



FBR Limited Quarterly Report | September 2024

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

Highlights

- Hadrian X[®] completes Site Acceptance Testing at Fort Myers facility ahead of commencement of Demonstration Program for CRH Ventures
- Hadrian X[®] completes first five homes of U.S. Demonstration Program for CRH Ventures with Florida builders New Century USA and Christopher Alan Homes
- FBR signs Master Trade Contractor Agreement to build demonstration home with third largest homebuilder in the U.S., PulteGroup
- FBR completes strongly supported Share Placement to raise \$12.5 million from new and existing institutional and sophisticated shareholders
- A\$10.2 million cash balance at the end of September quarter

Business Activities Update

Hadrian X[®] completes Site Acceptance Testing ahead of Demonstration Program with CRH Ventures

During the quarter FBR advised that it had received confirmation from CRH Ventures that the Hadrian X[®] had successfully met their requirements for the Site Acceptance Testing at the Fort Myers facility in Florida, United States. An independent structural engineer provided confirmation that the walls of the test build were consistent with the design and met applicable building standards. Completion of Site Acceptance Testing triggered a US\$600,000 payment by CRH Ventures to FBR and the commencement of the Demonstration Program.

Hadrian X[®] completes first five homes in Demonstration Program with CRH Ventures

On 10 September, FBR advised that it had completed the walls of the first home in its Demonstration Program with CRH Ventures in Fort Myers, Florida, following confirmation from an independent engineer that the walls of the home were certified as compliant with the design and building code. The first home marked a significant milestone in the commercialisation of FBR's technology, being the first build ever completed by the Hadrian X[®] in an international market.

The first build was completed with Florida builder New Century USA, one of the participating builders in the US Demonstration Program, which includes builders across a spectrum of size, volume and style of homes to demonstrate the versatility and adaptability of the Hadrian X[®]. In total, five homes of the Demonstration Program will be built with New Century USA.

Two of the homes in the Demonstration Program have been built for Christopher Alan Homes, another Florida based builder. Christopher Alan Homes topped a regional list compiled by LSI Companies Inc. as the largest local and private homebuilder in Southwest Florida based on single-family residential permits in 2023, demonstrating its continued growth and reinforcing its standing as a leading homebuilder in the region.

FBR has now completed five of the homes in the ten home Demonstration Program, with the remaining homes for New Century USA (houses #6 and #7) to be completed shortly.

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Master Trade Contractor Agreement signed with third largest U.S. homebuilder PulteGroup

FBR entered into a Master Trade Contractor Agreement (MTCA) with PulteGroup (NYSE:PHM) as part of FBR's U.S. Demonstration Program for CRH Ventures.

PulteGroup is listed on the New York Stock Exchange, with a market capitalization of ~US\$30bn and is the third largest homebuilder in the U.S. having built over 750,000 homes since inception, with operations in over 40 major U.S. cities.

FBR will complete at least one demonstration home for PulteGroup under the MTCA, and will provide an update on the remaining homes in the Demonstration Program once the work orders have been received and confirmed.

During the quarter, FBR's Perth based construction team mobilised to the St James Project following the pouring of the second storey slabs. The team continued work on the second storey walls of each of the eight townhouses and have now completed all Hadrian X[®] work at the site. With St James now being complete, FBR does not intend to deploy its "H02" prototype to the field in its current format in the near future.

St James Project

St James – Perth, Western Australia

Layout:	8 x Two storey Townhouses 3 Bedroom, 2 Bathroom, Double Garage
Builder:	Riculallo Pty Ltd
Robot:	Hadrian X (H02) – Commercial Prototype
Wall area:	2,929m ²
Block type:	CMU (Concrete Masonry Unit) 390mm x 230mm x 90mm
Block count:	35,299 CMUs (Approx. 180,000 SBEs)
Wall type:	Single & Double Leaf Cavity Walls (external and internal)



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CRH Ventures Demonstration Build #1

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:	166m ²
Block Type:	Besser Block (Concrete Masonry Unit) 397mm x 194mm x 191mm Concrete Bond Beam Block
Block count:	2,243 CMUs & Bond Beam Blocks



CRH Ventures Demonstration Build #2

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:	166m ²
Block Type:	Besser Block (Concrete Masonry Unit) 397mm x 194mm x 191mm Concrete Bond Beam Block
Block count:	2,243 CMUs & Bond Beam Blocks



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CRH Ventures Demonstration Build #3

Lehigh Acres, Fort Myers, Florida

Layout:	Single storey 3 Bedroom, 2 Bathroom, Double Garage
Builder:	Christopher Alan Homes
Robot:	Next-generation Hadrian X (H03)
Wall Area:	135m ²
Block Type:	Besser Block (Concrete Masonry Unit) 397mm x 194mm x 191mm Concrete Bond Beam Block
Block count:	1,779 CMUs & Bond Beam Blocks



CRH Ventures Demonstration Build #4

Lehigh Acres, Fort Myers, Florida

Layout:	Single storey 3 Bedroom, 2 Bathroom, Double Garage
Builder:	Christopher Alan Homes
Robot:	Next-generation Hadrian X (H03)
Wall Area:	135m ²
Block Type:	Besser Block (Concrete Masonry Unit) 397mm x 194mm x 191mm Concrete Bond Beam Block
Block count:	1,782 CMUs & Bond Beam Blocks



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CRH Ventures Demonstration Build #5

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: 164m²

Block Type: Besser Block
(Concrete Masonry
Unit)
390mm x 230mm x
90mm
Concrete Bond
Beam Block

Block count: 2,211 CMUs &
Bond Beam Blocks



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Corporate and Finance

Receipts from customers for the September quarter was A\$1.3 million (June quarter: A\$0.1m). This included A\$0.9m (US\$0.6m) received in option fees from CRH Ventures Americas for Site Acceptance Testing in relation to the U.S. Demonstration Program and \$0.4 million received as consideration for the sale of residential land held in WA.

During the quarter, FBR spent A\$4.5 million on payroll, overheads and corporate costs, a decrease from the previous quarter (June quarter: \$6.7 million). In addition to payroll, FBR spent A\$2.0 million directly developing the Hadrian X[®] technology and manufacturing Hadrians and a further \$1.2 million on the US Demonstration Program.

During the quarter, FBR repaid \$523,828, being the balance of its construction loan facility with FC Capital, following the sale of residential land.

FBR's cash balance at the end of the quarter was \$10.2 million.

Note to item 6 in Appendix 4C: Payments to related parties and their associates were made in the quarter. Approximately A\$385,000 was paid to related parties as Executive and Non-Executive Director fees, salary and superannuation.

In August 2024, the Company completed an institutional Placement to raise approximately A\$12.5 million before costs, comprising the issue of approximately 328.9 million shares at an issue price of A\$0.038 per share. The Placement received strong interest and support from Australian and international investors

On 12 July, Change of Directors' interest notices for FBR Executive Directors Mike Pivac and Mark Pivac were issued outlining the disposal of 25,000,000 Long Term Loan Funded Incentive Shares each. The incentive loan periods in respect of the Long Term Loan Funded Incentive Shares, which were issued to the Executive Directors following approval by Shareholders at the 2020 Annual General Meeting, had expired, and the Long Term Loan Funded Incentive Shares were sold by the Company, with 100% of proceeds going to FBR, and no benefit to Executive Directors. Sale of the Long Term Loan Funded Incentive Shares resulted in FBR receiving net proceeds of \$2.0 million.

During the quarter, upon conversion of unlisted Options, FBR received proceeds of \$520,000.

Events subsequent to the end of the quarter

On 18 October, FBR released its Annual Report for FY24, Appendix 4G, Corporate Governance Statement and pertaining to the upcoming Annual General Meeting on 18 November, a Notice of Annual General Meeting, AGM Letter to Shareholders and Proxy Form.

The Annual General Meeting will be held at Amora Hotel Jamison – 11 Jamison Street, Sydney in the Hart Room on Monday, 18 November 2024 at 12pm (AEDT).

Florida based staff and assets safe following Hurricane Milton

Following Hurricane Milton's passing through Fort Myers, FBR provided an update confirming that all FBR staff located in the area were safe, and that the Hadrian X[®] did not sustain any damage during the storm. FBR also confirms that the Demonstration Program houses it had built to date were unaffected by Hurricane Milton. Fort Myers is located approximately 80 miles (128 kilometres) south of where the Category 3 hurricane made landfall, and while the storm did cause significant damage to property, the facility housing the Hadrian X[®] was undamaged.

Following the passing of Hurricane Milton, when it was safe to do so, FBR mobilised to the sites of each of the homes it had constructed to confirm whether they had sustained any damage. Pleasingly, none of the homes had sustained any damage. FBR's Florida based team then commenced and completed construction of homes, three, four and five of the Demonstration Program.

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ASX Announcement

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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

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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")

30 September 2024

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	1,331	1,331
1.2 Payments for		
(a) Hadrian Development costs	(501)	(501)
(b) product manufacturing and operating costs	(805)	(805)
(c) advertising and marketing and business development	(140)	(140)
(d) leased assets	-	-
(e) staff costs	(2,999)	(2,999)
(f) administration and corporate costs	(1,410)	(1,410)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	33	33
1.5 Interest and other costs of finance paid	(193)	(193)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	73	73
1.8 Other (provide details if material)		
- US Demonstration program	(1,176)	(1,176)
1.9 Net cash from / (used in) operating activities	(5,787)	(5,787)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(684)	(684)
(d) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	(e) intellectual property	(164)	(164)
	(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	(180)	(180)
2.6	Net cash from / (used in) investing activities	(1,028)	(1,028)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	12,500	12,500
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	520	520
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(965)	(965)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(711)	(711)
3.7	Transaction costs related to loans and borrowings	(35)	(35)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)		
	- Proceeds from disposal of Loan funded shares (net of costs)	2,009	2,009
3.10	Net cash from / (used in) financing activities	13,318	13,318

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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	3,742	3,742
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(5,787)	(5,787)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,028)	(1,028)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	13,318	13,318
4.5	Effect of movement in exchange rates on cash held	(51)	(51)
4.6	Cash and cash equivalents at end of period	10,194	10,194

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	2,296	2,098
5.2	Call deposits	7,898	1,644
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)	10,194	3,742

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	(385)
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	7,316	6,280
7.2	Credit standby arrangements	-	-
7.3	Other (corporate credit cards)	200	-
7.4	Total financing facilities	7,516	6,280
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 December 2024.</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)	(5,787)
8.1b	Net cash from / (used in) other investing activities (Item 2.5)	(180)
8.2	Cash and cash equivalents at quarter end (item 4.6)	10,194
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)	11,430
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1 and 8.1b)	1.92
	<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:

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, and includes non-dilutive methods.

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, expired director loan funded share sales and a potential milestone payment to the Company on completion of the USA Demonstration program. 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: 31 October 2024.....

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.