non-Executive Director. Mr Anderson brings over 40 years of experience in the design and manufacturing sectors and has extensive Board experience across multiple industries and countries in both ASX listed and private companies.

Also, subsequent to the end of the period, FBR appointed Mr David Richardson to the position of Chief Financial Officer, with Mr Aidan Flynn moving into a role in the newly established Global Commercialisation Team. Mr Richardson is a highly experienced Chief Financial Officer in both large multinational corporations and smaller private businesses, having served as CFO of Schaffer Corporation, Gindalbie Metals, Doric Group and, most recently, EnviroPacific Services. David has a Bachelor of Science, Accounting from the University of South Africa (UNISA), a Post Graduate Diploma, Finance & Investment from the Financial Services Institute of Australasia, and has completed the Strategic Management Program at Macquarie Graduate School of Management.

Ends

For more information please contact:

FBR Limited

Rachelle Brunet
Company Secretary & Executive Officer
T: +61 8 9380 0240
rachelle.brunet@fbr.com.au

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")

30 September 2019

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	-	-
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising, marketing and business development	(162)	(162)
(d) leased assets	(5)	(5)
(e) staff costs – Administration	(952)	(952)
(f) administration and corporate costs	(475)	(475)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	46	46
1.5 Interest and other costs of finance paid	-	-
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	(1,548)	(1,548)

+ See chapter 19 for defined terms

1 September 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(800)	(800)
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other		
- Hadrian Development costs	(1,316)	(1,316)
- staff costs – Hadrian Development	(3,406)	(3,406)
- R & D rebate	9,450	9,450
- Intellectual Property, Patents and Trademarks	(287)	(287)
2.6 Net cash from / (used in) investing activities	3,641	3,641

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
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	-	-
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	14,426	14,426
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,548)	(1,548)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	3,641	3,641
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	16,519	16,519

	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	1,014	1,930
5.2	Call deposits	6,672	1,664
5.3	Bank overdrafts	-	-
5.4	Other		
	- Guarantee facilities	833	832
	- Term deposits	8,000	10,000
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	16,519	14,426

	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	412
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.

	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

		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 (corporate credit cards)	200	0
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		5,042
9.2	Product manufacturing and operating costs		-
9.3	Advertising, marketing and business development		149
9.4	Leased assets		3
9.5	Staff costs - Administration		1,296
9.6	Administration and corporate costs		922
9.7	Other (Patents, property, plant & equipment)		721
9.8	Total estimated cash outflows		8,133
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

+ See chapter 19 for defined terms

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.



Rachelle Brunet, Company Secretary
31 October 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.