

18 May 2018

Business Update – Mozambique

HIGHLIGHTS

- **Futuro Skills Mozambique (“FSM”) secures contracts with combined revenues of almost \$500,000; several others under negotiation**
- **FSM commenced application for accreditation to deliver ECITB training. ECITB qualifications will be required to work on the LNG projects**
- **RBR database of ~10,000 Mozambican workers continues to grow**

International labour solutions provider RBR Group (ASX: RBR) (“RBR” or “the Company”) is pleased to provide an update on its recent business activities and developments in Mozambique, where resources development is expected to drive strong demand for training and labour services over coming years.

Futuro Skills – New Contracts

Futuro Skills Mozambique (“FSM”), RBR’s in-country training subsidiary, has secured new training contracts with the Mozambique operating unit of South African international integrated chemicals and energy company Sasol; the government-owned operator of the Port of Maputo, Maputo Port Development Company (“MPDC”); and Swisscontact, an organisation focused on promoting sustainable economic development in developing countries. These contracts constitute repeat business and are significantly larger than previous contracts carried out for these clients.

Work has commenced with Swisscontact and MPDC, with those contracts concluding by the end of June 2018. The Sasol contract is due to start in June and will continue into 2019. The combined revenues of these contracts is almost **\$500,000**.

As FSM’s profile and reputation as a high quality and value-for-money skills training provider has grown over recent months, so too has interest in its services, often via referrals from existing clients. Several material contracts are currently under negotiation, including with target-sector clients now willing to engage, which bodes well for the future.

LNG Projects nearing FID

The development of Mozambique’s oil and gas industry, particularly the liquefied natural gas (LNG) projects proposed for the country’s northern Rovuma Basin, is expected to be the single biggest driver of demand for RBR’s services. The issue of construction-related tenders and the ramp-up of activities in the region continue to support the view that a Final Investment Decision on at least one, if not both, of the US\$20+ billion onshore LNG projects should occur within months, and that large-scale works will commence in early 2019.

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Project developers are exploring opportunities to commence regional work readiness programs in the near future as they begin to recognise the practical difficulties of addressing the local skills shortage. FSM has begun preparing for this LNG project-related work, including applying for accreditation as a provider of a range of qualifications under the UK's Engineering Construction Industry Training Board ("ECITB"). FSM was advised that every person working on the Mozambique LNG projects will require relevant ECITB qualifications, and there are currently no accredited providers in Mozambique. FSM aims to achieve this accreditation by September 2018, cementing our place as a top-tier provider.

Donor-sponsored skills funds, such as the UK's DFID-backed JOBA programme and the joint UK and German-funded SOGA programme, have both re-engaged with FSM after a long period of inactivity. As these funds are focused on large-scale upskilling of locals for formal employment, their recent activity aligns with the general perception that Mozambique is about to commence its LNG-driven growth phase.

Database expansion

Further to the commentary in the 30 April 2018 Business Update released to the ASX, RBR has identified several private, donor-backed and state-owned organisations that collectively have skills records and contact details for more than **200,000** Mozambicans.

None of these organisations are competitors of RBR or share its vision to "supply skilled staff to the workplace every day". RBR differentiates itself from other recruiters or labour brokers through its ability to supplement a candidate's existing skills with complementary FSM training programmes, significantly enhancing their employability. As a result, these database owners are supportive of sharing their information and welcome the Company's assistance in placing candidates in formal employment. The terms under which RBR can gain access to these databases are yet to be confirmed, but they may include offering access to the Company's **FuturoCARD** record-keeping technology.

RBR remains confident that its database currently containing approximately **10,000** names of Mozambican workers will exceed **50,000** new candidates this calendar year.

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About RBR Group Limited: Perth-based RBR Group Limited is a provider of holistic labour solutions to the resources and construction sectors globally, with a focus on developing nations. Through its subsidiaries, RBR has the capacity to deliver a range of services including recruitment, medical screening and health monitoring of workers, international standard training, labour broking, and company registration, permitting and visa coordination. RBR holds a labour broking license in Mozambique, positioning it strongly to assist in meeting the substantial training and resourcing needs of the country's burgeoning construction, mining and liquefied natural gas industries. The company is also seeking to expand its presence in other emerging markets with strict local content laws and generally low levels of education and training and owns a registered training organisation in Australia.

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