



FBR LTD

**APPENDIX 4E
&
PRELIMINARY FINAL REPORT
YEAR ENDED 30 JUNE 2020**

(previous corresponding period being the year ended 30 June 2019)

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 2020.

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 2020
Previous Corresponding Reporting Period	30 June 2019

Results for Announcement to the Market

	\$	Percentage increase / (decrease) over previous corresponding period
Revenue from Ordinary activities	492,907	14%
Profit / (loss) from ordinary activities after tax attributable to members	(9,297,129)	2%
Net profit / (loss) for the period attributable to members	(9,297,129)	2%
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 30 th June 2020. 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



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)	0.49	1.74

Net Tangible Assets exclude right-of-use property assets with a carrying value of \$1,102,585 as at 30 June 2020.

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

--

Commentary on the Results for the Period

During the period FBR commenced building its first structures under commercial arm's length contract using the Hadrian X[®] construction robot. Through the Fastbrick Australia joint venture with Brickworks Building Products, FBR entered into Pilot Programme Agreements with Western Australian builders Archistruct Builders & Designers and Summit Homes. FBR completed 11 full house structures in the Demonstration Stage of its Pilot Program with Archistruct, as well as two full house structures for Summit Homes.

Completion of these Pilot Programme structures met a technical milestone that was set for the Company in 2015. It was also announced that FBR's Fastbrick Wall System™ had been certified as meeting the National Construction Code and the relevant Local Government had issued a building permit for FBR's first display home to be built with the Hadrian X[®] in a residential development.

In March 2020, FBR undertook a cost rationalisation program to preserve Shareholder value in light of the COVID-19 pandemic and uncertainty around the proposed cuts to



the Australian R&D Tax Incentive Refund Program. This resulted in a reduction of approximately \$10 million per annum in payroll costs, and significantly reduced FBR's funding requirements going forward, positioning the Company well for success as the world recovers from the pandemic.

In June 2020, FBR and Brickworks mutually agreed to discontinue the Fastbrick Australia joint venture, citing economic uncertainty caused by the COVID-19 situation and the escalating commitments to the joint venture required by each party going forward.

Shortly thereafter, FBR replaced its Pilot Program Agreement with Archistruct and, subsequent to the end of the period, completed the structural walls of FBR's first display home in a Western Australian residential development using the Hadrian X[®], marking a significant achievement in the Company's commercialisation and a world first.

Following completion of the Display Home, FBR commenced planning with Archistruct to deliver on the third stage of the Pilot Program Agreement, wherein Archistruct will engage FBR to construct the walls of a structure for a client.

FBR also entered into a multi-stage Building Pilot Program Agreement with GP Vivienda, the housing division of one of Mexico's largest construction companies, Grupo GP. The first house builds under the Building Pilot Program Agreement with GP Vivienda were completed subsequent to the end of the period, and the two parties agreed to move to the next stage of the Agreement, wherein FBR would build test structures with the Hadrian X[®] using concrete blocks produced in Mexico.

Two Board changes were made during the period. Mr Andrew Bloore retired from his position of Non-Executive Director on FBR's Board, and was replaced by Mr Grant Anderson. Subsequently, Ms Nancy Milne also retired from her position as Non-Executive Director during the period and was replaced by Mr Greg Smith following the end of the period.

In December 2019, FBR completed a \$5.5 million placement to institutional and sophisticated investors, and in conjunction completed a \$3.0 million Share Purchase Plan open to eligible shareholders. In June 2020, FBR received an advanced payment of \$2.8 million from Radium Capital secured against FBR's research and development tax incentive refund for the year ended 30 June 2020. Subsequent to the end of the period, FBR completed a placement to institutional and sophisticated investors to raise a further \$16 million to deliver on FBR's 12-month objectives.

The unaudited loss before tax expense for the 12 months to 30 June 2020 has increased to \$9,857,410 from the prior period loss of \$8,581,273 This was primarily due to an increase in staff costs in part due to redundancy payments, non-cash share based payments and depreciation.

Returns to shareholders including distributions and buy backs:

n/a

For personal use only

<p>Significant features of operating performance:</p> <p>n/a</p>
<p>The results of segments that are significant to an understanding of the business as a whole:</p> <p>n/a</p>

<p>Discussion of trends in performance:</p> <p>n/a</p>
<p>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:</p> <p>n/a</p>

Entities sold during the last financial year

Name of Entity	Date Control Lost	Details
Fastbrick Australia Pty Ltd	30 June 2020	The joint venture was wound up by mutual agreement on 30 June 2020

Investments in Associates and Joint Ventures

Name	% Holding	Contribution to Profits / (Loss)	
		2020	2019
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 audited financial accounts for the year ended 30 June 2020 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:			
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 30 th June 2020 (unaudited)

Michael Pivac

Managing Director & Chief Executive Officer

Date: 31 August 2020



FBR LTD

Preliminary Final Report

For the year ended

30 June 2020

For personal use only

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 Cash Flows..... 7
Notes to the Consolidated Financial Statements..... 8

For personal use only

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2020

	Notes	30 June 2020 \$	30 June 2019 \$
Interest Income	3	115,631	312,168
Other income	3	377,276	119,187
Expenses			
Professional services	4.a	1,220,583	1,432,705
Directors' and employees' benefits	4.b	4,178,917	2,957,385
IP expenses		74,654	146,011
Other expenses	4.c	2,563,699	3,087,032
Share-based payments		1,699,361	1,173,071
Depreciation	7	613,103	216,426
Loss before tax		9,857,410	8,581,273
Income tax expense		(560,281)	560,281
Loss for the period		9,297,129	9,141,554
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income for the period		-	-
Total comprehensive loss for the period		9,297,129	9,141,554
Basic loss per share in cents per share	13	0.57	0.73
Diluted loss per share in cents per share	13	0.57	0.73

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 2020

	Notes	30 June 2020 \$	30 June 2019 \$
Assets			
Current			
Cash and cash equivalents		5,081,787	14,426,343
Trade and other receivables	5	4,518,830	9,975,647
Other current assets		643,103	1,809,205
Current assets		10,243,720	26,211,195
Non-current			
Property, plant and equipment	7	4,375,651	1,868,248
Development costs	8	44,936,562	28,629,465
Non-current assets		49,312,213	30,497,712
Total assets		59,555,933	56,708,908
Liabilities			
Current			
Trade and other payables	9	1,047,974	2,169,325
Provisions	10	453,140	649,986
Lease Liabilities		52,998	14,680
R&D Tax Refund Loan		2,807,000	-
Current liabilities		4,361,112	2,833,991
Non-current			
Provisions	10	205,577	182,384
Lease Liabilities		70,543	12,978
Deferred tax liabilities		-	560,281
Non-current liabilities		276,120	755,643
Total liabilities		4,637,232	3,589,634
Net assets		54,918,701	53,119,274
Equity			
<i>Equity attributable to owners of the parent:</i>			
Share capital	11	86,528,413	75,935,722
Reserves		2,834,489	3,134,515
Accumulated losses		(34,444,201)	(25,950,963)
Total equity		54,918,701	53,119,274

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

Consolidated Statement of Changes in Equity

For the year ended 30 June 2020

	SHARE CAPITAL	PERFORMANCE RIGHT RESERVE	SHARE OPTION RESERVE	ACCUMULATED LOSSES	TOTAL EQUITY
	\$	\$	\$	\$	\$
Balance at 1 July 2019	75,935,722	1,423,168	1,711,347	(25,950,963)	53,119,274
Adjustment for adoption of AASB 16 Leases				(12,302)	(12,302)
Balance at 1 July 2019 (adjusted)	75,935,722	1,423,168	1,711,347	(25,963,265)	53,106,972
Loss for the period	-	-	-	(9,297,129)	(9,297,129)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(9,297,129)	(9,297,129)
<i>Transactions with owners:</i>					
Shares issued – capital raising (refer to Note 11)	8,607,500	-	-	-	8,607,500
Capital raising costs – (refer to Note 11)	(438,815)	-	-	-	(438,815)
Performance rights converted to shares (refer to Note 12)	2,390,257	(2,390,257)	-	-	-
Performance rights issued to employees and directors (refer to Note 12)	-	3,097,136	-	-	3,097,136
Performance rights expired	-	(876,989)	-	698,383	(178,606)
Performance rights forfeited	-	(425,610)	-	92,458	(333,152)
Options issued to employees (refer to Note 12)	-	-	321,047	-	321,047
Shares issued upon exercise of options (refer to Note 11)	33,750	-	(25,353)	25,353	33,750
Options cancelled or forfeited	-	-	-	-	-
Balance at 30 June 2020	86,528,413	827,448	2,007,041	(34,444,201)	54,918,701

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

Consolidated Statement of Changes in Equity

For the year ended 30 June 2019

	SHARE CAPITAL \$	PERFORMANCE RIGHT RESERVE \$	SHARE OPTION RESERVE \$	ACCUMULATED LOSSES \$	TOTAL EQUITY \$
Balance at 1 July 2018	57,899,177	1,831,709	915,511	(17,033,387)	43,613,010
Loss for the period	-	-	-	(9,141,554)	(9,141,554)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(9,141,554)	(9,141,554)
<i>Transactions with owners:</i>					
Shares issued – capital raising	17,000,001	-	-	-	17,000,001
Capital raising costs	(968,606)	-	-	-	(968,606)
Performance rights converted to shares (refer to Note 12)	1,944,250	(1,944,250)	-	-	-
Performance rights issued to employees and directors (refer to Note 12)	-	1,833,696	-	-	1,833,696
Performance rights cancelled or forfeited	-	(297,988)	-	223,979	(74,009)
Options issued to employees (refer to Note 12)	-	-	795,836	-	795,836
Shares issued upon exercise of options (refer to Note 11)	60,900	-	-	-	60,900
Options cancelled or forfeited	-	-	-	-	-
Balance at 30 June 2019	75,935,722	1,423,168	1,711,347	(25,950,963)	53,119,274

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

Consolidated Statement of Cash Flows

For the year ended 30 June 2020

	Notes	30 June 2020	30 June 2019
		\$	\$
Operating activities			
Interest received		118,094	332,206
Payments to suppliers and employees		(7,966,305)	(7,552,893)
Interest paid – finance lease		(17,475)	(1,849)
Government grants		256,500	131,870
Net cash used in operating activities		(7,609,186)	(7,090,666)
Investing activities			
Hadrian development costs		(19,761,854)	(22,769,674)
Research and development rebate received		9,449,954	7,376,139
Purchase of property, plant and equipment		(2,225,718)	(1,139,007)
Loans to other entities		(190,000)	-
Proceeds from disposals of property, plant and equipment		20,909	500
Net proceeds from sale of businesses and associates		-	99
Net cash provided by investing activities		(12,706,709)	(16,531,943)
Financing activities			
Proceeds from exercise of options		33,750	60,900
Purchase of property, plant and equipment under finance lease		-	-
Proceeds from Loans		2,800,000	-
Repayment of Loans		(61,016)	-
Proceeds from issue of share capital		8,494,999	17,000,001
Capital raising costs		(296,393)	(968,605)
Net cash provided by financing activities		10,971,340	16,092,295
Net change in cash and cash equivalents		(9,344,555)	(7,530,314)
Cash and cash equivalents, beginning of period		14,426,343	21,956,655
Cash and cash equivalents, end of period		5,081,787	14,426,343

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

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 consolidated general purpose financial statements of the Company have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). FBR is a for-profit entity for the purpose of preparing the financial statements.

FBR is the Company'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. Income

	Consolidated	
	30 June 2020	30 June 2019
	\$	\$
Interest income	115,631	312,168
Government grants	366,250	109,317
Gain on sale of share	-	99
Other	11,026	9,771
	492,907	431,355

4. Expenses

A. Professional services

	Consolidated	
	30 June 2020	30 June 2019
	\$	\$
Marketing	23,005	298,342
Accountancy	368,407	189,961
Corporate consultants	829,171	944,402
	1,220,583	1,432,705

4. Expenses (continued)

B. Directors' and employees' benefits

	Consolidated	
	30 June 2020	30 June 2019
	\$	\$
Wages, salaries and directors' fees	14,784,716	13,155,061
Superannuation	1,209,996	1,022,434
Annual leave entitlements	(171,214)	159,632
Long service leave entitlements	47,561	68,881
Recharge to Hadrian Development Costs	(11,692,142)	(11,448,623)
	4,178,917	2,957,385

C. Other expenses

	Consolidated	
	30 June 2020	30 June 2019
	\$	\$
Legal costs	500,867	457,053
Insurance	150,999	150,494
Travel expenses	458,873	746,797
Compliance costs	257,593	291,049
Subscriptions	145,912	299,943
Staff training costs	49,144	110,040
Other administration expenses	876,526	659,429
Recruitment costs	122,423	344,946
Website development costs	1,362	27,281
	2,563,699	3,087,032

5. Trade and other receivables

Trade and other receivables consist of the following:

	Consolidated	
	30 June 2020	30 June 2019
	\$	\$
Research and Development tax rebate	4,000,000	9,449,954
GST Receivable	191,568	510,473
Interest receivable	5,634	14,311
Director loans	196,674	-
Other receivables	124,954	909
	4,518,830	9,975,647

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 accrual capped at \$4 million as per the proposed amendments under the R&D tax incentive that is currently before Parliament.

Directors loans includes \$190,000 loan to a Director (plus interest of \$6,674) in connection with Performance Rights Issued under the Company's Performance Rights Plan.

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 2020			
Financial assets			
Cash and cash equivalents		5,081,787	5,081,787
Trade and other receivables	5	518,830	518,830
		<hr/>	<hr/>
		5,600,617	5,600,617
Financial liabilities			
Trade and other payables	9	1,047,974	1,047,974
Finance lease		123,541	123,541
R&D Tax Refund Loan		2,807,000	2,807,000
		<hr/>	<hr/>
		3,978,515	3,978,515

	Notes	Financial assets at amortised cost \$	Total \$
30 June 2019			
Financial assets			
Cash and cash equivalents		14,426,343	14,426,343
Trade and other receivables	5	15,220	15,220
		<hr/>	<hr/>
		14,441,563	14,441,563
Financial liabilities			
Trade and other payables	9	2,169,325	2,169,325
Finance lease		27,658	27,658
		<hr/>	<hr/>
		2,196,983	2,196,983

B. Other financial instruments

The carrying amount of the following financial assets and liabilities is considered a reasonable approximation of fair value:

- trade and other receivables;
- cash and cash equivalents;
- trade and other payables; and
- lease payables.

7. Property, plant and equipment

Details of the Company'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 2019	-	1,053,321	556,587	946,779	105,476	2,662,163
Adjustment on transition to AASB 116 Leases	3,537,822	-	-	161,392	-	3,699,214
Additions	256,962	370,064	423,641	1,063,974	112,982	2,227,623
Transfers	-	-	-	105,476	(105,476)	-
Disposals	(487,066)	(54,140)	-	-	-	(541,206)
Balance at 30 June 2020	3,307,718	1,369,245	980,228	2,277,621	112,982	8,047,794
Depreciation and impairment						
Balance at 1 July 2019	-	(205,970)	(215,342)	(372,602)	-	(793,914)
Adjustment on transition to AASB 116 Leases	(859,511)	-	-	-	-	(859,511)
Disposals	-	42,291	-	656	-	42,947
Depreciation*	(1,088,661)	(226,474)	(296,770)	(449,760)	-	(2,061,665)
Balance at 30 June 2020	(1,948,172)	(390,153)	(512,112)	(821,706)	-	(3,672,143)
Carrying amount at 30 June 2020	1,359,546	979,092	468,116	1,455,915	112,982	4,375,651

*\$1,448,562 of depreciation charges for the current year have been capitalised to development costs of the Hadrian X.

8. 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.

8. Development costs (continued)

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

	Consolidated	
	30 June 2020	30 June 2019
	\$	\$
Gross carrying amount	28,629,465	14,794,119
Additions	20,307,097	23,285,300
R&D tax incentives	(4,000,000)	(9,449,954)
Disposals	-	-
	44,936,562	28,629,465
Additions		
Consultants	412,904	2,884,603
Employee benefits	12,145,466	11,448,623
Equipment hire	219,163	247,736
Materials	2,595,992	2,790,035
Occupancy expense	1,440,201	1,168,471
Share-based payments	1,207,165	1,382,453
Patents and trademarks	701,761	1,102,506
Overheads and other	1,584,445	2,260,873
Total additions	20,307,097	23,285,300
R&D Tax Incentives		
R&D tax incentives received and accrued	(4,000,000)	(9,449,954)

9. Trade and other payables

Trade and other payables consist of the following:

	Consolidated	
	30 June 2020	30 June 2019
	\$	\$
Trade creditors	813,342	1,165,888
Accrued expenses	95,029	223,798
Other payables	139,603	779,639
	1,047,974	2,169,325

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

10. Provisions

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

	Consolidated	
	30 June 2020	30 June 2019
	\$	\$
Current		
Employee entitlements – Annual leave	453,140	599,986
Employee entitlements – Long service leave	-	-
Other provisions	-	50,000
	453,140	649,986
Non-Current		
Employee entitlements – Annual leave	56,173	80,541
Employee entitlements – Long service leave	149,404	101,843
	205,577	182,384

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.

11. Share capital

Ordinary shares

	2020		2019	
	\$	No.	\$	No.
Ordinary shares, fully paid	86,610,338	1,797,968,316	75,935,722	1,403,631,512

Movement in ordinary shares on issue

<i>Movement in ordinary shares on issue</i>	\$	No.
Shares on issue at 1 July 2019	75,935,722	1,403,631,512
Capital raising		
12 December 2019 Placement (\$0.045 per share)	5,612,500	124,722,223
30 December 2019 SPP (at \$0.045 per share)	2,995,000	66,555,971
Capital Raising Costs	(438,815)	-
Option conversion		
19 November 2019 (at \$0.02 per option)	33,750	1,687,500
Performance rights converted (30 October 2019)	85,000	500,000
Performance rights converted (25 March 2020)	2,305,257	34,204,444
Performance shares converted (20 November 2019)	-	166,666,666
Shares on issue at 30 June 2020	86,528,413	1,797,968,316

11. 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 (2019: nil). There were 166,666,666 performance shares that converted to ordinary fully paid shares during the current year (2018: 166,666,666).

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

	2020	2019
	Number	Number
Outstanding at 1 July	333,333,332	499,999,998
Granted during the year	-	-
Converted during the year	(166,666,666)	(166,666,666)
Cancelled/forfeited during the year	-	-
Performance Shares at 30 June	166,666,666	333,333,332

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.

Each performance share converts to 1 ordinary share for nil consideration upon satisfaction of the vesting conditions detailed below.

Under the Goldwing Offer and pursuant to the prospectus dated 23 September 2015, the Company allotted 499,999,998 unquoted performance shares to the shareholders of FBR. These Performance Shares are split in the following categories classes:

166,666,666 Performance Shares Class A (fully converted as at 30 June 2020)

- i. Vesting condition for Class A; Upon successful demonstration of the Company's robotic building technology as proven by the construction of a 3 bedroom, 2 bathroom home structure within three (3) days from commencement of construction by the Company's robotic home building technology on the site. During the current financial year, all Class A Performance Shares were converted to ordinary shares;

11. Share capital (continued)

ii. 166,666,666 Performance Shares Class B (fully converted as at 30 June 2020)

Vesting condition for Class B; Upon successful completion, being payment for service, of the Company's tenth home structure constructed under a commercial arm's length contract. If unconverted, Class B Performance Shares will expire after 48 months from the date of issue; and

iii. 166,666,666 Performance Shares Class C

Vesting condition for Class C; Upon achievement by the Company of reported annual operating revenue in a financial year attributable to the FBR technology (excluding grant receipts and R&D rebates received from the ATO) of at least \$10,000,000. If unconverted, Class C Performance Shares will expire after 60 months from the date of issue.

12. Share based payments

Ordinary shares

There were 2,500,000 ordinary shares granted as consideration for capital raising services provided by a consultant to the Company during the year.

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.

	2020 Number	Weighted Average exercise price	2019 Number	Weighted Average exercise price
Outstanding at 1 July	28,287,500	25	23,937,500	23
Granted during the year	-		5,800,000	30
Converted during the year	(1,687,500)	2	(761,250)	8
Expired during the year	-		(688,750)	8
Forfeited during the year	-		-	
Options at 30 June	26,600,000	26	28,287,500	25

Performance rights

There were 36,746,104 performance rights issued during the current year (2019: 31,551,204).

The weighted average fair value of the performance rights granted during the current year is \$0.06 (2019: \$0.08).

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.

12. Share based payments (continued)

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

	2020 Number	2019 Number
Outstanding at 1 July	39,612,234	24,416,664
Granted during the year	36,746,104	31,551,204
Converted during the year	(34,704,444)	(13,200,000)
Expired during the year	(7,399,998)	(1,733,334)
Forfeited during the year	(6,866,160)	(1,422,300)
Performance rights at 30 June	27,387,736	39,612,234

13. 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 2020 and 30 June 2019.

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 2020 \$	30 June 2019 \$
Weighted average number of shares used in basic earnings per share	1,628,240,569	1,255,669,624
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	1,628,240,569	1,255,669,624

END OF PRELIMINARY FINAL REPORT.