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**FBR LTD**

**APPENDIX 4E**

**&**

**PRELIMINARY FINAL REPORT**

**YEAR ENDED 30 JUNE 2021**

(previous corresponding period being the year ended 30 June 2020)

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 2021.



# APPENDIX 4E

## Preliminary Final Report to the Australian Securities Exchange

<b>Name of Entity</b>	FBR LTD
<b>ABN</b>	58 090 000 276
<b>Financial Year Ended</b>	30 June 2021
<b>Previous Corresponding Reporting Period</b>	30 June 2020

## Results for Announcement to the Market

	\$	Percentage increase / (decrease) over previous corresponding period
<b>Revenue from Ordinary activities</b>	527,819	7%
<b>Profit / (loss) from ordinary activities after tax attributable to members</b>	(9,333,475)	(15%)
<b>Net profit / (loss) for the period attributable to members</b>	(9,333,475)	(15%)
<b>Dividends (distributions)</b>	<b>Amount per security</b>	<b>Franked amount per security</b>
<b>Final Dividend</b>	nil	N/A
<b>Interim Dividend</b>	nil	N/A
<b>Record date for determining entitlements to the dividends (if any)</b>	N/A	
<b>Brief explanation of any of the figures reported above necessary to enable the figures to be understood:</b>		
The directors do not intend to declare a dividend as no profit was made during the year ended 30 <sup>th</sup> June 2021. No dividends were paid during the financial year.		

## Dividends

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



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

## Net Tangible Asset Backing

	<b>Current Period</b>	<b>Previous Corresponding Period</b>
<b>Net tangible asset backing per ordinary security (cents per share)</b>	0.64	0.49

*Net Tangible Assets exclude right-of-use property assets with a carrying value of \$1,094,076 as at 30 June 2021.*

## ASIC Relief – Extended Reporting and Lodgement Deadlines

On 23 April 2021, ASIC announced that it would extend the deadline for both listed and unlisted entities to lodge financial reports under Chapters 2M and 7 of the Corporations Act by one month for certain balance dates. ASIC 21-082MR applies to financial reports for a financial year that ends between 23 June 2021 and 7 July 2021 (inclusive). Under that relief, the deadline for lodgement of full year financial reports, directors reports and auditors reports with ASIC is extended from three months to four months after year end.

The Company is relying on the ASIC relief to extend the lodgement date for its audited annual accounts and other documents required to be lodged with ASIC under section 319 of the Corporations Act.

The Company will immediately make a further announcement to the market if there is a material difference between its unaudited annual accounts and its audited annual accounts.



## 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

During the period FBR completed the walls of its first display home in Dayton, Western Australia, with builder Archistruct Builders & Designers. In a world first for robotic construction, the Hadrian X® was deployed to Dayton and completed the walls of the structure in three and a half standard shifts. The display home was opened to the public and was sold and occupied subsequent to the end of the period.

In August 2020, FBR completed the Pilot Program stage of the Building Pilot Program Agreement between FBR and GP Vivienda, one of Mexico's largest vertically integrated construction companies. FBR constructed four Mexican-style two-bedroom, one-bathroom house structures using the Hadrian X® at FBR's premises, with each structure taking less than one standard shift on average to complete.

Two of the structures were built indoors at FBR's facility, with the remaining two structures built simultaneously side by side outdoors to emulate the most economical operating process for a Hadrian X® in a residential development in Mexico.

Subsequently, FBR completed its first two storey structure using the Hadrian X® in a style commonly found in Mexico and the Middle East. This was the first time FBR had demonstrated the Hadrian X®'s ability to build two storey structures, as well as working with design elements like steel reinforced concrete columns, suspended concrete slabs and rebar. Starter bars were inserted into the concrete slab, with couplers used to install rebar through the aligned cores of the blocks and concrete manually poured into the cores. Steel cages were inserted into the block columns built by the Hadrian X®, with a concrete pump used to fill the columns.

This R&D program is important to FBR as this building style employs methodologies commonly found around the world in many developing markets, and in some cases forms part of the construction codes in those regions.

In September 2020 FBR was appointed as a sub-contractor and completed the structural walls of a commercial and community centre in Byford, Western Australia, using the Hadrian X®. This was the first non-residential structure that the Hadrian X® had built, and the first time the Hadrian X® has built both the internal and external leaf of a double brick cavity wall with a slab step-down.

Over the duration of the build, the Hadrian X® achieved an average laying speed during uptime of approximately 174 blocks per hour, or approximately 800 standard brick equivalents per hour, bettering the results achieved during the display home build in Dayton, Western Australia. The completed structure is 15 courses high, including slab step-down, or approximately one and a half storeys, with brick ties manually installed.

The completed building has since been tenanted by a real estate agency and a café.

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In June 2021 FBR announced the completion of its second non-residential structure for a customer using the Hadrian X®, this time a childcare centre. FBR was appointed as a sub-contractor for the childcare centre, which will become a centrepiece for the community being established by Stockland at the Amberton Beach coastal community near Eglinton in Perth's north.

Hadrian X® built the double brick cavity walls of the childcare centre, comprising all external as well as some internal walls. The centre was completed on time in 16 build days, and consisted of 8,670 concrete masonry units, the equivalent of approximately 36,500 standard bricks. The work was completed in a significantly shorter time period than the estimate for manual bricklayers, and was charged at the prevailing commercial rate for bricklaying services.

The Hadrian X® was able to operate through challenging weather conditions including heavy rain and strong winds. The childcare centre was built on site in five sections, requiring five different building positions for the Hadrian X®, and as well as being the largest structure ever built by the Hadrian X®, it was also one of the tallest, with a 4.8 metre-high wall incorporated into the structure.

One Board of Directors change was made during the period, with Mr Greg Smith appointed to the position of Non-Executive Director in August 2020 following the retirement of Ms Nancy Milne the previous financial year.

In August 2020, FBR completed a \$16 million equity placement to institutional and sophisticated investors. In May 2021 FBR received its R&D tax incentive cash refund of \$6.9 million for the year ended 30 June 2020. In June 2021, FBR received an advanced payment of \$2.5 million from Radium Capital secured against FBR's research and development tax incentive refund for the year ended 30 June 2021.

The unaudited loss before tax expense/benefit for the 12 months to 30 June 2021 has reduced to \$9,333,475 from the prior period loss of \$11,557,056. This was primarily due to a reduction in staff costs.

<b>Returns to shareholders including distributions and buy backs:</b>
N/A
<b>Significant features of operating performance:</b>
N/A
<b>The results of segments that are significant to an understanding of the business as a whole:</b>

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N/A

**Discussion of trends in performance:**  
  
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)	
		2021	2020
N/A	N/A	-	-

### Audit/Review Status

<b>This report is based on accounts to which one of the following applies: (Mark with "YES" or "NO")</b>			
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

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This report is based on financial accounts for the year ended 30 June 2021 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**

<b>Attachment #</b>	<b>Details</b>
1	Preliminary final report for FBR Limited for the year ended 30 <sup>th</sup> June 2021 (unaudited)

Michael Pivac

Managing Director & Chief Executive Officer

Date: 31 August 2021

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**FBR LTD**

**Preliminary Final Report**

**For the year ended**

**30 June 2021**



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# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2021

	Notes	30 June 2021 \$	30 June 2020 \$
<b>Continuing Operations</b>			
Revenue		98,065	-
Cost of sales		(318,862)	-
<b>Gross profit</b>		(220,797)	-
Interest Income		31,502	115,631
Other income	3	398,252	377,276
Professional services	4.a	(1,000,932)	(1,220,583)
Directors' and employees' benefits	4.b	(3,486,493)	(5,934,490)
Intellectual property expenses		-	(18,727)
Other expenses	4.c	(1,647,614)	(2,563,699)
Share-based payments		(2,434,389)	(1,699,361)
Depreciation	7,8	(688,374)	(613,103)
Inventory write down		(284,630)	-
<b>Loss before tax</b>		<b>(9,333,475)</b>	<b>(11,557,056)</b>
Income tax (expense)/benefit		-	560,281
<b>Loss for the period</b>		<b>(9,333,475)</b>	<b>(10,996,775)</b>
Other comprehensive income for the period, net of tax		-	-
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive loss for the period</b>		<b>(9,333,475)</b>	<b>(10,996,775)</b>
Basic loss per share in cents per share	15	0.45	0.68
Diluted loss per share in cents per share	15	0.45	0.68

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

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# Consolidated Statement of Financial Position

As at 30 June 2021

	Notes	30 June 2021 \$	30 June 2020 \$
<b>Assets</b>			
<b>Current</b>			
Cash and cash equivalents		11,128,151	5,081,787
Trade and other receivables	5	3,645,992	4,518,830
Inventory		1,462,084	-
Other current assets		858,348	643,103
<b>Current assets</b>		<b>17,094,575</b>	<b>10,243,720</b>
<b>Non-current</b>			
Property, plant and equipment	7	3,103,599	3,147,263
Right-of-use assets	8	1,094,076	1,228,388
Development costs	10	47,221,756	43,236,917
<b>Non-current assets</b>		<b>51,419,431</b>	<b>47,612,568</b>
<b>Total assets</b>		<b>68,514,006</b>	<b>57,856,288</b>
<b>Liabilities</b>			
<b>Current</b>			
Trade and other payables	11	1,869,425	1,047,974
Provisions	12	466,725	453,140
Lease Liabilities	9	1,013,852	52,998
R&D Tax Refund Loan		2,474,327	2,807,000
<b>Current liabilities</b>		<b>5,824,329</b>	<b>4,361,112</b>
<b>Non-current</b>			
Provisions	12	300,815	205,577
Lease Liabilities	9	20,858	70,543
<b>Non-current liabilities</b>		<b>321,673</b>	<b>276,120</b>
<b>Total liabilities</b>		<b>6,146,002</b>	<b>4,637,232</b>
<b>Net assets</b>		<b>62,368,004</b>	<b>53,219,056</b>
<b>Equity</b>			
<i>Equity attributable to owners of the parent:</i>			
Share capital	13	101,695,037	86,528,413
Reserves		4,481,204	2,834,489
Accumulated losses		(43,808,237)	(36,143,846)
<b>Total equity</b>		<b>62,368,004</b>	<b>53,219,056</b>

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 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	-	-	-	(9,333,475)	(9,333,475)
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive loss for the period</b>	-	-	-	<b>(9,333,475)</b>	<b>(9,333,475)</b>
<i>Transactions with owners:</i>					
Shares issued – capital raising (refer to Note 13)	16,000,000	-	-	-	16,000,000
Capital raising costs – (refer to Note 13)	(918,377)	-	-	-	(918,377)
Performance rights converted to shares (refer to Note 14)	85,000	(85,000)	-	-	-
Performance rights issued to employees (refer to Note 14)	-	3,293,492	-	-	3,293,492
Performance rights expired	-	-	-	-	-
Performance rights forfeited	-	(710,601)	-	547,132	(163,469)
Options issued to employees and directors (refer to Note 14)	-	-	665,512	-	665,512
Shares issued upon exercise of options (refer to Note 13)	-	-	-	-	-
Options expired (Refer to note 14)	-	-	(1,516,688)	1,121,953	(394,735)
<b>Balance at 30 June 2021</b>	<b>101,695,037</b>	<b>3,325,339</b>	<b>1,155,865</b>	<b>(43,808,237)</b>	<b>62,368,004</b>

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)
<b>Balance at 1 July 2019 (adjusted)</b>	<b>75,935,722</b>	<b>1,423,168</b>	<b>1,711,347</b>	<b>(25,963,265)</b>	<b>53,106,972</b>
Loss for the period	-	-	-	(10,996,775)	(10,996,775)
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10,996,775)</b>	<b>(10,996,775)</b>
<i>Transactions with owners:</i>					
Shares issued – capital raising (refer to Note 13)	8,607,500	-	-	-	8,607,500
Capital raising costs – (refer to Note 13)	(438,815)	-	-	-	(438,815)
Performance rights converted to shares (refer to Note 13)	2,390,257	(2,390,257)	-	-	-
Performance rights issued to employees and directors (refer to Note 13)	-	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 14)	-	-	321,047	-	321,047
Shares issued upon exercise of options (refer to Note 13)	33,750	-	(25,353)	25,353	33,750
Options expired	-	-	-	-	-
<b>Balance at 30 June 2020</b>	<b>86,528,414</b>	<b>827,448</b>	<b>2,007,041</b>	<b>(36,143,847)</b>	<b>53,219,056</b>

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 2021

	Notes	30 June 2021	30 June 2020
		\$	\$
<b>Operating activities</b>			
Interest received		29,963	118,094
Receipts from customers		17,501	-
Payments to suppliers and employees		(5,724,817)	(9,721,878)
Interest paid		(98,572)	(17,475)
Government grants		504,194	256,500
<b>Net cash used in operating activities</b>		<b>(5,271,731)</b>	<b>(9,364,759)</b>
<b>Investing activities</b>			
Hadrian development costs		(7,234,765)	(18,006,281)
Research and development rebate received		6,937,085	9,449,954
Purchase of property, plant and equipment		(3,134,669)	(2,225,718)
Loan to director		-	(190,000)
Proceeds from disposals of property, plant and equipment		-	20,909
<b>Net cash provided by investing activities</b>		<b>(3,432,349)</b>	<b>(10,951,136)</b>
<b>Financing activities</b>			
Proceeds from exercise of options		-	33,750
Proceeds from Loans		2,468,822	2,800,000
Repayment of Loans		(2,800,000)	(61,017)
Proceeds from issue of share capital		16,000,000	8,494,999
Capital raising costs		(918,378)	(296,393)
<b>Net cash provided by financing activities</b>		<b>14,750,444</b>	<b>10,971,339</b>
<b>Net change in cash and cash equivalents</b>		<b>6,046,364</b>	<b>(9,344,556)</b>
Cash and cash equivalents, beginning of period		5,081,787	14,426,343
<b>Cash and cash equivalents, end of period</b>		<b>11,128,151</b>	<b>5,081,787</b>

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 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 2020 Annual Report, the 2021 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 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. Other Income

	Consolidated	
	30 June 2021	30 June 2020
	\$	\$
Government grants	394,444	366,250
Other	3,808	11,026
	<b>398,252</b>	<b>377,276</b>

### 4. Expenses

#### A. Professional services

	Consolidated	
	30 June 2021	30 June 2020
	\$	\$
Marketing	143,763	23,005
Accountancy & tax	571,783	368,407
Corporate consultants	285,386	829,171
	<b>1,000,932</b>	<b>1,220,583</b>

#### 4. Expenses (continued)

##### B. Directors' and employees' benefits

	Consolidated	
	30 June 2021	30 June 2020
	\$	\$
Wages, salaries and directors' fees	7,115,547	14,784,716
Superannuation	615,334	1,209,996
Annual leave entitlements	47,557	(171,214)
Long service leave entitlements	61,266	47,561
Recharge to Hadrian development costs	(4,353,211)	(9,936,569)
	<b>3,486,493</b>	<b>5,934,490</b>

##### C. Other expenses

	Consolidated	
	30 June 2021	30 June 2020
	\$	\$
Legal costs	118,881	500,867
Insurance	163,712	150,999
Travel expenses	116,078	458,873
Compliance costs	154,265	257,593
Subscriptions	102,471	145,912
Staff training costs	37,368	49,144
Other administration expenses	928,082	876,526
Recruitment costs	11,537	122,423
Website development costs	15,220	1,362
	<b>1,647,614</b>	<b>2,563,699</b>

#### 5. Trade and other receivables

Trade and other receivables consist of the following:

	Consolidated	
	30 June 2021	30 June 2020
	\$	\$
Research and Development tax rebate	3,086,983	4,000,000
Construction Services Income	91,800	-
GST Receivable	236,503	191,568
Interest receivable	70	5,634
Director loans	207,499	196,674
Other receivables	23,137	124,954
	<b>3,645,992</b>	<b>4,518,830</b>

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 the refund amount relating to the tax return already lodged for the year ended 30 June 2021. Directors loans includes \$190,000 loan to



## 5. Trade and other receivables (continued)

a Director (plus interest of \$17,499) 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 \$
<b>30 June 2021</b>			
<b>Financial assets</b>			
Cash and cash equivalents		11,128,151	11,128,151
Trade and other receivables	5	559,009	559,009
		<b>11,687,160</b>	<b>11,687,160</b>
<b>Financial liabilities</b>			
Trade and other payables	11	1,869,425	1,869,425
Finance lease		1,034,710	1,034,710
R&D tax refund loan		2,474,327	2,474,327
		<b>5,378,462</b>	<b>5,378,462</b>
	Notes	Financial assets at amortised cost \$	Total \$
<b>30 June 2020</b>			
<b>Financial assets</b>			
Cash and cash equivalents		5,081,787	5,081,787
Trade and other receivables	5	518,830	518,830
		<b>5,600,617</b>	<b>5,600,617</b>
<b>Financial liabilities</b>			
Trade and other payables	11	1,047,974	1,047,974
Finance lease		123,541	123,541
R&D tax refund loan		2,807,000	2,807,000
		<b>3,978,515</b>	<b>3,978,515</b>

## 6. Financial assets and liabilities (continued)

### 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
	\$	\$	\$	\$	\$	\$
<b>Gross carrying amount</b>						
Balance at 1 July 2020	256,962 <sup>2</sup>	1,369,245	980,228	2,115,431 <sup>3</sup>	112,982	4,834,848
Additions	-	1,117,810	30,823	64,571	-	1,213,204
Transfer from WIP	112,982	-	-	-	(112,982)	-
Transfer to Inventory	(369,944)	-	-	-	-	(369,944)
Disposals	-	-	-	(890)	-	(890)
<b>Balance at 30 June 2021</b>	<b>-</b>	<b>2,487,055</b>	<b>1,011,051</b>	<b>2,179,112</b>	<b>-</b>	<b>5,677,218</b>
<b>Depreciation and impairment</b>						
Balance at 1 July 2020	- <sup>2</sup>	(390,153)	(512,112)	(785,319) <sup>3</sup>	-	(1,687,584)
Disposals	-	-	-	446	-	446
Depreciation <sup>1</sup>	-	(225,971)	(321,041)	(339,469)	-	(886,481)
<b>Balance at 30 June 2021</b>	<b>-</b>	<b>(616,124)</b>	<b>(833,153)</b>	<b>(1,124,342)</b>	<b>-</b>	<b>(2,573,619)</b>
<b>Carrying amount at 30 June 2021</b>	<b>-</b>	<b>1,870,931</b>	<b>177,898</b>	<b>1,054,770</b>	<b>-</b>	<b>3,103,599</b>

1. \$359,875 of depreciation charges for the current period have been capitalised to development costs.
2. The ROU asset at 30 June 2020 has been transferred out of the opening balance of land and buildings. The opening cost as at 30 June 2020 that has been transferred is \$3,050,756 and opening accumulated depreciation as at 30 June 2020 is \$1,948,172
3. The ROU asset at 30 June 2020 has been transferred out of the opening balance of ICT Equipment. The opening cost as at 30 June 2020 that has been transferred is \$162,190 and opening accumulated depreciation as at 30 June 2020 is \$36,387.

## 8. Right-of-use assets

	Land & Buildings \$	Consolidated ICT Equipment \$	Total \$
Carrying amount at 1 July 2020	1,102,585	125,803	1,228,388
Depreciation	(1,185,692)	(52,977)	(1,238,669)
Adjustment from lease modification	1,104,357	-	1,104,357
Carrying amount at 30 June 2021	<b>1,021,250</b>	<b>72,826</b>	<b>1,094,076</b>

- \$1,076,901 of depreciation charges for the current period in relation to the right-of-use assets have been capitalised to development costs, with \$161,768 being expensed for the period

## 9. Lease liabilities

	30 June 2021 \$	Consolidated 30 June 2020 \$
Lease liabilities (current)	1,013,852	52,998
Lease liabilities (non-current)	20,858	70,543
	<b>1,034,710</b>	<b>123,541</b>

	Within one year \$	One to five years \$	After 5 years \$	Total \$
<b>30 June 2021</b>				
Lease payments	1,034,972	21,165	-	1,056,137
Finance expenses	(21,120)	(307)	-	(21,427)
<b>Net present values</b>	<b>1,013,852</b>	<b>20,858</b>	-	<b>1,034,710</b>

## 10. 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:

	Consolidated	
	30 June 2021	30 June 2020
	\$	\$
Gross carrying amount	43,236,917	28,629,465
Additions	10,008,907	18,607,452
R&D tax incentives	(6,024,068)	(4,000,000)
	<b>47,221,756</b>	<b>43,236,917</b>
<b>Additions</b>		
Consultants	657,173	412,904
Employee benefits	4,198,434	10,389,893
Equipment hire	41,213	219,163
Materials	1,122,882	2,595,992
Occupancy expense	1,416,358	1,440,201
Share-based payments	966,410	1,207,165
Patents and trademarks	694,359	757,688
Overheads and other	912,078	1,584,446
<b>Total additions</b>	<b>10,008,907</b>	<b>18,607,452</b>
<b>R&amp;D tax incentives</b>		
R&D tax incentives received and accrued	<b>(6,024,068)</b>	<b>(4,000,000)</b>

## 11. Trade and other payables

Trade and other payables consist of the following:

	Consolidated	
	30 June 2021	30 June 2020
	\$	\$
Trade creditors	1,600,925	813,342
Accrued expenses	108,682	95,029
Other payables	159,818	139,603
	<b>1,869,425</b>	<b>1,047,974</b>

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

## 12. Provisions

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

	Consolidated	
	30 June 2021	30 June 2020
	\$	\$
<b>Current</b>		
Employee entitlements – Annual leave	466,726	453,140
Employee entitlements – Long service leave	-	-
Other provisions	-	-
	<b>466,726</b>	<b>453,140</b>
<b>Non-Current</b>		
Employee entitlements – Annual leave	90,145	56,173
Employee entitlements – Long service leave	210,670	149,404
	<b>300,815</b>	<b>205,577</b>

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.

## 13. Share capital

### Ordinary shares

	2021		2020	
	\$	No.	\$	No.
Ordinary shares, fully paid	101,695,037	2,179,170,092	86,528,414	1,797,968,316

### Movement in ordinary shares on issue

<i>Movement in ordinary shares on issue</i>	\$	No.
Shares on issue at 1 July 2020	86,528,414	1,797,968,316
Capital raising		
25 August 2020 Placement (\$0.057 per share)	16,000,000	280,701,755
Capital Raising Costs	(918,377)	-
Performance rights converted (24 September 2020)	85,000	500,000
Milestone C Performance Shares consolidated then converted	-	21
Loan funded shares issued to Executive Directors	-	100,000,000
<b>Shares on issue at 30 June 2021</b>	<b>101,695,037</b>	<b>2,179,170,092</b>

On 24 December 2020, the Company issued 100,000,000 Loan Funded incentive shares to the Executive Directors following approval by the shareholders at the Annual General Meeting on 26 November 2020.

### 13. Share capital (continued)

On 15 December 2020, 166,666,666 Class C Performance Shares were consolidated into one Performance Share for each of the 21 Shareholders who held the performance shares and then converted to fully paid ordinary shares on a one for one basis in accordance with the terms of the Performance Shares as provided in the Prospectus. The Class C Performance shares were originally issued as deferred consideration for the acquisition of FBR under the prospectus dated 23 September 2015.

On 24 September 2020, the Company issued 500,000 fully paid ordinary shares as a result of vesting of retention performance rights issued to the Chief Operating Officer.

On 25 August 2020, the company completed the issue of 280,701,755 fully paid ordinary shares to a group of domestic and international institutional and sophisticated investors.

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 (2020: nil). There were 21 performance shares that converted to ordinary fully paid shares during the current year (2020: 166,666,666).

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

	2021 Number	2020 Number
Outstanding at 1 July	166,666,666	333,333,332
Granted during the year	-	-
Converted during the year	(21)	(166,666,666)
Cancelled/forfeited/consolidated during the year	(166,666,645)	-
<b>Performance Shares at 30 June</b>	<b>-</b>	<b>166,666,666</b>

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.

### 13. Share capital (continued)

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:

- i. 166,666,666 Performance Shares Class A (fully converted as at 30 June 2021)

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 a previous financial year, all Class A Performance Shares were converted to ordinary shares;

- ii. 166,666,666 Performance Shares Class B (fully converted as at 30 June 2021)

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. During the previous financial year all Class B Performance Shares were converted into ordinary shares; and

- iii. 166,666,666 Performance Shares Class C (21 fully converted and 166,666,645 expired as at 30 June 2021)

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. During the year 166,666,666 Class C Performance Shares were consolidated into one Performance Share for each of the 21 Shareholders who held the performance shares and then converted to fully paid ordinary shares on a one for one basis in accordance with the terms of the Performance Shares as provided in the Prospectus.

## 14. Share based payments

### Ordinary shares

There were no ordinary shares granted as consideration for services provided 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.

	2021 Number	Weighted Average exercise price	2020 Number	Weighted Average exercise price
Outstanding at 1 July	26,600,000	25	28,287,500	25
Granted during the year	-		-	-
Converted during the year	-	2	(1,687,500)	2
Expired during the year	(20,800,000)		-	-
Forfeited during the year	-		-	-
<b>Options at 30 June</b>	<b>5,800,000</b>	<b>30</b>	<b>26,600,000</b>	<b>26</b>

### Performance rights

There were 61,220,000 performance rights issued during the current year (2020: 36,746,104).

The weighted average fair value of the performance rights granted during the current year is \$0.06 (2020: \$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.



## 14. Share based payments (continued)

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

	<b>2021</b>	<b>2020</b>
	<b>Number</b>	<b>Number</b>
Outstanding at 1 July	27,387,736	39,612,234
Granted during the year	61,220,000	36,746,104
Converted during the year	(500,000)	(34,704,444)
Expired during the year	(1,733,332)	(7,399,998)
Forfeited during the year	(7,404,376)	(6,866,160)
<b>Performance rights at 30 June</b>	<b>78,970,028</b>	<b>27,387,736</b>

## 15. 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 2021 and 30 June 2020.

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:

	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>\$</b>	<b>\$</b>
Weighted average number of shares used in basic earnings per share	2,087,492,553	1,628,240,569
Shares deemed to be issued for no consideration in respect of share-based payments	-	-
<b>Weighted average number of shares used in diluted earnings per share</b>	<b>2,087,492,553</b>	<b>1,628,240,569</b>

**END OF PRELIMINARY FINAL REPORT.**