

ASX Announcement

FBR Limited



FBR Limited Quarterly Report | December 2024

Thursday, 30 January 2025 – Robotic technology company **FBR Limited (ASX: FBR; OTCQB:FBRKF)** ('FBR' or 'the Company') is pleased to provide its quarterly update for the period ended 31 December 2024.

Highlights

- FBR completes Demonstration Program for CRH Ventures in United States, including achievement of major milestone, completing construction of external walls of a home in a single shift utilising Hadrian X[®] and three operators.
- FBR receives A\$6.3 million R&D tax incentive rebate from Australian Taxation Office.
- FBR raises A\$8.0 million (before costs) via fully underwritten Share Purchase Plan.

Business Activities Update

FBR completes United States Demonstration Program

During the quarter the Company reached an agreement with CRH Ventures that the capabilities of the Hadrian X[®] had been adequately demonstrated throughout the Demonstration Program in the United States and deemed the Program complete.

Using the Hadrian X[®] and concrete masonry blocks supplied by an affiliate of CRH Ventures, FBR constructed the external walls of nine homes in the Demonstration Program, with one of the homes being built in a single day. Each structure was confirmed by independent structural engineers to meet applicable building standards.

Through mutual agreement, the period of 45 calendar days for CRH Ventures to exercise its option to enter an exclusive joint venture with FBR for the supply of Wall as a Service[®] in the United States commenced on 2 January 2025. Following the completion of the Demonstration Program, US\$0.4 million (A\$0.65 million) was paid by CRH Ventures to FBR.

FBR and CRH Ventures intend to complete at least one home in the next month for major US builder PulteGroup under the previously announced Master Trade Contractor Agreement outside of the scope of the Demonstration Program, as well as a home for Neal Communities, another prominent builder in southwest Florida.

Upon commencement of the potential joint venture, a binding conditional purchase order for 20 Hadrian X[®] construction robots will be submitted to FBR at a price of US\$2.0 million per unit. Simultaneously, a US\$40 million loan facility will be established by CRH Ventures that the joint venture entity can draw down on in tranches to pay for the manufacture and delivery of the Hadrian X[®] construction robots. FBR will also replace the unit used to conduct the Demonstration Program in the United States with a U.S.-spec unit at no additional cost to the joint venture.

Further to the announcement released to the ASX on 18 January 2024, FBR and CRH Ventures have considered the early stage cash requirements of the joint venture and agreed to make an initial combined working capital investment totalling US\$0.5 million to cover loan facility repayments ahead of delivery of US-spec Hadrian X[®] units, with deposits for two Hadrian X[®] units totalling US\$2.2 million immediately payable to FBR upon formation of the joint venture. Another unit will be delivered as soon as possible after delivery of the initial two units, in addition to the replacement for the unit used to conduct the Demonstration Program. The remaining 17 units in the initial 20-unit purchase order will be delivered in tranches of 3 units after the joint venture meets the agreed performance milestones for each tranche.



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Further conditional purchase orders of 39 Hadrian X® units and 40 Hadrian X® units will be submitted to FBR by the joint venture once defined metrics relating to gross margin and fleet utilisation are achieved (for more detail see ASX announcement dated 18 January 2024).

Construction Activities

CRH Ventures Demonstration Build #6

Lehigh Acres, Fort Myers, Florida

Layout:	Single storey 3 Bedroom, 2 Bathroom, Double Garage
Builder:	New Century USA
Robot:	Next-generation Hadrian X (H03)
Wall Area:	162m ²
Block Type:	Besser Block (Concrete Masonry Unit) 397mm x 194mm x 191mm Concrete Bond Beam Block
Block count:	2,097 CMUs & Bond Beam Blocks



CRH Ventures Demonstration Build #7

Cape Coral, Fort Myers, Florida

Layout:	Single storey 3 Bedroom, 2 Bathroom, Double Garage
Builder:	New Century USA
Robot:	Next-generation Hadrian X (H03)
Wall Area:	162m ²
Block Type:	Besser Block (Concrete Masonry Unit) 397mm x 194mm x 191mm Concrete Bond Beam Block
Block count:	2,097 CMUs & Bond Beam Blocks



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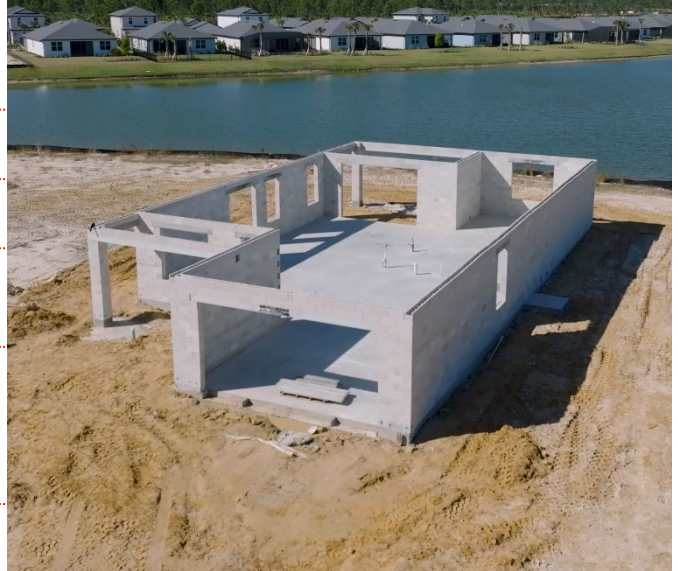
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CRH Ventures Demonstration Build #8

Babcock Ranch, Punta Gorda, Florida

Layout:	Single storey 3 Bedroom, 2 Bathroom, Double Garage
Builder:	Christopher Alan Homes
Robot:	Next-generation Hadrian X (H03)
Wall Area:	146m ²
Block Type:	Besser Block (Concrete Masonry Unit) 397mm x 194mm x 191mm Concrete Bond Beam Block
Block count:	1,912 CMUs & Bond Beam Blocks



CRH Ventures Demonstration Build #9

Babcock Ranch, Punta Gorda, Florida

Layout:	Single storey 3 Bedroom, 2 Bathroom, Double Garage
Builder:	Christopher Alan Homes
Robot:	Next-generation Hadrian X (H03)
Wall Area:	146m ²
Block Type:	Besser Block (Concrete Masonry Unit) 397mm x 194mm x 191mm Concrete Bond Beam Block
Block count:	1,912 CMUs & Bond Beam Blocks



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Corporate and Finance

Receipts from customers for the December quarter was A\$0.09 million, down from the previous quarter (September quarter: A\$1.3 million), with one-off receipts received in September quarter from the Treeby land parcel sale, and receipt of the Site Acceptance Test milestone tranche being received from CRH Ventures. December quarter receipts did not include A\$0.65 million (US\$0.4 million) received in option fees from CRH Ventures Americas upon completion of the U.S. Demonstration Program which was received in January.

During the quarter, FBR spent A\$6.0 million on payroll, overheads and corporate costs, an increase from the previous quarter (September quarter: \$4.5 million). In addition to payroll, FBR spent A\$3.6 million directly developing the Hadrian X[®] technology and manufacturing Hadrians and a further \$0.9 million on the US Demonstration Program.

FBR's cash balance at the end of the quarter was \$6.3 million. This does not include the \$2.0 million retained by FBR following receipt of ATO R&D tax incentive rebate (see Events subsequent to the event of the quarter below), and A\$0.65 million (US\$0.4 million) received in option fees from CRH Ventures Americas upon completion of the U.S. Demonstration Program which was received in January.

Note to item 6 in Appendix 4C: Payments to related parties and their associates were made in the quarter. Approximately A\$437,000 was paid to related parties as Executive and Non-Executive Director fees, salary and superannuation.

On 29 November, the Company announced that it had successfully raised \$8.0 million (before costs) via a Share Purchase Plan ("SPP") launched on 4 November 2024. The SPP offered eligible shareholders the ability to subscribe for up to \$30,000 worth of fully paid ordinary shares in the Company at 3.8 cents per share, representing a discount of 11.6% to the last closing price prior to the announcement of the SPP. At the close of the SPP, FBR had received valid applications from eligible Shareholders totalling \$2.34 million, with Bell Potter Securities Limited, the Underwriter to the SPP, filling the shortfall of \$5.66 million.

Following completion of the SPP offer, 210,526,316 new fully paid ordinary shares were issued on Tuesday, 3 December 2024.

Events subsequent to the end of the quarter

Subsequent to the quarters end, FBR received its R&D tax incentive cash rebate payment of A\$6.3 million from the Australian Taxation Office (ATO) for the year ended 30 June 2024. FBR had already drawn down A\$4.3 million from its R&D revolving tax loan facility with FC Capital, and repaid this balance owing to FC Capital from the ATO funds received, leaving A\$2.0 million cash retained by FBR. FBR may draw again on this revolving loan facility against its expected tax refund for the year ending 30 June 2025. Further, following the announcement released on 23 December 2024 regarding the completion of the United States Demonstration Program, FBR received the final tranche of US\$0.4 million (A\$0.65 million) from CRH Ventures.

On 6 January 2025, FBR Executive Directors Mike Pivac and Mark were each issued 75,000,000 unlisted Share Performance Rights. The Share Performance Rights, approved by shareholders at the Company's FY2024 AGM, represent part of the long-term incentive component of the remuneration of Mike Pivac and Mark Pivac and were issued for nil consideration. Vesting is subject to performance conditions, set out in the Notice of Annual General Meeting (refer ASX release 18 October 2024).

This announcement has been authorised for release to the ASX by the FBR Board of Directors.

Ends



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About FBR Limited

FBR Limited (ASX: FBR) designs, develops and builds dynamically stabilised robots to address global needs in a safer, more efficient and more sustainable way. These robots are designed to work outdoors using the company's core Dynamic Stabilisation Technology® (DST®).

The first application of DST® is the Hadrian X®, a bricklaying robot that builds structural walls faster, safer, more accurately and with less wastage than traditional manual methods. The Hadrian X® provides 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 December 2024

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	86	1,417
1.2 Payments for		
(a) Hadrian Development costs	(826)	(1,327)
(b) product manufacturing and operating costs	(1,400)	(2,205)
(c) advertising and marketing and business development	(228)	(368)
(d) leased assets	-	-
(e) staff costs	(4,347)	(7,346)
(f) administration and corporate costs	(1,495)	(2,905)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	53	86
1.5 Interest and other costs of finance paid	(193)	(386)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	73
1.8 Other (provide details if material)		
- US Demonstration program	(897)	(2,073)
1.9 Net cash from / (used in) operating activities	(9,247)	(15,034)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(1,410)	(2,094)
(d) investments	-	-

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
	(e) intellectual property	(372)	(536)
	(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)		
	- Shuttle Development costs	(150)	(330)
2.6	Net cash from / (used in) investing activities	(1,932)	(2,960)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	8,000	20,500
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	520
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(588)	(1,553)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(193)	(904)
3.7	Transaction costs related to loans and borrowings	(32)	(67)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)		
	- Proceeds from disposal of Loan funded shares (net of costs)	-	2,009
3.10	Net cash from / (used in) financing activities	7,187	20,505

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	10,194	3,742
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(9,247)	(15,034)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,932)	(2,960)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	7,187	20,505
4.5	Effect of movement in exchange rates on cash held	124	73
4.6	Cash and cash equivalents at end of period	6,326	6,326

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	2,613	2,296
5.2	Call deposits	3,713	7,898
5.3	Bank overdrafts	-	-
5.4	Other (provide details)		
	- Guarantee facilities	-	-
	- Term deposits	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	6,326	10,194

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	437
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	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	<i>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.</i>		
7.1	Loan facilities	7,121	6,086
7.2	Credit standby arrangements	-	-
7.3	Other (corporate credit cards)	200	-
7.4	Total financing facilities	7,321	6,086
7.5	Unused financing facilities available at quarter end		1,235
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.		
	<p>A secured revolving corporate credit card facility with the Commonwealth Bank of Australia at an interest rate of 17.99% p.a.</p> <p>A senior secured revolving R&D tax finance facility with FC Capital at an interest rate of 12.50% p.a., maturing on 31 January 2025 (extended to October 2025 after quarter end).</p> <p>A senior secured Hadrian construction robot lease finance facility with FC Capital at an interest rate of 15.00% p.a., maturing on 13 May 2025</p> <p>A secured chattel mortgage equipment loan facility with HP Financial Services (Australia) Pty Ltd at an interest rate of 5.50% p.a., maturing on 30 November 2026.</p> <p>A secured chattel mortgage equipment loan facility with HP Financial Services (Australia) Pty Ltd at an interest rate of 9.04% p.a., maturing on 31 August 2028.</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(9,247)
8.1b	Net cash from / (used in) other investing activities (Item 2.5)	(150)
8.2	Cash and cash equivalents at quarter end (item 4.6)	6,326
8.3	Unused finance facilities available at quarter end (item 7.5)	1,235
8.4	Total available funding (item 8.2 + item 8.3)	7,562
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1 and 8.1b)	0.80
	<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	

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- 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: Yes, the Company continues to engage with various stakeholders as part of its capital strategy. The funding initiatives under consideration contemplate the operational requirements of the Company and its strategic endeavours. In January 2025, the Company received a \$6.3m R&D Tax rebate which netted \$2m for the Company after repayment of the credit facility related thereto. A further option fee of US\$0.4m was also received in January upon completion of the USA Demonstration program. The Company has entered into a contract for sale of a residential property which will provide an additional \$0.55m.

- 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 funds on hand, further receipts and advance for R&D tax refunds, sale of a residential property and disposal of expired director loan funded share sales. In addition, the Company continues to consider equity capital initiatives as required.

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: 30 January 2025.....

Authorised by: Aidan Flynn, 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.