

26 February 2021

Appendix 4D

The following information must be given to ASX under listing rule 4.2A.3.

| | |
|---|---------------------------------|
| Current Reporting Period | 1 July 2020 to 31 December 2020 |
| Previous corresponding reporting period | 1 July 2019 to 31 December 2019 |

Results for announcement to the market

| | 31/12/2020 \$ | 31/12/2019 \$ | Change % |
|--|------------------|------------------|-------------|
| Revenue from ordinary activities | 289,626 | 166,382 | 74.1% |
| Net loss for the year | (887,063) | (995,424) | 10.9% |
| Net comprehensive loss attributable to equity holders of RBR Group Ltd | (884,090) | (995,880) | 11.2% |
| Dividends | - | - | - |

| | 31/12/2020 \$ | 31/12/2019 \$ |
|---|------------------|------------------|
| Net tangible assets per security | | |
| Net tangible assets | (609,624) | (861,017) |
| Ordinary shares | 1,000,730,086 | 788,547,723 |
| Net tangible assets per security | -0.06 cents | -0.11 cents |

Details of entities over which control has been gained or lost during the period

There have been no entities where there has been a change of control during the period.

Dividends

No dividend has been paid since the end of the previous financial year and no dividend is recommended for the current year.

Dividend reinvestment plans

Not applicable.

RBR GROUP LIMITED

ASX: RBR ABN 38 115 857 988

Level 2, 33 Colin Street, West Perth, WA 6005

PO Box 534, West Perth, WA 6872

T: +61 8 9214 7500 F: +61 8 9214 7575

www.rbrgroup.com.au

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Material interest in entities which are not controlled entities

Not applicable.

Foreign entity accounting standards

Not applicable.

Independent audit review

This report should be read in conjunction with the attached Half-Year Financial Report for the period ending 31 December 2020.

For further information, contact:
Ian Macpherson
Executive Chairman
+61 8 9214 7500

Media:
Paul Armstrong
Read Corporate
+61 8 9388 1474

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Interim Financial Report for the Half-Year ended 31 December 2020

Level 2, 33 Colin Street, West Perth WA 6005
PO Box 534, West Perth WA 6872
Telephone: (08) 9214 7500
Facsimile: (08) 9214 7575
Email: info@rbgroup.com.au
Website: www.rbgroup.com.au

RBR GROUP LIMITED

ABN 38 115 857 988

CORPORATE DIRECTORY

DIRECTORS

Ian Macpherson
Executive Chairman

Richard Carcenac
Chief Executive Officer and Executive Director

Athol Emerton
Non-Executive Director

Paul Graham-Clarke
Non-Executive Director

Paul Horsfall
Non-Executive Director

COMPANY SECRETARY

Jessamyn Lyons

PRINCIPAL REGISTERED OFFICE

Level 2, 33 Colin Street
West Perth WA 6005
Australia

PO Box 534
West Perth WA 6872
Australia

Telephone: +61 8 9214 7500
Facsimile: +61 8 9214 7575
Email: info@rbrgroup.com.au
Internet: www.rbrgroup.com.au

AUDITOR

Butler Settineri (Audit) Pty Limited
Unit 16, 1st Floor
100 Railway Road
Subiaco WA 6008
Australia

SHARE REGISTRY

Automic Group
Level 2
267 St Georges Terrace
Perth WA 6000
Australia

Telephone: 1300 288 664
Email: hello@automicgroup.com.au

STOCK EXCHANGE LISTING

The Consolidated Entity's shares are quoted on the Australian Stock Exchange. The Home Exchange is Perth.

ASX CODE

RBR - Ordinary Shares

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DIRECTORS' REPORT

Your Directors present their report on the financial statements of RBR Group Limited ("The Company") and the entities it controlled ("Consolidated Entity" or "RBR") at the end of and during the half-year ended 31 December 2020. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

DIRECTORS

The following persons held office as Directors and Senior Management of RBR Group Limited during the half-year and until the date of this report:

Ian Macpherson – *B.Comm., CA*
Executive Chairman
Appointed 18 October 2010

Mr Macpherson is a Chartered Accountant with over forty years experience in the provision of financial and corporate advisory services. Mr Macpherson was formerly a partner at Arthur Anderson & Co managing a specialist practice providing corporate and financial advice to the mining and mineral exploration industry.

In 1990, Mr Macpherson established Ord Partners (later to become Ord Nexia) and has specialised in the area of corporate advice with particular emphasis on capital structuring, equity and debt raising, corporate affairs and Stock Exchange compliance for public companies in the mining and industrial areas. He has further been involved in numerous asset acquisitions and disposal engagements.

He has acted in the role of Director and Company Secretary for a number of entities and is currently a Non-Executive Director of Red 5 Limited (15 April 2014 to present).

Former Directorships: Non-Executive (Deputy) Chairman of Avita Medical Ltd (5 March 2008 to 16 January 2016).

Mr Macpherson is a Member of the Institute of Chartered Accountants in Australia, the Australian Institute of Company Directors and past member of the Executive Council of the Association of Mining Exploration Companies (WA) Inc.

Richard Carcenac – *B.Sc. Eng. (Civil), MBA*
Chief Executive Officer and Executive Director
Appointed 16 June 2015

Mr Carcenac is a civil engineer with an MBA who has over 20 years experience working for international mining houses including Anglo American and BHP Billiton in a variety of roles in Australia, South Africa, Switzerland and The Netherlands.

The majority of his career was spent in marketing and operations, and included board appointments at Ingwe Collieries Ltd (the South African coal subsidiary of BHP Billiton Ltd) and the Richards Bay Coal Terminal Company Ltd. Mr Carcenac's most recent position was as General Manager of BHP Billiton Worsley Alumina's Boddington Bauxite Mine in Western Australia.

Athol Emerton – *MICS*
Non-Executive Director
Appointed 19 August 2019

Mr Emerton has 30 years of experience in commerce in Southern Africa, including Mozambique and has chaired the South African Shipping Association (SAASOA) training committee for 7 years, including the scoping panel that developed the TETA shipping qualification & headed the establishment of an industry wide shipping learnership programme.

He is a self-motivated leader in the maritime and transport logistics industries, with a particular interest in building business capacity and opportunities through entrepreneurial thought, and a passion for skills development and upliftment of indigenous populations. Mr Emerton's wealth of experience and unique skills set has been gained through working with many of the large, well known, international resource and shipping companies around the world, and he is considered a specialist in developing landside, marine and transport solutions in inhospitable (due to political, economic or geographical reasons) regions or ports.

Mr Emerton is the Managing Partner of the African operations of global logistics company LBH. After establishing the LBH operations in South Africa and Mozambique 35 years ago, Mr Emerton has grown the business into one of the premier logistics and ships agency enterprises in the region.

DIRECTORS' REPORT (Continued)

Paul Graham-Clarke – *B.Sc. (Tokyo)*
Non-Executive Director
Appointed 16 December 2015

Mr Graham-Clarke has 37 years of foreign exchange and commodity experience in the United Kingdom working for public listed companies, a UK Hedge fund, and a private UK commodity company in an executive capacity. He has significant experience in company strategic turnarounds, leading large and small management teams, and the restructuring of business divisions. He was formerly Managing Director of Foreign Exchange at ICAP (part of ICAP's Global Broking business, which is now the conglomerate TPlcap) and Managing Director of London Commodity Brokers.

Mr Graham-Clarke was born in South Africa and educated both there and in Japan where he received his Bachelor of Science degree. Predominantly UK-based in the latter part of his career, he maintains a significant business network and access into the UK financial markets.

Paul Horsfall – *Hons.BCompt. C.A.(S.A.)*
Non-Executive Director
Appointed 14 May 2020

Mr Horsfall has been in the Logistics industry for over thirty years. He has an in depth understanding of the logistics industry in the three facets of Supply Chain, namely International Freight Forwarding & Customs Brokerage, International Express and Courier & Warehousing and Distribution. He started a company in South Africa on behalf of an American Listed group, Fritz Companies Inc, which developed into one of the top five logistics service providers in South Africa under the brand, UPS South Africa.

Mr Horsfall was President of Africa for UPS Inc. and as such has extensive experience in Logistics across the African continent. UPS owns or has agency operations across 51 countries in Africa. Nigeria is its largest operation in Africa.

Mr Horsfall has strong leadership and mentorship skills in developing and training people. Paul is an Honorary Life Member of the American Chamber of Commerce in South Africa.

COMPANY SECRETARY

Jessamyn Lyons – *B.Comm., AGIA, ICSA*
Appointed 2 August 2019

Ms Lyons is a Chartered Secretary, an Associate of the Governance Institute of Australia and holds a Bachelor of Commerce from the University of Western Australia with majors in Investment Finance, Corporate Finance and Marketing. Ms Lyons is also a Director of Everest Corporate and company secretary of Doriemus PLC, Southern Hemisphere Mining Limited, Dreadnought Resources Limited and Los Cerros Limited. Ms Lyons also has 15 years of experience working in the stockbroking and banking industries and has held various positions with Macquarie Bank, UBS Investment Bank (London) and more recently Patersons Securities.

DIRECTORS' REPORT (Continued)

REVIEW OF OPERATIONS AND ACTIVITIES

The Consolidated Entity recorded an operating loss after income tax for the half-year ended 31 December 2020 of \$887,063 (31 December 2019: \$995,424 loss) and revenue for the half year is \$289,626 (31 December 2019: \$166,382).

Throughout the half-year, RBR continued to operate from its Maputo head office, which focused on the delivery of recruitment, payroll and business services as well as administrative support, and the Wentworth facility in Palma, which serves as the company's operations base in the LNG-rich region of Cabo Delgado. RBR's efforts in Palma were on leveraging Wentworth's prime location and infrastructure to grow the training business and build a workforce for labour hire to the contracting companies working on the LNG projects or providing related services.

In the September quarter, the company continued the ramp up of its capability ahead of the commencement of the ~A\$1.16 million UKaid-funded JOBA Construction Skills Internship Program ("CSIP") contract (originally announced via ASX release dated 14 April 2020). The contract entailed enrolling graduates of Total's Catalisa Programme and other work readiness programmes funded by the LNG project operators, and training them in internationally accredited qualifications from the UK's Engineering Construction Industry Training Board (ECITB) in health and safety and a technical trade at the semi-skilled level (Level 2). The CSIP would see RBR establish a significant pool of semi-skilled local workers, sourced from the immediate stakeholder communities of these massive LNG Projects, who can be placed with prospective employers. The first interns were scheduled to commence in August 2020 following a postponement due to Covid-19.

Unfortunately, in late August the Company was advised that the UK Government was reviewing its worldwide "Official Development Assistance (ODA)" budget, which is the aid funding budget. ODA is directly based on Gross National Income (GNI) which has contracted as a result of the COVID-19 pandemic.

As a result of this review, the CSIP was subsequently cancelled with agreement to reimburse costs incurred to the end of October 2020. The final settlement amount ensured that RBR was not left "out of pocket" and was fairly compensated for efforts made on the contract, to date.

On 28 July 2020, the Company announced that its client Kuiper International ("Kuiper") had won a tender from the c.US\$9 billion Coral South Floating LNG project in Area 4 of Mozambique's Rovuma Basin, to supply qualified rigging and rope access teams. The start of the operations is planned in Mozambique from Q1 2021. Kuiper's successful tender identified RBR's Futuro Group as the provider of local training and verification of competency services. The scale of the services provided by Futuro Group has yet to be developed but this is RBR's first entry into the Coral South FLNG project.

RBR made several announcements during the half-year about its negotiations with the owners of established Mozambique remote camp specialist, Projectos Dinamicos Lda ("PD"), to jointly develop a 668 bed camp at Wentworth base in Palma, northern Mozambique.

The parties agreed to proceed as 50:50 JV Partners in the procurement, development and operation of the accommodation camp, subject to successful completion of contractual negotiations and financing arrangements – these were all concluded in January 2021 (ASX announcement dated 28 January 2021).

RBR will acquire 50% of the equity in PD for a nominal amount and will be expected to jointly fund the capital investments and working capital costs to be made by PD under its key contract, which has a term of 18 months and may be terminated by notice by the EPC contractor subject to an industry standard notice provision, and termination payment.

The camp is to be developed in 3 stages, as follows:

- Stage 1 – all essential services and infrastructure, and 70 beds, by end January 2021;
- Stage 2 – approx. 340 beds by end March 2021; and
- Stage 3 – the full 668 beds by 30 April 2021.

Under the subscription agreement RBR will commit funding to PD of up to \$2.7 million (subject to exchange rates) to be applied towards the development of the camp, and for working capital. RBR's capital contribution will be made in stages.

RBR has had the opportunity to review the signed contracts and terms as part of its due diligence on PD and considers that this camp development provides for contracted revenue of between \$13.0-\$23.0 million over the 18 month tenancy, after applying ranges to all variables including occupancy and the Client's options under the contract. The B&O Contract is not subject to any conditions precedent, and development of the camp is underway.

On 8 July 2020, RBR announced that it had entered into a binding Sale and Purchase Agreement ("Agreement") with Black Cat Syndicate Limited ("BC8") and a subsidiary of Newmont Corporation Limited ("Newmont"), for BC8 to acquire 100% of the Yarri East Joint Venture ("Yarri East") near Kalgoorlie in Western Australia – tenements E27/600, E27/456, E27/449 and E27/431. The Yarri East tenements are held in a Joint Venture between RBR (49% interest) and Newmont (51% interest). Acquisition terms for Yarri East included a cash consideration of \$200,000 (\$98,000 to RBR) and 1.0% Net Smelter Royalty (NSR) of which RBR's share is 0.49%. BC8 also assumed responsibility for all environmental liabilities and approvals regarding the transfer of the tenements. The sale of the JV interests completes the disposal of all exploration interests of RBR in WA, removing all residual tenement holdings, maintenance and environmental commitments.

DIRECTORS' REPORT (Continued)

Funding

During the half-year the Company issued a further 25,014,285 shares (\$175,100) to Directors following approval at a general meeting on 8 July 2020.

On 8 September 2020 the Company finalised conversion of 904,513 convertible notes into 90,451,300 ordinary fully paid shares at an issue price of \$0.01 plus a free-attaching option on the basis of one Conversion Option for every 5 Conversion Shares. The Conversion Options have a 2-year expiry period and an exercise price equal to the 20-day volume weighted average price (VWAP) of the ordinary fully paid shares traded on the ASX calculated from the date of the relevant exercise notice being received by the Company.

Subsequent to the half year end the following funding events occurred:

On 22 January 2021 the Company signed a subscription agreement to acquire a 50% holding in Mozambique registered accommodation camp developer Projectos Dinamicos, Lda in anticipation of the investment in the development of a 668 bed camp at the Wentworth Camp in Palma.

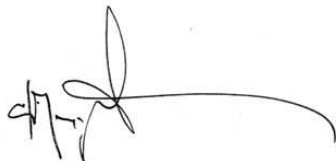
On 28 January 2021 the Company announced the successful raising of capital through a \$2.25 million share placement and access to \$1.75 million of additional loan funds. This capital sees the Company fully funded to meet the contracted commitment to Projectos Dinamicos, Lda for the camp project, and additional working capital of the Group.

Subsequent to the half year end the company negotiated a 12 month extension to the residual existing \$400k convertible note to 21 January 2022 with no changes to the terms and conditions.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, Butler Settineri (Audit) Pty Ltd, to provide the Directors of the Consolidated Entity with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 6 and forms part of the Directors' Report for the half-year ended 31 December 2020.

DATED at Perth this 26th day of February 2021
Signed in accordance with a resolution of the Directors



Ian Macpherson
Executive Chairman

AUDITOR'S INDEPENDENCE DECLARATION



AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of RBR Group Limited for the half year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

- a) No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of RBR Group Limited and the entities it controlled during the half year period.

BUTLER SETTINERI (AUDIT) PTY LTD

LUCY P GARDNER
Director

Perth
Date: 26 February 2021

Unit 16, First Floor
Spectrum Offices
100 Railway Road
(Cnr Hay Street)
Subiaco WA 6008

Tel : (08) 6389 5222
Fax : (08) 6389 5255
mail@butlersettineri.com.au
www.butlersettineri.com.au

Locked Bag 18
Subiaco WA 6904
Australia

Butler Settineri (Audit) Pty Ltd
RCA No. 289109 ABN 61 112 942 373
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Proactive ▸ Quality ▸ Supportive

RBR GROUP LIMITED
and its controlled entities

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the half-year ended 31 December 2020

| | Notes | <u>31/12/2020</u> \$ | <u>31/12/2019</u> \$ |
|--|-------|-------------------------|-------------------------|
| Revenue | | 289,626 | 166,382 |
| Cost of sales | | (56,345) | (23,278) |
| Gross Profit | | 233,281 | 141,104 |
| Employee expenses | | (317,056) | (292,123) |
| Directors' fees | | (56,060) | (44,571) |
| Insurance expenses | | (14,251) | (15,653) |
| Contractor fees | | (103,713) | (162,683) |
| Corporate expenses | | (35,486) | (33,010) |
| Depreciation | | (6,162) | (11,354) |
| Amortisation right of use asset | 3 | (18,594) | - |
| Property costs | | (51,746) | (94,604) |
| Share-based payments expense | | (10,745) | (43,687) |
| Lease liability interest expense | 3 | (2,970) | - |
| Interest expense | | (46,718) | (79,359) |
| Other expenses | | (456,843) | (359,484) |
| Loss before income tax | | (887,063) | (995,424) |
| Income tax | | - | - |
| Net loss for the year | | (887,063) | (995,424) |
| <i>Other comprehensive income that may be recycled to profit or loss</i> | | | |
| Foreign currency translation adjustments | | 208,522 | 1,267 |
| Total other comprehensive loss | | 208,522 | 1,267 |
| Total comprehensive loss | | (678,541) | (994,157) |
| Loss is attributable to: | | | |
| Equity holders of RBR Group Ltd | | (884,090) | (995,880) |
| Non-controlling interests | | (2,973) | 456 |
| | | (887,063) | (995,424) |
| Total comprehensive loss is attributable to: | | | |
| Equity holders of RBR Group Ltd | | (678,446) | (995,207) |
| Non-controlling interests | | (95) | 1,050 |
| | | (678,541) | (994,157) |
| Earnings per share | | | |
| Basic earnings/(loss) per share (cents per share) | 6 | (0.09) cents | (0.13) cents |
| Diluted earnings/(loss) per share (cents per share) | 6 | (0.09) cents | (0.13) cents |

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the Consolidated Entity accompanying notes.

RBR GROUP LIMITED
and its controlled entities

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

| | Notes | <u>31/12/2020</u> \$ | <u>30/06/2020</u> \$ |
|---|-------|-------------------------|-------------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | | 85,322 | 493,963 |
| Trade receivables | | 103,967 | 104,678 |
| Other assets | | 12,921 | 26,576 |
| Assets held for sale | | - | 95,000 |
| TOTAL CURRENT ASSETS | | 202,210 | 625,217 |
| NON-CURRENT ASSETS | | | |
| Plant and equipment and motor vehicles | | 25,866 | 24,967 |
| Intangibles | 3 & 7 | 188,658 | 205,680 |
| TOTAL NON-CURRENT ASSETS | | 214,524 | 325,647 |
| TOTAL ASSETS | | 416,734 | 950,864 |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 341,453 | 295,347 |
| Provisions | | 55,659 | 59,846 |
| Loan | | - | 62,715 |
| Lease Liability | 3 | 40,588 | 36,754 |
| Convertible notes | 2 | 400,000 | 1,304,513 |
| TOTAL CURRENT LIABILITIES | | 837,700 | 1,759,175 |
| NON-CURRENT LIABILITIES | | | |
| Lease liability | | - | 20,090 |
| TOTAL NON-CURRENT LIABILITIES | | - | 20,090 |
| TOTAL LIABILITIES | | 837,700 | 1,779,265 |
| NET ASSETS | | (420,966) | (828,401) |
| EQUITY | | | |
| Contributed equity | 4 | 22,149,305 | 21,074,074 |
| Reserves | | 1,131,970 | 915,581 |
| Accumulated losses | | (23,681,070) | (22,796,980) |
| Equity attributable to equity holders in the Company | | (399,795) | (807,325) |
| Non-controlling interests | | (21,171) | (21,076) |
| TOTAL EQUITY | | (420,966) | (828,401) |

The above Consolidated Statement of Financial Position should be read in conjunction with the Consolidated Entity's accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the half-year ended 31 December 2020

| Notes | Contributed Equity | Share Option Reserve | Foreign Currency Translation Reserve | Accumulate d losses | Owners of the parent | Non- controlling interest | Total |
|---|-----------------------|----------------------------|---|------------------------|-------------------------|---------------------------------|-----------|
| BALANCE AT 1 JULY 2019 | 19,478,110 | 816,906 | (100,256) | (20,906,828) | (712,068) | (22,024) | (734,092) |
| Loss for the half-year | - | - | - | (995,880) | (995,880) | 456 | (995,424) |
| Other comprehensive income | - | - | 673 | - | 673 | 594 | 1,267 |
| Total comprehensive income | - | - | 673 | (995,880) | (995,207) | 1,050 | (994,157) |
| Transactions with owners in their capacity as owners: | | | | | | | |
| Shares issued during the half-year | 973,443 | - | - | - | 973,443 | - | 973,443 |
| Vesting of staff performance rights | 9,000 | (9,000) | - | - | - | - | - |
| Broker performance rights | (24,378) | 24,378 | - | - | - | - | - |
| Vendor bonus performance rights | - | 23,556 | - | - | 23,556 | - | 23,556 |
| Director performance rights | - | 20,131 | - | - | 20,131 | - | 20,131 |
| BALANCE AT 31 DECEMBER 2019 | 20,436,175 | 875,971 | (99,583) | (21,902,708) | (690,145) | (20,974) | (711,119) |
| BALANCE AT 1 JULY 2020 | 21,074,074 | 888,837 | 26,744 | (22,796,980) | (807,325) | (21,076) | (828,401) |
| Loss for the half-year | - | - | - | (884,090) | (884,090) | (2,973) | (887,063) |
| Other comprehensive income | - | - | 205,644 | - | 205,644 | 2,878 | 208,522 |
| Total comprehensive income | - | - | 205,644 | (884,090) | (678,446) | (95) | (678,541) |
| Transactions with owners in their capacity as owners: | | | | | | | |
| Shares issued during the half-year | 175,100 | - | - | - | 175,100 | - | 175,100 |
| Conversion of convertible notes | 904,513 | - | - | - | 904,513 | - | 904,513 |
| Director performance rights | - | 10,745 | - | - | 10,745 | - | 10,745 |
| Share based payment | 5,462 | - | - | - | 5,462 | - | 5,462 |
| Share issue costs | (9,844) | - | - | - | (9,844) | - | (9,844) |
| BALANCE AT 31 DECEMBER 2020 | 22,149,305 | 899,582 | 232,388 | (23,681,070) | (399,795) | (21,171) | (420,966) |

The above Consolidated Statement of changes in equity should be read in conjunction with the Consolidated Entity's accompanying notes.

RBR GROUP LIMITED
and its controlled entities

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the half-year ended 31 December 2020

| | Notes | <u>31/12/2020</u> \$ | <u>31/12/2019</u> \$ |
|---|-------|-------------------------|-------------------------|
| Cash flows from operating activities | | | |
| Receipts from customers | | 218,588 | 210,967 |
| Interest received | | 133 | 586 |
| Convertible note interest paid | | (51,924) | (78,486) |
| Lease liability interest paid | 3 | (2,970) | - |
| Payments to suppliers and employees (inclusive of goods and services tax) | | (736,064) | (1,091,305) |
| Net cash used in operating activities | | <u>(572,237)</u> | <u>(958,238)</u> |
| Cash flows from investing activities | | | |
| Proceeds from sale of prospects net of fees | | 95,000 | - |
| Payments for plant and equipment | | (10,078) | (5,864) |
| Receipts on sale of fixed assets | | - | 312 |
| Net cash (used in) / provided by investing activities | | <u>84,922</u> | <u>(5,552)</u> |
| Cash flows from financing activities | | | |
| Proceeds from loans | | 29,314 | 50,000 |
| Repayment of loans | | (40,617) | (50,000) |
| Repayment of lease liability | 3 | (17,829) | - |
| Proceeds from the issue of shares | | 125,100 | 1,001,463 |
| Capital raising costs | | (9,844) | (28,020) |
| Net cash provided by financing activities | | <u>86,124</u> | <u>973,443</u> |
| Net decrease in cash held | | <u>(401,191)</u> | <u>9,653</u> |
| Cash at the beginning of the half-year | | 493,963 | 412,821 |
| Exchange rate movements | | (7,450) | (557) |
| Cash at the end of the half-year | | <u><u>85,322</u></u> | <u><u>421,917</u></u> |

The above Consolidated Statement of Cash Flows should be read in conjunction with the Consolidated Entity's accompanying notes.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
For the half-year ended 31 December 2020

1. BASIS OF PREPARATION OF HALF-YEAR FINANCIAL STATEMENTS

These general purpose financial statements for the half-year ended 31 December 2020 have been prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including Accounting Standard AASB 134: Interim Financial Reporting and other authoritative pronouncements of the Australian Accounting Standards Board ("AASB").

It is recommended that these half-year financial statements and reports be read in conjunction with the Annual Report for the year ended 30 June 2020 and any public announcements made by RBR Group Limited during the half-year in accordance with continuous disclosure obligations arising under the Corporations Act, 2001.

The half-year report has been prepared on the accruals basis and in accordance with the historical cost convention. Cost is based on the fair value of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Consolidated Entity as the full financial report.

For the purpose of preparing the half-year financial statements, the half-year has been treated as a discrete reporting period.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Consolidated Entity's 2020 annual financial report for the year ended 30 June 2020.

In the half-year ended 31 December 2020, the Consolidated Entity has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2020.

It has been determined by the Consolidated Entity that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to the Consolidated Entity's accounting policies.

Going Concern

The Consolidated Entity incurred a loss for the half-year of \$887,063 (2019: \$995,424) and a net cash outflow from operating activities of \$572,237 (2019: \$958,238). During the financial year to 30 June 2020 the Company raised \$1,638,018 before costs from issue of shares.

Although the results are indicative of a material uncertainty, the Company has been able to access additional funds as announced on 28 January 2021. This confirmed the successful raising of capital through a \$2.25 million placement and access to \$1.75 million of additional loan funds. This capital sees the Company fully funded to meet the contracted commitment to Projectos Dinamicos, Lda of \$2.7 million and additional working capital of the Group. Subsequent to the half year end the company negotiated a 12 month extension to the existing \$400k convertible note to 21 January 2022 on the same terms and conditions.

Based on this information, the Directors consider it appropriate that the financial statements be prepared on a going concern basis.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)
For the half-year ended 31 December 2020

2. CONVERTIBLE NOTES

During the half-year 904,513 Convertible Notes were converted at the election of noteholders. As at the half-year there remain 400,000 Convertible Notes on issue. On 22 January 2019, the Company had originally issued 1,304,513 Convertible Notes at a face value of \$1.

The key terms of the Convertible Notes are as follows.

Type of Instrument: Convertible notes which are convertible into Ordinary Fully Paid Shares and attaching Options; the Notes will not be quoted on any securities exchange or financial market.

Face Value: Each Note shall have a face value of \$1.00 (Face Value); the aggregate Face Value of all Notes is \$400,000 at 31 December 2020.

Maturity Date: The Notes will mature on the 21 January 2021.

Interest: The Notes shall bear interest at the rate of 12% per annum, accrued monthly and calculated monthly; interest on the Notes shall be paid quarterly in cash by the Company to the Noteholder.

Conversion at election of Noteholder: The Noteholder may at any time after the date that is 6 months after the Issue Date and prior to the Maturity Date and the Company issuing a Redemption, elect to convert all the Notes into Shares by providing the Company with notice of the conversion in a form acceptable to the Company acting reasonably. On receipt of a Conversion Notice, the Company must issue Shares to the Noteholder based on a price per Share equal to the lower of \$0.015 and the issue price of any equity capital raising completed by the Company within the two months prior to receipt of the Conversion Notice, but in any event not less than \$0.01; issue Options to the Noteholder for nil or nominal consideration on the basis that the Noteholder is entitled to 1 Option of every 5 Shares issued to the Noteholder on conversion of the Notes and immediately pay to the Noteholder any outstanding Interest that is due and payable.

Repayment at election of Company: The Company may, at any time prior to the Maturity Date and the Noteholder providing a Conversion Notice elect to redeem all the Notes by providing written notice to the Noteholders. Within 2 business days of issuing a Redemption Notice, the Company must pay to each Noteholder the Face Value of the Notes in cash; issue Options to each Noteholder for nil or nominal consideration and pay each Noteholder in cash an amount equal to 12 months Interest on the Principal Amount less any amount of Interest already paid by the Company to the relevant Noteholder as at the date of the Redemption Notice.

If the Company issues a Redemption Notice, it must redeem all of the Notes. The number of Options issued will be the same number of Options that would have been issued to the Noteholder had the Noteholder given a Conversion Notice to the Company dated the same date as the Redemption Notice.

Repayment at Maturity Date: If at the Maturity Date the Notes have not been converted by the Noteholder or repaid by the Company, the Company must redeem all the Notes by paying to the Noteholder (within 2 business days of the Maturity Date) the Face Value of the Notes in cash plus any outstanding Interest that is due and payable.

Option Exercise Price and Expiry Date: Each Option will be unquoted and have an exercise price equal to the volume weighted average price per Share of Shares traded on ASX during the 20 trading day period ending on the date that an Exercise Notice is given in respect of the Option and will expire at 5.00pm (WST) on the date that is two (2) years after their issue (Expiry Date). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date. Each Option entitles the holder to subscribe for one fully paid ordinary share in the capital of the Company upon exercise of the Option.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)
For the half-year ended 31 December 2020

3. LEASES

The Group has identified a lease asset relating to land and buildings with information about the lease as follows.

| | <u>31/12/2020</u> | <u>30/06/2020</u> |
|--|-------------------|-------------------|
| | \$ | \$ |
| Right of use asset | | |
| Balance at the beginning of the year | 55,782 | - |
| Right of use asset recognised | 1,572 | 74,376 |
| Amortisation of right of use asset | (18,594) | (18,594) |
| Balance at the end of the year | <u>38,760</u> | <u>55,782</u> |
| Lease Liability | | |
| Less than one year | 40,588 | 36,754 |
| One to five years | - | 20,090 |
| Total lease liability | 40,588 | 56,844 |
| | <u>31/12/2020</u> | <u>31/12/2019</u> |
| | \$ | \$ |
| Amounts recognised in profit or loss | | |
| Amortisation of right of use asset | (18,594) | - |
| Lease liability interest expense | (2,970) | - |
| Short term leases | 47,934 | 81,211 |
| Low value leases | 1,332 | 1,332 |
| Amounts recognised in the statement of cash flows | | |
| Total cash outflow for leased assets | (20,799) | - |

(a) Real estate lease

The Group leases land and building for its office space with a rental term of two years. The lease has an option to renew, which has not been included in the calculation of the lease asset as the Company has not decided whether this will be the best option.

The Group also leases other land and buildings but are currently on either a short term basis or no long term contract has been put in place. A lease asset and liability have not been recognised for these properties.

(b) Other leases

The Group also leases office equipment with contract terms of one to four years. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)
For the half-year ended 31 December 2020

4. CONTRIBUTED EQUITY

(a) Ordinary Shares

| | <u>31/12/2020</u> | <u>30/06/2020</u> |
|--|-------------------|-------------------|
| | \$ | \$ |
| 1,000,730,086 (30 June 2020: 884,484,168) fully paid ordinary shares | 22,149,305 | 21,074,074 |

(b) Unlisted Options

| | Issue date | Expiry date | Number of options | Exercise Price | Weighted average value cents |
|---|-------------|-------------|-------------------|----------------|------------------------------|
| 2021 | | | | | |
| Unquoted conversion options (1 option for 5 shares) | 8 Sep 2020 | 8 Sep 2022 | 18,090,260 | \$0.011 | N/A |
| 2020 | | | | | |
| Unquoted placement options (1 option for 2 shares) | 16 Sep 2019 | 31 Aug 2021 | 20,966,107 | \$0.014 | N/A |
| Unquoted broker options | 16 Sep 2019 | 31 Aug 2021 | 3,000,000 | \$0.014 | 0.813 |
| Unquoted placement options (1 option for 2 shares) | 18 Sep 2019 | 31 Aug 2021 | 7,929,000 | \$0.014 | N/A |
| Unquoted vendor options | 29 Nov 2019 | 31 Aug 2021 | 3,500,000 | \$0.014 | 0.673 |
| Unquoted placement options (1 option for 2 shares) | 29 Nov 2019 | 31 Aug 2021 | 6,871,428 | \$0.014 | N/A |
| 2019 | | | | | |
| Unquoted placement options (1 option for 2 shares) | 6 Dec 2018 | 31 Jul 2019 | 4,500,000 | \$0.018 | N/A |
| Unquoted vendor options | 6 Dec 2018 | 31 Jul 2019 | 3,500,000 | \$0.018 | 0.312 |
| 2018 | | | | | |
| Unquoted broker options | 15 Dec 2017 | 30 Jun 2020 | 15,000,000 | \$0.025 | 0.349 |
| Unquoted placement options (1 option for 2 shares) | 25 Jun 2018 | 31 Jul 2019 | 28,850,002 | \$0.018 | N/A |

The assessed fair values of the 3,000,000 Broker and 3,500,000 Vendor Options issued by the Company during 2020, were determined on a Black-Scholes model, taking into account the exercise price, term of option, the share price at grant date and expected price volatility of the underlying share, expected yield and the risk-free interest rate for the term of the option. The inputs to the model used were:

| Grant Date | Expiry Date | Exercise Price (Cents) | Volatility Percentage (%) | Risk-free rate (%) | Value (Cents) for one Option |
|-------------|-------------|------------------------|---------------------------|--------------------|------------------------------|
| 7 Dec 2017 | 30 Jun 2020 | 2.50 | 130 | 1.93 | 0.349 |
| 6 Dec 2018 | 31 Jul 2019 | 1.80 | 122 | 1.93 | 0.312 |
| 16 Sep 2019 | 31 Aug 2021 | 1.40 | 115 | 0.72 | 0.813 |
| 29 Nov 2019 | 31 Aug 2021 | 1.40 | 110 | 0.68 | 0.673 |

During the half- year there were no options issued to staff under the RBR Share Option Plan.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)

For the half-year ended 31 December 2020

(c) Performance Shares

An independent valuation was completed on performance rights granted. Market based vesting conditions were valued using a hybrid share option pricing model that simulates the share price of the Company as at the test date using a Monte-Carlo model. For non-market based vesting conditions no discount was made to the underlying valuation model. As at the date of this report all remaining performance rights expired and there were no performance rights on issue.

| | Grant date | Expiry date | Number of performance rights | Weighted average value cents |
|--|------------|-------------|------------------------------------|------------------------------------|
|--|------------|-------------|------------------------------------|------------------------------------|

2019

| | | | | |
|--------------------|-------------|-------------|-----------|-------|
| R Carcenac Class 3 | 29 Nov 2018 | 29 Nov 2020 | 7,500,000 | 0.689 |
|--------------------|-------------|-------------|-----------|-------|

Rights subject to performance criteria prior to 29 November 2020; the Company's market capitalisation averaging over a period of 30 consecutive trading days a daily average of not less than \$10,000,000; and Mr Carcenac completing 12 months of continuous employment with the Company following date of issue.

At the Annual General Meeting held on 28 November 2018, shareholders approved the issue of Performance Rights of Mr Carcenac.

| | | | | |
|----------------------------------|-------------|-------------|-----------|-------|
| Staff Performance Rights Class 1 | 22 Jan 2019 | 31 Dec 2018 | 1,250,000 | 0.720 |
| Staff Performance Rights Class 2 | 22 Jan 2019 | 31 Dec 2019 | 1,250,000 | 0.048 |

Staff Performance Rights subject to internal management KPI criteria prior to expiry date. In determining the value of the Performance Rights, Management assigned a likelihood of achieving performance criteria and applied the value of shares on grant date of \$0.012. On the 29 November 2019, 750,000 staff performance rights vested and were converted to shares.

2016

| | | | | |
|--------------------|-------------|-------------|-----------|-------|
| R Carcenac Class 2 | 27 Nov 2015 | 27 Nov 2019 | 7,500,000 | 0.350 |
|--------------------|-------------|-------------|-----------|-------|

Rights subject to performance criteria prior to 26 November 2019; the Company's market capitalisation averaging over a period of 30 consecutive trading days a daily average of not less than \$8,000,000; and consolidated gross income of the Company and its revenue exceeding \$2,000,000; and Mr Carcenac completing 24 months of continuous employment with the Company.

At the Annual General Meeting held on 28 November 2017, shareholders approved the variation to the Performance Rights of Mr Carcenac, amending the expiry date of each tranche by one year. Mr Carcenac's Class 2 Performance Rights expiry date changed from 27 November 2018 to 27 November 2019. An independent valuation was completed following changes to the expiry dates.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)
For the half-year ended 31 December 2020

5. SEGMENT INFORMATION

The Consolidated Entity has operated the business in two distinct regions, Asia-Pacific and Africa since the purchase of PacMoz in March 2015. The operating segments are recognised according to geographical location, with each segment representing a strategic business unit. As the chief operating decision makers, the Directors and Executive Management team monitor the operating results of business units separately, for the purposes of making decisions about resource allocation and performance assessment.

| Half-year ended 31/12/2020 | <u>Asia-Pacific</u> | <u>Africa</u> | <u>Total</u> |
|------------------------------------|--------------------------------|--------------------------|-------------------------|
| | \$ | \$ | \$ |
| Revenue | 54,442 | 235,184 | 289,626 |
| Operating Profit (Loss) before tax | (497,386) | (389,677) | (887,063) |
| Income tax | - | - | - |
| Net Profit (Loss) after tax | (497,386) | (389,677) | (887,063) |
| Segment Assets | 163,360 | 253,374 | 416,734 |
| Segment Liabilities | 736,606 | 101,094 | 837,700 |
| Half-year ended 31/12/2019 | <u>Asia-Pacific</u> | <u>Africa</u> | <u>Total</u> |
| | \$ | \$ | \$ |
| Revenue | 20,851 | 145,531 | 166,382 |
| Operating Profit (Loss) before tax | (651,400) | (344,024) | (995,424) |
| Income tax | - | - | - |
| Net Profit (Loss) after tax | (651,400) | (344,024) | (995,424) |
| Segment Assets | 487,797 | 309,381 | 797,178 |
| Segment Liabilities | 1,396,494 | 111,803 | 1,508,297 |

6. EARNINGS/ (LOSS) PER SHARE

The following reflects the loss and share data used in the calculations of basic and diluted earnings/ (loss) per share:

| | | |
|--|--------------------------|--------------------------|
| | <u>31/12/2020</u> | <u>31/12/2019</u> |
| | \$ | \$ |
| Earnings/ (loss) used in calculating basic and diluted earnings/ (loss) per share | (887,063) | (995,424) |
| Weighted average number of ordinary shares used in calculating basic earnings/ (loss) per share: | 962,534,186 | 751,904,967 |
| Effect of dilutive securities-share options | - | - |
| Adjusted weighted average number of ordinary shares used in calculating diluted earnings/ (loss) per share | 962,534,186 | 751,904,967 |
| Basic (loss) per share (cents per share) | (0.09) | (0.13) |
| Diluted (loss) per share (cents per share) | (0.09) | (0.13) |

Non-dilutive securities.

As at balance date there were 60,536,795 unlisted options (31 December 2019: 57,266,535) which represent potential ordinary shares, were not dilutive as they would decrease the loss per share.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)
For the half-year ended 31 December 2020

7. GOODWILL

The carrying value of the goodwill for PacMoz was subject to impairment testing in accordance with the accounting standards. A valuation was undertaken using a discounted cashflow model based on current cashflows plus expected revenues and a discount rate of 12% and the Board concluded that no impairment was required. The carrying value of the intangible is expected to be indefinite and will be evaluated on a six-month basis in the future.

8. CONTINGENT LIABILITIES

There were no material changes to contingent liabilities during the half-year.

9. EVENTS SUBSEQUENT TO BALANCE DATE

There has not arisen since the end of the half-year any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Consolidated Entity to affect substantially the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in subsequent financial years except for the following:

On 22 January 2021 the Company signed a subscription agreement to acquire a 50% holding in Mozambique registered accommodation camp developer Projectos Dinamicos, Lda in anticipation of the investment in the development of a 668 bed camp at the Wentworth Camp in Palma.

On 28 January 2021 the Company announced the successful raising of capital through a \$2.25 million share placement and access to \$1.75 million of additional loan funds. This capital sees the Company fully funded to meet the contracted commitment to Projectos Dinamicos, Lda for the camp project, and additional working capital of the Group.

Subsequent to the half year end the company negotiated a 12 month extension to the residual existing \$400k convertible note to 21 January 2022 with no changes to the terms and conditions.

DIRECTORS' DECLARATION

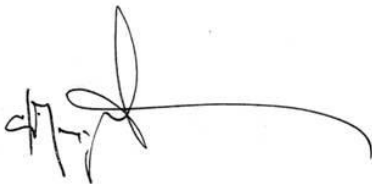
In the opinion of the Directors of RBR Group Limited ("the Consolidated Entity"):

- (a) the financial statements and notes, set out on pages 7 to 17, are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards in Australia and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the financial position of the Consolidated Entity as at 31 December 2020 and of its performance, as represented by the results of its operations, for the half-year ended on that date.
- (b) there are reasonable grounds to believe that RBR Group Limited will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the *Corporations Act 2001* from the Managing Director and the Company Secretary for the half-year ended 31 December 2020.

This declaration is made in accordance with a resolution of the Directors.

Signed at Perth this 26th day of February 2021

A handwritten signature in black ink, consisting of a stylized 'I' followed by a large, sweeping horizontal stroke that curves upwards at the end.

Ian Macpherson
Executive Chairman

INDEPENDENT AUDITOR'S REPORT



INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF RBR GROUP LIMITED

Conclusion

We have reviewed the accompanying half year financial report of RBR Group Limited ("the Company") and its controlled entities ("the Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2020 and the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half year ended on that date, a summary of significant accounting policies and other explanatory information and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the accompanying half year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its financial performance for the half year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of matter – material uncertainty related to going concern

Without modifying our conclusion, we draw attention to Note 1 in the financial report (which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern). These conditions indicate the existence of a material uncertainty that may cast doubt on the Group's ability to continue as a going concern and therefore, the Group may not be able to realise its assets and discharge its liabilities in the ordinary course of business.

Basis for Conclusion

We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the half year financial report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our ethical requirements in accordance with the Code.

Directors' responsibilities for the half year financial report

The directors of the Company are responsible for the preparation and fair presentation of the half year financial report in accordance with the Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT (Continued)

Auditor's responsibilities for the half year financial report

Our responsibility is to express a conclusion on the half year financial report based on our review. ASRE 2410 requires us to conclude whether in order to state whether anything has come to our attention that causes us to believe that the half year financial report is not in accordance with the *Corporations Act 2001* including; giving a true and fair view of the Group's financial position as at 31 December 2020 and its financial performance and its cash flows for the half year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BUTLER SETTINERI (AUDIT) PTY LTD



LUCY P GARDNER
Director

Perth

Date: 26 February 2021