For personal use only

FBR LTD

APPENDIX 4E
&
PRELIMINARY FINAL REPORT
YEAR ENDED 30 JUNE 2022

(previous corresponding period being the year ended 30 June 2021)

Please find attached Appendix 4E and the preliminary financial accounts as required pursuant to ASX Listing Rules.

Please note that this report has been prepared based upon unaudited financial information for the year ended 30 June 2022.

For personal use only

APPENDIX 4E

Preliminary Final Report to the Australian Securities Exchange

Name of Entity	FBR LTD
ABN	58 090 000 276
Financial Year Ended	30 June 2022
Previous Corresponding Reporting Period	30 June 2021

Results for Announcement to the Market

	$	Percentage increase / (decrease) over previous corresponding period
Revenue from Ordinary activities	855,884	62%
Profit / (loss) from ordinary activities after tax attributable to members	(19,978,660)	(114%)
Net profit / (loss) for the period attributable to members	(19,978,660)	(114%)

Dividends (distributions)	**Amount per security**	**Franked amount per security**
Final Dividend	nil	N/A
Interim Dividend	nil	N/A
Record date for determining entitlements to the dividends (if any)	N/A	

Brief explanation of any of the figures reported above necessary to enable the figures to be understood:

The directors do not intend to declare a dividend as no profit was made during the year ended 30th June 2022. No dividends were paid during the financial year.

Dividends

Date the dividend is payable	N/A
Record date to determine entitlement to the dividend	N/A

For personal use only

Amount per security	N/A
Total Dividend	Nil
Amount per security of foreign sourced dividend or distribution	N/A
Details of any dividend reinvestment plans in operation	None
The last date for receipt of an election notice for participation in any dividend reinvestment plans	N/A

Net Tangible Asset Backing

	Current Period	Previous Corresponding Period
Net tangible asset backing per ordinary security (cents per share)	0.38	0.64

Net Tangible Assets exclude right-of-use property assets with a carrying value of $1,907,332 as at 30 June 2022

Other Significant Information Needed by an Investor to Make an Informed Assessment of the Entity's Financial Performance and Financial Position

N/A

Commentary on the Results for the Period

Building on the operational success of the 2020/21 financial year, FBR again made significant progress in the commercialisation of its technology in FY22.

On 5 October 2021 FBR announced its first multi-home Wall as a Service® ('WaaS®') contract to supply WaaS® to a third-party residential property developer, Riculallo Pty Ltd, using the Hadrian X® construction robot.

The contract pertains to a development site in St James, Western Australia, under which FBR will construct the slab, footings, structural walls, second storey slab and roof trusses for eight two-story townhouses.

Construction of the St James project is due to commence shortly.

In November 2021, after the announcement of the St James contract, FBR announced that it had entered into a contract with prominent Perth builder Inspired Homes to

For personal use only

supply WaaS® and concrete slabs for 16 townhouses in a development in the Perth suburb of Willagee.

Under the contract, FBR is supplying the load bearing walls, the internal partition walls, and the concrete footings and slabs. Work on the project commenced in December 2021, and FBR is now in the process of constructing the second storey walls.

FBR has also completed the walls of four of the five homes in its Wellard portfolio, including a home constructed using Wienerberger Porotherm clay blocks subsequent to the end of the period. Utilising two Porotherm block types – R25 double leaf blocks (equivalent in volume to 12 standard bricks) for the external walls and single leaf blocks (equivalent in volume to six standard bricks) for the internal walls, this was the first time in the world Wienerberger's clay blocks have been laid by a robot in the undertaking of commercial, real-world work.

The fifth home in the Wellard portfolio is expected to be built in the coming months, with each home in the portfolio to be sold as they are completed. The first home in the portfolio is due for settlement shortly.

In March 2022, FBR entered into a Memorandum of Understanding ('MOU') with Liebherr-Mischtechnik GmbH, a global manufacturer and supplier of high-quality systems for the mixing, batching and pumping of concrete, with the intention of cooperating to industrialise and commercialise the next generation Hadrian X® automated bricklaying robot for the global construction market. Liebherr-Mischtechnik GmbH, based in Germany, is a division of the Liebherr International Group, one of the world's largest, most diverse and highly regarded equipment manufacturers.

The cooperation is comprised of two phases. Phase 1 is focused on ensuring that the next generation Hadrian X® is suitable for scalable industrialisation and commercialisation. Under Phase 1, Liebherr-Mischtechnik GmbH is supporting FBR in the further development of the Hadrian X®, with the primary goal of ensuring that the Hadrian X® is designed for reliable, continuous operation in tough job site conditions throughout its economic life, and for manufacturing at the scale and cost necessary for serial production and full commercialisation.

It is expected that Phase 1 will be completed in less than two years from the date of signing.

Phase 2 will commence upon execution by both parties of a long-term Manufacturing and Commercialisation Agreement. This agreement will address, among other things, the appointment of Liebherr-Mischtechnik GmbH as exclusive manufacturer of Hadrian X® robots, the scope and implementation of joint commercialisation activities including supply, service and lease structure, and intellectual property licensing. Prerequisites for progressing to Phase 2 include reaching mutual agreement on the business plan, go-to-market strategy, customer service strategy and commercial viability of the Hadrian X® in key markets and achievement of key performance targets.

FBR and Liebherr have agreed to a mutual exclusivity for a period of two years or until the execution of a Manufacturing and Commercialisation Agreement.

In November 2021, FBR announced that it had executed a term sheet with GP Vivienda to supply WaaS® for between 2,000 and 5,000 homes in Mexico using the Company's revolutionary Hadrian X® construction robot. Subject to a number of milestones that must be completed within the first 24 months, FBR will supply WaaS® for a minimum of

For personal use only

2,000 and maximum of 5,000 homes in Mexico (dependent on market conditions and GP Vivienda's pipeline of work). FBR will also supply all associated retaining walls and other brick and block structures on one or more greenfield residential development sites in Mexico within five years of completion of the milestones.

The order, timing and locations of all sites on which WaaS® will be supplied in Mexico is to be agreed between the parties beforehand to ensure that the Hadrian X® is deployed in a reasonably efficient manner and to minimise the time, cost and distance that the Hadrian X® is required to travel between development sites. For each site on which the Hadrian X® is deployed, the parties will commit to the supply of WaaS® on at least 100 homes. FBR will supply WaaS® at a rate that ensures the overall completed cost of the structural component of each home is commercially competitive. The works will be supplied by FBR or an affiliate, including a North American subsidiary or branch of FBR.

FBR also announced in November 2021 that the MOU between FBR and the Kingdom of Saudi Arabia's Ministry of Housing has been discontinued, with a view to replacing it with a more suitable formal agreement with revised targets in due course. Shortly thereafter, FBR announced it had signed an MOU with the United Arab Emirates Ministry of Energy & Infrastructure. The MOU sees FBR and the Ministry identifying opportunities for the introduction and adoption of FBR's robotic construction technology, solutions and services to serve the construction sector in the UAE and exploring the potential for local manufacturing.

In due course, FBR will establish a Wall as a Service® ('WaaS®') operating entity in the UAE to facilitate the introduction of a Hadrian X® to the GCC region, where the interest in FBR's technology has been strong, particularly during the COVID-19 pandemic. FBR will establish this operating entity at an appropriate time in order to meet the demand for robotically constructed walls in the region, likely in 24 to 36 months.

In March 2022, FBR secured construction financing for robotically built housing to support and grow FBR's construction operations using the Hadrian X® construction robot and the Fastbrick Wall System®. FBR signed an agreement with a subsidiary of FC Capital, one of Australia's largest alternative asset managers, FC Securities Pty Ltd ('FC') for a $2 million revolving debt facility to finance up to 67.5% of the land and construction cost of five homes FBR is building in Wellard, plus any subsequent FBR residential builds within the 30-month term of the facility. The secured debt facility has an interest rate on drawn funds of 9.00% per annum.

Further, in May 2022 FBR entered into a revolving R&D tax loan facility with FC Capital, in place until 31 December 2024. The facility allows FBR to draw down on a monthly basis as needed, up to 90% of the value of its presently earned R&D tax incentive rebates or $4.0 million, whichever is lower at the time. It has an initial interest rate of 8.50% per annum during 2022 and then an interest rate of 8.15% per annum plus the published one month bid rate for the Australian Bank Bill Swap Reference Rate (BBSW).

In May 2022 FBR also announced that Fastbrick Engineering Pty Ltd, a wholly owned subsidiary of FBR, had established a Lease Finance Facility with FC Capital to provide asset finance for FBR's two existing Hadrian X® construction robots at $1.15 million per Hadrian X®. The finance facility has a three-year term and a 40% balloon payment at the end of the term, and an interest rate of 12.0% per annum and placed a General Security Agreement over FBR and Fastbrick Engineering Pty Ltd. The establishment of this facility marked the first time FBR had been provided lease finance over its Hadrian

For personal use only

X® construction robots, and is consistent with the Company's global commercialisation plan to expand its fleet of robots.

One Board of Directors change was made during the period, with Ms Nancy Milne re-appointed to the position of Non-Executive Director in April 2022 following her retirement in January 2020.

In November 2021, FBR completed a $10.0 million equity placement to institutional and sophisticated investors, and received its R&D tax incentive cash refund of $4.0 million, $2.6 million of which was used to repay the advanced payment received from Radium Capital. In June 2022 FBR completed a further $4.0 million equity placement to institutional and sophisticated investors, and, subsequent to the end of the period, completed a $1.9 million placement with strategic investor Brickworks, Australia's largest producer of bricks and blocks.

The unaudited loss before tax expense/benefit for the 12 months to 30 June 2022 has increased significantly to $19,978,660 from the prior period loss of $9,333,023. This was primarily due to a significant expansion in the size, capability and activities of the company, including the Hadrian 110 program. In November 2021 the Hadrian development asset was assessed as being ready for use and as a consequence amortisation commenced from this date. This also meant costs associated with the asset were no longer capitalised. In addition, the company chose to implement a new ERP system in the year which resulted in the previous ERP assets being impaired.

Returns to shareholders including distributions and buy backs:

N/A

Significant features of operating performance:

N/A

The results of segments that are significant to an understanding of the business as a whole:

N/A

Discussion of trends in performance:

For personal use only

N/A
Any other factor which has affected the results in the period or which are likely to affect results in the future, including those where the effect could not be quantified: N/A

Entities sold during the last financial year

Name of Entity	Date Control Lost	Details
N/A	N/A	N/A

Investments in Associates and Joint Ventures

Name	**% Holding**	**Contribution to Profits / (Loss)**	
		2022	**2021**
N/A	N/A	-	-

Audit/Review Status

This report is based on accounts to which one of the following applies: (Mark with "YES" or "NO")			
The accounts have been audited	NO	The accounts have been subject to review	NO
The accounts are in the process of being audited or subject to review	YES	The accounts have not yet been audited or reviewed	NO
This report is based on financial accounts for the year ended 30 June 2022 which are in the process of being audited.			
If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification:			

For personal use only

N/A
If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification: N/A

Attachments forming part of Appendix 4E

Attachment #	Details
1	Preliminary final report for FBR Limited for the year ended 30th June 2022 (unaudited)

Michael Pivac

Managing Director & Chief Executive Officer

Date: 31 August 2022

For personal use only

FBR LTD

Preliminary Final Report

For the year ended

30 June 2022

TABLE OF CONTENTS

Consolidated Statement of Profit or Loss and Other Comprehensive Income 3
Consolidated Statement of Financial Position 4
Consolidated Statement of Changes in Equity.....5
Consolidated Statement of Changes in Equity.....6
Consolidated Statement of Cash Flows 7
Notes to the Consolidated Financial Statements.....8

For personal use only

For personal use only

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2022

	Notes	30 June 2022	30 June 2021
		$	$
Continuing Operations			
Revenue		765,226	98,517
Cost of sales		(1,428,536)	(318,862)
Gross profit		(663,310)	(220,345)
Interest Income		26,441	31,502
R&D tax rebate		3,620,314	-
Other income	3	64,217	398,252
Professional services	4.a	(826,220)	(1,119,813)
Directors' and employees' benefits	4.b	(8,486,511)	(3,486,493)
Other expenses	4.c	(3,539,370)	(1,528,733)
Hadrian costs		(2,290,131)	-
Share-based payments		(3,040,568)	(2,434,389)
Depreciation	8,9	(1,395,556)	(688,374)
Amortisation of development costs	11	(2,021,480)	-
Property, plant, equipment and inventory impairment	7,8	(1,426,486)	(284,630)
Loss before tax		**(19,978,660)**	**(9,333,023)**
Income tax (expense)/benefit		-	-
Loss for the period		**(19,978,660)**	**(9,333,023)**
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income for the period		**-**	**-**
Total comprehensive loss for the period		**(19,978,660)**	**(9,333,023)**
Basic loss per share in cents per share	17	0.85	0.45
Diluted loss per share in cents per share	17	0.85	0.45

Note: This statement should be read in conjunction with the notes to the financial statements.

For personal use only

Consolidated Statement of Financial Position

As at 30 June 2022

	Notes	30 June 2022	30 June 2021
Assets			
Current			
Cash and cash equivalents		11,518,907	11,128,151
Trade and other receivables	5	6,470,410	4,545,823
Inventory	7	1,370,489	1,462,536
Other current assets		713,216	858,348
Current assets		**20,073,022**	**17,994,858**
Non-current			
Property, plant and equipment	8	4,961,409	3,103,599
Right-of-use assets	9	1,907,332	1,094,076
Development costs	11	46,394,525	46,321,925
Non-current assets		**53,263,266**	**50,519,600**
Total assets		**73,336,288**	**68,514,458**
Liabilities			
Current			
Trade and other payables	12	3,551,123	1,869,425
Provisions	13	754,846	466,725
Lease liabilities	10	1,220,117	1,013,852
Loans & borrowings	14	5,740,033	2,474,327
Current liabilities		**11,266,119**	**5,824,329**
Non-current			
Provisions	13	573,906	300,815
Lease liabilities	10	716,723	20,858
Loans & borrowings	14	2,514,138	-
Non-current liabilities		**3,804,767**	**321,673**
Total liabilities		**15,070,886**	**6,146,002**
Net assets		**58,265,402**	**62,368,456**
Equity			
Equity attributable to owners of the parent:			
Share capital	15	116,567,987	101,695,037
Reserves		3,496,596	4,481,204
Accumulated losses		(61,799,181)	(43,807,785)
Total equity		**58,265,402**	**62,368,456**

Note: This statement should be read in conjunction with the notes to the financial statements.

For personal use only

Consolidated Statement of Changes in Equity

For the year ended 30 June 2022

	SHARE CAPITAL	PERFORMANCE RIGHT RESERVE	SHARE OPTION RESERVE	ACCUMULATED LOSSES	TOTAL EQUITY
	$	$	$	$	$
Balance at 1 July 2021	101,695,037	3,325,339	1,155,865	(43,807,785)	**62,368,456**
Loss for the period	-	-	-	(19,978,660)	**(19,978,660)**
Other comprehensive income	-	-	-	-	**-**
Total comprehensive loss for the period	**-**	**-**	**-**	**(19,978,660)**	**(19,978,660)**
Transactions with owners:					
Shares issued – capital raising (refer to Note 15)	14,000,000	-	-	-	**14,000,000**
Capital raising costs – (refer to Note 15)	(799,304)	-	-	-	**(799,304)**
Performance rights converted to shares (refer to Note 15)	1,672,254	(1,672,254)	-	-	**-**
Performance rights issued to employees	-	2,439,080	-	-	**2,439,080**
Performance rights expired	-	(1,769,216)	-	1,680,301	**(88,915)**
Performance rights forfeited	-	(324,278)	-	-	**(324,278)**
Options issued to employees and directors	-	-	988,686	-	**988,686**
Options expired	-	-	(564,584)	257,738	**(306,846)**
Options and loan funded shares extended	-	-	(82,042)	49,225	**(32,817)**
Balance at 30 June 2022	**116,567,987**	**1,998,671**	**1,497,925**	**(61,799,181)**	**58,265,402**

Note: This statement should be read in conjunction with the notes to the financial statements.

For personal use only

Consolidated Statement of Changes in Equity

For the year ended 30 June 2021

	SHARE CAPITAL	PERFORMANCE RIGHT RESERVE	SHARE OPTION RESERVE	ACCUMULATED LOSSES	TOTAL EQUITY
	$	$	$	$	$
Balance at 1 July 2020	86,528,414	827,448	2,007,041	(36,143,847)	**53,219,056**
Loss for the period	-	-	-	(9,333,023)	**(9,333,023)**
Other comprehensive income	-	-	-	-	**-**
Total comprehensive loss for the period	**-**	**-**	**-**	**(9,333,023)**	**(9,333,023)**
Transactions with owners:					
Shares issued – capital raising	16,000,000	-	-	-	**16,000,000**
Capital raising costs	(918,377)	-	-	-	**(918,377)**
Performance rights converted to shares	85,000	(85,000)	-	-	**-**
Performance rights issued to employees	-	3,293,492	-	-	**3,293,492**
Performance rights expired	-	(270,174)	-	30,287	**(239,887)**
Performance rights forfeited	-	(440,427)	-	516,845	**76,418**
Options issued to employees and directors	-		665,512	-	**665,512**
Shares issued upon exercise of options	-	-	-	-	**-**
Options expired	-	-	(1,516,688)	1,121,953	**(394,735)**
Balance at 30 June 2021	**101,695,037**	**3,325,339**	**1,155,865**	**(43,807,785)**	**62,368,456**

Note: This statement should be read in conjunction with the notes to the financial statements.

For personal use only

Consolidated Statement of Cash Flows

For the year ended 30 June 2022

	Notes	30 June 2022	30 June 2021
		$	$
Operating activities			
Interest received		2,883	29,963
Receipts from customers		924,601	12,360
Payments to suppliers and employees		(15,851,622)	(5,643,012)
Interest paid		(417,735)	(98,572)
Government grants		-	504,194
Net cash used in operating activities		**(15,341,873)**	**(5,195,067)**
Investing activities			
Development costs		(4,087,416)	(7,310,977)
Research and development rebate received		3,986,814	6,937,085
Purchase of property, plant and equipment		(3,277,196)	(3,135,121)
Net cash provided by investing activities		**(3,377,798)**	**(3,509,013)**
Financing activities			
Proceeds from loans		8,334,056	2,468,821
Repayment of loans		(2,561,828)	(2,800,000)
Proceeds from issue of share capital		14,000,000	16,000,000
Capital raising costs		(661,801)	(918,377)
Net cash provided by financing activities		**19,110,427**	**14,750,444**
Net change in cash and cash equivalents		**390,756**	**6,046,364**
Cash and cash equivalents, beginning of period		11,128,151	5,081,787
Cash and cash equivalents, end of period		**11,518,907**	**11,128,151**

Note: This statement should be read in conjunction with the notes to the financial statements.

For personal use only

Notes to the Consolidated Financial Statements

1. Nature of Operations

FBR Limited and its controlled subsidiaries ('FBR' or 'the Company') is developing technology to build an automated robotic machine with the aim of it being capable of completing the brickwork of a Full Home Structure at potentially significantly lower cost and higher quality than traditional methods. The Company has secured patents to protect its intellectual property in its technology in key markets.

2. General information and statement of compliance

The preliminary financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide a full understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report. Accordingly, this report is to be read in conjunction with the accompanying notes, the 2021 Annual Report, the 2022 Interim Financial Report and any public announcements made by FBR Limited in accordance with the continuous disclosure obligations of the ASX listing rules. FBR is a for-profit entity for the purpose of preparing the preliminary financial report.

FBR is the group's Ultimate Parent Company. FBR is a Public Company incorporated and domiciled in Australia. The address of its registered office and its principal place of business is 122 Sultana Road West, High Wycombe WA 6057.

3. Other Income

	Consolidated	
	30 June 2022	**30 June 2021**
	$	**$**
Government grants	64,217	394,444
Other	-	3,808
	64,217	**398,252**

4. Expenses

A. Professional services

	Consolidated	
	30 June 2022	**30 June 2021**
	$	**$**
Marketing	81,359	143,763
Accountancy & tax	358,834	571,783
Corporate consultants	201,485	285,386
Legal costs	184,542	118,881
	826,220	**1,119,813**

For personal use only

4. Expenses (continued)

B. Directors' and employees' benefits

	Consolidated	
	30 June 2022	30 June 2021
	$	$
Wages, salaries and directors' fees	9,724,813	7,115,547
Superannuation	949,055	615,334
Annual leave entitlements	192,382	47,557
Long service leave entitlements	46,123	61,266
Recharge to Hadrian development costs	(2,106,299)	(4,353,211)
Recharge to Hadrian WIP	(210,964)	-
Recharge to Shuttle system development costs	(108,599)	-
	8,486,511	**3,486,493**

C. Other expenses

	Consolidated	
	30 June 2022	30 June 2021
	$	$
Insurance	254,820	163,712
Travel expenses	199,042	116,078
Compliance costs	209,625	154,265
Subscriptions	229,685	102,471
Staff training costs	33,911	37,368
Other administration expenses	2,572,540	928,082
Recruitment costs	38,247	11,537
Website development costs	1,500	15,220
	3,539,370	**1,528,733**

5. Trade and other receivables

Trade and other receivables consist of the following:

	Consolidated	
	30 June 2022	30 June 2021
	$	$
Research and development tax rebate	5,610,921	3,986,814
Construction services income	128,350	100,980
GST receivable	393,630	227,322
Interest receivable	1,195	70
Director loans	228,236	207,499
Grants receivable	61,200	-
Other receivables	46,878	23,138
	6,470,410	**4,545,823**

All amounts are short-term. The net carrying value of trade and other receivables is considered a reasonable approximation of fair value. R&D tax rebate is an estimate of the refund amount relating to the tax return not yet lodged for the year ended 30 June 2022.

For personal use only

5. Trade and other receivables (continued)

Directors loans includes $190,000 loan to Mark Pivac (plus interest of $38,236) in connection with Performance Rights Issued under the Company's Performance Rights Plan. The loan has a maturity date of 31 December 2022 and an interest rate at the higher of 4.52% per annum and the highest interest rate payable by the Company to any financier of the company at the relevant time.

6. Financial assets and liabilities

A. Categories of financial assets and liabilities

The carrying amounts of financial assets and financial liabilities in each category are as follows:

	Notes	Financial assets at amortised cost $	Total $
30 June 2022			
Financial assets			
Cash and cash equivalents		11,518,907	11,518,907
Trade and other receivables	5	465,859	465,859
		11,984,766	**11,984,766**
Financial liabilities			
Trade and other payables	12	3,551,123	3,045,708
Lease liabilities	10	1,936,840	1,936,840
R&D tax refund loan		-	-
		5,487,963	**4,982,548**

	Notes	Financial assets at amortised cost $	Total $
30 June 2021			
Financial assets			
Cash and cash equivalents		11,128,151	11,128,151
Trade and other receivables	5	331,687	331,687
		11,518,907	**11,518,907**
Financial liabilities			
Trade and other payables	12	1,869,425	1,869,425
Lease liabilities	10	1,034,710	1,034,710
R&D tax refund loan		2,474,327	2,474,327
		5,378,462	**5,378,462**

For personal use only

6. Financial assets and liabilities (continued)

B. Other financial instruments

- The carrying amount of the financial assets and liabilities; trade and other receivables, cash and cash equivalents, trade and other payables and lease payables is considered a reasonable approximation of fair value.

7. Inventories

Inventories include the following components:

	Consolidated	
	30 June 2022	30 June 2021
	$	$
Cost	2,045,133	1,747,166
Inventory impairment	(674,644)	(284,630)
Carrying amount at 30 June 2022	**1,370,489**	**1,462,536**

8. Property, plant and equipment

Details of the group's property, plant and equipment and their carrying amount are as follows:

	LAND & BUILDINGS	PLANT & EQUIPMENT	FURNITURE & FITTINGS	ICT EQUIPMENT	WORK IN PROGRESS	TOTAL
	$	$	$	$	$	$
Gross carrying amount						
Balance at 1 July 2021	**-**	**2,487,054**	**1,011,051**	**2,179,113**	**-**	**5,677,218**
Additions	-	1,242,460	17,309	50,736	1,967,782	3,278,287
Disposals	-	-	-	(1,090)	-	(1,090)
Balance at 30 June 2022	**-**	**3,729,514**	**1,028,360**	**2,228,759**	**1,967,782**	**8,954,415**
Depreciation and impairment						
Balance at 1 July 2021	**-**	**(616,124)**	**(833,153)**	**(1,124,342)**	**-**	**(2,573,619)**
Disposals	-	-	-	667	-	667
Depreciation[1]	-	(376,468)	(105,804)	(185,940)	-	(668,212)
Impairment	-	-	-	(751,842)	-	(751,842)
Balance at 30 June 2022	**-**	**(992,592)**	**(938,957)**	**(2,061,457)**	**-**	**(3,993,006)**
Carrying amount at 30 June 2022	**-**	**2,736,922**	**89,403**	**167,302**	**1,967,782**	**4,961,409**

1. $154,118 of depreciation charges for the current period have been capitalised to development costs.

9. Right-of-use assets

	Consolidated		
	Land & Buildings	ICT Equipment	Total
	$	$	$
Carrying amount at 1 July 2021	**1,021,250**	**72,826**	**1,094,076**
Lease modification	2,055,743	-	2,055,743
Depreciation[1]	(1,189,347)	(53,140)	(1,242,487)
Carrying amount at 30 June 2022	**1,887,646**	**19,686**	**1,907,332**

1. $361,025 of depreciation charges for the current period in relation to the right-of-use assets have been capitalised to development costs, with $881,462 being expensed for the period

10. Lease liabilities

	Consolidated	
	30 June 2022	30 June 2021
	$	$
Lease liabilities (current)	1,220,117	1,013,852
Lease liabilities (non-current)	716,723	20,858
	1,936,840	**1,034,710**

	Within one year	One to five years	After 5 years	Total
	$	$	$	$
30 June 2022				
Lease payments	1,286,471	731,420	-	2,017,891
Finance expenses	(66,354)	(14,697)	-	(81,051)
Net present values	**1,220,117**	**716,723**	**-**	**1,936,840**

For personal use only

For personal use only

11. Development costs

Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility, the consolidated entity is able to use or sell the asset, the consolidated entity has sufficient resources; and intent to complete the development and its costs can be measured reliably. Capitalised development costs are amortised over the period of their expected life. Patent costs that relate to projects that are in the development phase are capitalised.

The following tables show the movements in development costs associated with the Hadrian X and the Shuttle system:

	Hadrian	
	30 June 2022	**30 June 2021**
	$	**$**
Gross carrying amount	46,321,925	43,236,917
Additions	3,973,503	10,008,907
R&D tax incentives	(1,942,242)	(6,923,899)
Amortisation expense	(2,021,480)	-
	46,331,706	**46,321,925**
Additions		
Consultants	248,266	657,173
Employee benefits	2,106,299	4,198,434
Equipment hire	-	41,213
Materials	267,960	1,122,882
Occupancy expense	482,706	1,416,358
Share-based payments	(365,659)	966,410
Patents and trademarks	744,166	694,359
Overheads and other	489,765	912,078
Total additions	**3,973,503**	**10,008,907**

	Shuttle System	
	30 June 2022	**30 June 2021**
	$	**$**
Gross carrying amount	-	-
Additions	111,184	-
R&D tax incentives	(48,365)	-
	62,819	**-**
Additions		
Employee benefits	108,599	-
Materials	2,585	-
Total additions	**111,184**	**-**
Total Development costs	**46,394,525**	**46,321,925**

For personal use only

12. Trade and other payables

Trade and other payables consist of the following:

	Consolidated	
	30 June 2022	30 June 2021
	$	$
Trade creditors	2,185,771	1,600,925
Accrued expenses	873,065	108,682
Other payables	492,287	159,818
	3,551,123	**1,869,425**

All amounts are short-term. The carrying values of trade payables and other payables are considered to be a reasonable approximation of fair value.

13. Provisions

The carrying amounts and movements in the provisions account are as follows:

	Consolidated	
	30 June 2022	30 June 2021
	$	$
Current		
Employee entitlements – Annual leave	570,442	466,725
Employee entitlements – Long service leave	-	-
Other provisions	184,404	-
	754,846	**466,725**
Non-Current		
Employee entitlements – Annual leave	178,810	90,145
Employee entitlements – Long service leave	256,793	210,670
Other Provisions	138,303	-
	573,906	**300,815**

The current portion of these liabilities represents the Company's obligations to its current and former employees that are expected to be settled during the next financial year.

14. Loans & borrowings

The carrying amounts in the loans and borrowings accounts are as follows:

	Consolidated	
	30 June 2022	30 June 2021
	$	$
Current		
Chattel mortgage equipment loan facility	166,265	-
Construction loan facility	1,163,412	-
R&D tax refund loan	4,000,000	2,474,327
Hadrian lease finance facility	410,356	-
	5,740,033	**2,474,327**

14. Loans & borrowings (continued)

Non-Current		
Chattel mortgage equipment loan facility	656,531	-
Hadrian lease finance facility	1,857,607	-
	2,514,138	**-**

During the period FBR secured construction financing for robotically built housing to support and grow FBR's construction operations using the Hadrian X® construction robot and the Fastbrick Wall System®. FBR signed an agreement with FC Securities Pty Ltd for a $2 million revolving debt facility to finance up to 67.5% of the land and construction cost of five homes FBR is building in Wellard, plus any subsequent FBR residential builds within the 30-month term of the facility. The secured debt facility has an interest rate on drawn funds of 9.00% per annum, a 2.25% setup fee, and a 3.00% line fee.

During the period FBR entered into a revolving R&D tax loan facility with FC Capital, in place until 31 December 2024. The facility allows FBR to draw down on a monthly basis as needed, up to 90% of its presently earned R&D tax incentive rebates or $4.0 million, whichever is lower at the time. It has an initial interest rate of 8.50% per annum during 2022 and then an interest rate of 8.15% per annum plus the published one month bid rate for the Australian Bank Bill Swap Reference Rate (BBSW).

During the period FBR entered into a Lease Finance Facility with FC Capital to provide asset finance for FBR's two existing Hadrian X® construction robots at $1.15 million per Hadrian X®. The finance facility has a three-year term and a 40% balloon payment at the end of the term, with a 2.0% establishment fee and an interest rate of 12.0% per annum.

15. Share capital

Ordinary shares

	2022		2021	
	$	**No.**	**$**	**No.**
Ordinary shares, fully paid	**116,567,987**	**2,651,028,536**	**101,695,037**	**2,179,170,092**

Movement in ordinary shares on issue

Movement in ordinary shares on issue	**$**	**No.**
Shares on issue at 1 July 2021	101,695,037	2,179,170,092
Capital raising		
3 December 2021 Placement (at $0.045 per share)	10,000,000	222,222,222
24 June 2022 Placement (at $0.018 per share)	4,000,000	222,222,222
Capital Raising Costs	(799,304)	-
Performance rights converted (7 July 2021)	1,672,254	27,414,000
Shares on issue at 30 June 2022	**116,567,987**	**2,651,028,536**

For personal use only

15. Share capital (continued)

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held and in proportion to the amount paid up on the shares held. At shareholders meetings, each ordinary share is entitled to one vote in proportion to the paid up amount of the share when a poll is called, otherwise each shareholder has one vote on a show of hands.

The share capital of FBR consists only of fully paid ordinary shares, and the shares do not have a par value. All ordinary shares are equally eligible to receive dividends and the repayment of capital and represent one vote at the shareholders' meeting of FBR.

Performance shares

There were no performance shares issued during the current year (2021: nil). There were nil performance shares that converted to ordinary fully paid shares during the current year (2021: 21).

The following table illustrates the outstanding performance shares granted, converted and forfeited during the year.

	2022 Number	2021 Number
Outstanding at 1 July	-	166,666,666
Granted during the year	-	-
Converted during the year	-	(21)
Cancelled/forfeited/consolidated during the year	-	(166,666,645)
Performance Shares at 30 June	**-**	**-**

Performance shares do not have a par value. Performance shares are not eligible to receive dividends or repayment of capital. Performance shares are not entitled to vote at the shareholders' meeting of FBR.

16. Share based payments

Ordinary shares

There were no ordinary shares granted as consideration for services provided to the Company during the year.

For personal use only

For personal use only

16. Share based payments (continued)

Options

There were no options issued by the Company during the year.

The following table illustrates the outstanding options granted, exercised and forfeited during the year.

	2022 Number	Weighted Average exercise price (c)	2021 Number	Weighted Average exercise price (c)
Outstanding at 1 July	5,800,000	30	26,600,000	25
Granted during the year	-		-	
Converted during the year	-	-	-	-
Expired during the year	(5,800,000)		(20,800,000)	25
Forfeited during the year	-		-	
Options at 30 June	**-**	**-**	**5,800,000**	**30**

Performance rights

There were 38,620,000 performance rights issued during the current year (2021: 61,220,000).

The weighted average fair value of the performance rights granted during the current year is $0.039 (2021: $0.06).

Performance rights do not have a par value. Performance rights are not eligible to receive dividends or repayment of capital. Performance rights are not entitled to vote at the shareholders' meeting of FBR.

The following table illustrates the outstanding performance rights granted, exercised and forfeited during the year.

	2022 Number	2021 Number
Outstanding at 1 July	78,970,028	27,387,736
Granted during the year	38,620,000	61,220,000
Converted during the year	(27,414,000)	(500,000)
Expired during the year	(32,273,256)	(1,733,332)
Forfeited during the year	(5,554,572)	(7,404,376)
Performance rights at 30 June	**52,348,200**	**78,970,028**

17. Earnings per share

Both the basic and diluted earnings per share have been calculated using the profit attributable to shareholders of the Legal Parent Company (FBR Limited) as the numerator, i.e. no adjustments to profits were necessary during the twelve (12) months period to 30 June 2022 and 30 June 2021.

The weighted average number of shares for the purposes of the calculation of diluted earnings per share can be reconciled to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	30 June 2022 $	30 June 2021 $
Weighted average number of shares used in basic earnings per share	2,336,881,258	2,087,492,553
Shares deemed to be issued for no consideration in respect of share-based payments	-	-
Weighted average number of shares used in diluted earnings per share	**2,336,881,258**	**2,087,492,553**

END OF PRELIMINARY FINAL REPORT.

For personal use only