

31 January 2021

December 2020 Quarterly Report

Key Points

- **MoU progressed to an agreement to purchase a 50% share in redeployable camp provider Projectos Dinamicos, Lda (“PD”) which is developing a 668 bed camp for workers on the US\$23 billion Mozambique LNG Project (“MozLNG”), under an 18 month contract**
- **Technology: RBR’s mobile device-based remote learning and assessment app is in the final stage of “Proof of Concept” testing. Further, a geolocation technology which combines productivity analysis and health monitoring, is being field-tested by RBR staff. Trials with third parties are scheduled to commence in the March 2021 quarter**
- **Developers of the MozLNG project have two active tenders for training services to the project for 2021 (yet to be awarded), both of which received RBR proposals. RBR “training and local content” proposals are included in the tender submissions of several other companies bidding for construction contracts**
- **Enquiries from prospective clients for RBR’s services in Mozambique grew significantly in the quarter, as these companies prepared for an anticipated ramp-up of construction activities on the LNG projects**

Labour and training specialist RBR Group (ASX: RBR) is pleased to present its December 2020 Quarterly Report.

The global COVID-19 pandemic first impacted business activities in Mozambique in March/April 2020. Despite relatively low levels of infection and transmission by world standards (as at 29 January 2021 there were 35,833 total cases and 347 deaths out of a population of over 30 million), the appropriately cautious approach adopted by the developers of the Mozambique LNG project led to a noticeable slowing of activity in RBR’s target sectors and geographic locations.

The widespread implementation of proactive measures to minimise the risk of COVID-19 transmission is leading to a general recovery in business activity and, fortunately, has presented new opportunities for RBR (such as the Wentworth camp project) and bolstered RBR’s competitive advantage in certain other areas e.g. there is an increased need to train local citizens for work as travel restrictions are reducing the relative competitiveness of using expatriates.

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Wentworth Camp Project in Palma, Mozambique

In October 2020, RBR began discussions with the owners of a Mozambique-registered remote camp specialist, Projectos Dinamicos Lda ("PD"), to acquire a 50% equity interest. See ASX releases dated 26 October 2020 and 26 November 2020.

During the quarter, PD entered into a contract with the EPC contractor of the MozLNG project to build and operate a 668 bed camp to accommodate construction workers directly engaged in the LNG project's construction.

The camp is being built on the Wentworth site in Palma, Cabo Delgado, Mozambique. RBR is an existing tenant of the Wentworth facility which serves as the Company's operations base in the region and is close to the LNG construction site and local airport.

As further announced on 28 January 2021, RBR has now concluded a subscription agreement to purchase 50% of PD for a nominal amount, and 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. The development of the camp began in December 2020 and the 18 month tenancy agreement with the Client commenced on 18 January 2021.

This camp project itself will create many jobs for members of the local community, which in turn will create immediate and ongoing demand for RBR's core business activities of training and labour provision. The Company will train and provide construction workers for the camp establishment, as well as for ongoing maintenance activities. Furthermore, having the LNG project's EPC contractor utilising the camp for its construction workforce will create opportunities for skills training, verification of competency of the workers, and provision of local labour such as trades assistants.

Technology

In the September 2020 Quarterly report, the Company detailed its white-labelled mobile device-based remote learning and assessment app, which will operate across all three platforms (Apple/iOS, Android, Huawei). It allows users to access training refresher modules, with assessments, in English or Portuguese and without using mobile data. The refresher modules use a short language-free video (typically under two minutes) and then follow-up with an assessment of the user's understanding of the content by way of questions in the language of their choice.

The widespread requirement for expat and migrant workers to quarantine ahead of their deployment into the workplace has further advanced the relevance of technology such as this app. Using this app, individuals will be able to undertake quick and flexible, workplace-relevant refresher training and their employers will gain some benefit during this "idle" quarantine time.

This app has undergone significant "Proof of Concept" testing which has identified various small bugs and opportunities for further improvements in the user interface. The app's developer has been addressing these items, however the COVID-19 situation has resulted in delays in publishing the successive app updates in the app stores. RBR still anticipates having the app ready for third party trial/usage during the current quarter.

Further, a geolocation technology which combines productivity analysis, health monitoring (including early-warning of elevated body temperature as a COVID-19 symptom) and contact tracing, is being field-tested by RBR staff before promoting it to potential clients. This is a proven product already in use in Australia and the Company has exclusive rights to implement it in Mozambique.

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Both of these technologies are complementary to RBR's core services offerings and have the potential to become revenue streams in their own right, or a value-add to RBR's services.

Tender Activity

RBR remains in the running for the two training tenders that were published by the developers of the Mozambique LNG project (Total, its partners and lead contractors) during the September quarter. These tenders have yet to be awarded.

Several other significant construction-related products and services tenders were issued in the December 2020 quarter. While they were not tenders that RBR was equipped to participate in directly, the Company has supported the tenderers in the development of their local content plans, which include detailed proposals on the hiring, training and ongoing development of local Mozambicans. RBR's Futuro Group subsidiaries are identified as the service providers of choice in these tender submissions which will, in turn, result in subcontract work for RBR if the tenderers are successful in securing the contracts.

Revenue and Balance Sheet improvement

The December quarter saw a continuing improvement in Group revenues.

Quarter	Mar 20	Jun 20	Sep 20	Dec 20
Receipts from customers	\$44k	\$59k	\$74k	\$148k
Quarterly growth		34%	25%	100%

The Company expects a reduction in general service revenues in the March 2021 quarter with the JOBA contract closed out, the impact of the Christmas/New Year period and continued COVID-19 issues. The March quarter however will be the first quarter of earnings for the RBR Group 50% controlled Projectos Dinamicos Lda ("PD") from the Wentworth Camp Project ("WCP") as announced on 28 January 2021. Revenues from WCP will be accounted for as dividends from PD and are likely to be distributed in the second half of 2021.

Included in the PD announcement was confirmation of 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 PD of \$2.7 million and additional working capital of the Group. Subsequent to the quarter end the company negotiated a 12 month extension to the existing \$400k convertible note to 21 January 2022 on the same terms and conditions.

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For the purpose of ASX Listing Rule 15.5, the Executive Chairman and Chief Executive Officer have authorised for this announcement to be released.

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