

27 February 2020

Appendix 4D

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

Current Reporting Period	1 July 2019 to 31 December 2019
Previous corresponding reporting period	1 July 2018 to 31 December 2018

Results for announcement to the market

	31/12/2019 \$	31/12/2018 \$	Change %
Revenue from ordinary activities	166,382	279,713	-40.5%
Net loss for the year	(995,424)	(549,854)	-81.0%
Net comprehensive loss attributable to equity holders of RBR Group Ltd	(995,880)	(547,083)	-82.0%
Dividends	-	-	-

	31/12/2019 \$	31/12/2018 \$
Net tangible assets per security		
Net tangible assets	(861,017)	(90,412)
Ordinary shares	788,547,723	708,736,078
Net tangible assets per security	-0.11 cents	-0.01 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

Delivering skilled labour to site, every day



FUTURO SKILLS



FUTURO PEOPLE

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 2019.

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

Media:
Paul Armstrong
Read Corporate
+61 8 9388 1474

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

Delivering skilled labour to site, every day



FUTURO SKILLS



FUTURO PEOPLE



ABN 38 115 857 988

Interim Financial Report for the Half-Year ended 31 December 2019

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

Paul Graham-Clarke
Non-Executive Director

Athol Emerton
Non-Executive Director

COMPANY SECRETARY

Jessamyn Lyons

PRINCIPAL REGISTERED OFFICE

Level 2, 33 Colin Street
West Perth
Western Australia 6005

PO Box 534
West Perth
Western Australia 6872

Telephone: (08) 9214 7500
Facsimile: (08) 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
Western Australia 6008

SHARE REGISTRY

Automic Group
Level 2
267 St Georges Terrace
Perth WA 6000

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

CONTENTS**For the half-year ended 31 December 2019**

	Page
Directors' Report	2
Directors' Declaration	5
Auditor's Independence Declaration	6
Condensed Consolidated Statement of Comprehensive Income	7
Condensed Consolidated Statement of Financial Position	8
Condensed Consolidated Statement of Changes in Equity	9
Condensed Consolidated Statement of Cash Flows	10
Notes to the Condensed Consolidated Financial Statements	11
Directors' Declaration	17
Independent Audit Review Report to the Members	18

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 2019. 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. Ord Nexia merged with MGI Perth in October 2010 and Mr Macpherson continued in a consulting role with the merged group until November 2011.

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.

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 TPIcap) 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.

DIRECTORS' REPORT (Continued)

Athol Emerton – *Fellow of Chartered Institute of Shipbrokers, London*
Non-Executive Director
Appointed 19 August 2019

Mr Emerton has extensive experience in building businesses and capitalising on opportunities. He is also highly regarded for his work in developing skills and improving the employment prospects of indigenous populations. Mr Emerton is the Managing Director of global logistics company LBH's operations in South Africa and Mozambique. He has been involved in ships agency and logistics in the region for 35 years and has grown the business into one of the premier logistics and shipping companies in Southern Africa.

COMPANY SECRETARY
Jessamyn Lyons - B.Comm., AGIA, ICSA
Appointed 2 August 2019

Ms Lyons is a Chartered Secretary with 15 years' experience working in the stockbroking and banking industries. She is an Associate of the Governance Institute of Australia and she 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 Southern Hemisphere Mining Limited and Doriemus PLC and Joint Company Secretary of Los Cerros Limited. Formally Ms Lyons held various positions with Macquarie Bank, UBS Investment Bank (London) and more recently Patersons Securities.

Patrick Soh – B.Bus, CPA.
Appointed 29 November 2016 – Resigned 2 August 2019

REVIEW OF OPERATIONS AND ACTIVITIES

The Consolidated Entity recorded an operating loss after income tax for the half-year ended 31 December 2019 of \$995,424 (31 December 2018: \$549,854 loss). The net loss for the half-year excluding key non-cash items for depreciation and share based payments expense is \$940,383 (31 December 2018: \$533,221 loss).

RBR's near-term operational future will centre on the broader skills and labour opportunities in the Palma region of northern Mozambique, with activities in and around the capital, Maputo, reducing in scale and importance. As a result, during this reporting period the Company implemented a process of redistributing staff and assets in country to better capitalise on these opportunities.

The Company vacated its premises in Matola (Maputo) at the end of November 2019, redirecting staff, assets and activities as follows:

- In Maputo/Matola, alternative training venues were identified and commercial arrangements put in place to ensure that existing and future clients' needs can be met;
- Fit-for-purpose serviced offices have been secured in the central business district of Maputo in close proximity to the LNG project owners and EPC contractors. A small team of Company employees based in this office are servicing existing clients, undertaking business development, and interacting with the Maputo-based executives in our target market;
- The focus of operations was shifted to Palma in Cabo Delgado, as explained further below.

RBR completed a pivotal deal to access a strategic new operations base, via a sublease to the established Wentworth camp in the town of Palma, which will enable it to scale up operations and train workers for the construction jobs. The camp is located less than 10km from the Mozambique LNG construction site, less than 1km from both the Palma airport and Palma marina and across the road from the well-known Amarula hotel, which is a popular venue for visiting expatriates.

Wentworth was established in the early 2000s as a petroleum exploration camp and was built to oil and gas industry standards at the time. The site is approximately 11 acres (44,000m²) in size, is connected to the national power grid, and provided (at its peak) accommodation, office space, medical and recreational facilities, catering and support infrastructure for over 100 people.

The head-leaseholder of Wentworth intends to undertake significant improvements and further development of the camp. RBR's training and labour hire/recruitment operations at the site complement these development plans.

RBR's tenancy in this unique site provides accommodation for trainers, catering, classrooms and both undercover and open-air facilities for training in health & safety, work-readiness and vocational skills such as scaffolding and rigging. The Company has commenced the training of Mozambican citizens from the local stakeholder communities, sourcing candidates from the Catalisa Youth Training Program, which is an initiative of the Total-led Mozambique LNG Project (Moz LNG). RBR and Catalisa are working together to create an integrated semi-skilled development pathway for the

DIRECTORS' REPORT (Continued)

Catalisa graduates which will guide the further expansion of these activities to the broader communities so that they can participate in the impending employment boom driven by the LNG projects and development of the region.

Funding

During the half-year the company successfully completed the raising of \$1,001,463 before costs via the issue and allotment of 71,533,071 shares at \$0.014 per share.

These funds have primarily been applied to meeting the capital and operational requirements of the Group's Mozambique business units and, to the working capital needs of the Corporate entity here in Australia. As at 31 December 2019 the Group held a balance of \$548,762 in cash and other receivables.

Looking forward to future funding of the necessary infrastructure and workforce development, the Company remains focussed on its existing shareholder base and, as importantly, the international donor agencies which actively support initiatives aimed at skills training in growth employment sectors and social upliftment of African peoples in the stakeholder communities linked to major capital investments. Mozambique ranks high on the list of Countries to be supported.

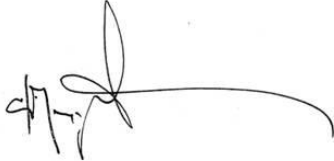
In the absence of sustainable contract revenue, the Company will continue to rely on access to capital from the equity markets, debt and international donor agencies. The group has successfully accessed each of these sources to date.

DIRECTORS' DECLARATION

DIRECTORS' DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, Butler Settinieri (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 2019.

DATED at Perth this 27th day of February 2020
Signed in accordance with a resolution of the Directors

A handwritten signature in black ink, appearing to be 'I. Macpherson', with a long horizontal line extending to the right.

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 2019, 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

A handwritten signature in blue ink, appearing to read 'L. Gardner', is placed above the name of the director.

LUCY P GARDNER
Director

Perth
Date: 27 February 2020

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
Liability limited by a scheme approved under Professional Standards Legislation

Proactive ▸ Quality ▸ Supportive

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the half-year ended 31 December 2019

	Notes	31/12/2019 \$	31/12/2018 \$
Revenue		166,382	279,713
Cost of sales		(23,278)	(47,317)
Gross Profit		141,104	232,396
Employee expenses		(292,123)	(304,111)
Directors' fees		(44,571)	(30,046)
Insurance expenses		(15,653)	(11,931)
Contractor fees		(162,683)	(127,666)
Corporate expenses		(33,010)	(16,068)
Depreciation		(11,354)	(6,584)
Property costs		(94,604)	(71,648)
Share-based payments expense		(43,687)	(10,049)
Interest expense		(79,359)	-
Capital raising costs		-	(16,537)
Other expenses		(359,484)	(187,838)
Loss before income tax		(995,424)	(550,082)
Income tax		-	228
Net loss for the year		(995,424)	(549,854)
<i>Other comprehensive income that may be recycled to profit or loss</i>			
Foreign currency translation adjustments		1,267	(2,811)
Total other comprehensive loss		1,267	(2,811)
Total comprehensive loss		(994,157)	(552,665)
Loss is attributable to:			
Equity holders of RBR Group Ltd		(995,880)	(547,083)
Non-controlling interests		456	(2,771)
		(995,424)	(549,854)
Total comprehensive loss is attributable to:			
Equity holders of RBR Group Ltd		(995,207)	(549,634)
Non-controlling interests		1,050	(3,031)
		(994,157)	(552,665)
Earnings per share			
Basic earnings/(loss) per share (cents per share)	5	(0.13) cents	(0.08) cents
Diluted earnings/(loss) per share (cents per share)	5	(0.13) cents	(0.08) 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 2019

	Notes	<u>31/12/2019</u> \$	<u>30/06/2019</u> \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		421,917	412,821
Other receivables		126,845	167,741
Other assets		39,828	40,774
TOTAL CURRENT ASSETS		588,590	621,336
NON-CURRENT ASSETS			
Plant and equipment and motor vehicles		40,847	45,979
Intangibles	6	149,898	149,898
Capitalised mineral exploration expenditure		17,843	17,843
TOTAL NON-CURRENT ASSETS		208,588	213,720
TOTAL ASSETS		797,178	835,056
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		169,118	229,335
Provisions		34,666	35,300
Convertible notes	2	1,304,513	1,304,513
TOTAL CURRENT LIABILITIES		1,508,297	1,569,148
TOTAL LIABILITIES		1,508,297	1,569,148
NET ASSETS		(711,119)	(734,092)
EQUITY			
Contributed equity	3	20,436,175	19,478,110
Reserves		776,388	716,650
Accumulated losses		(21,902,708)	(20,906,828)
Equity attributable to equity holders in the Company		(690,145)	(712,068)
Non-controlling interests		(20,974)	(22,024)
TOTAL EQUITY		(711,119)	(734,092)

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 2019

	Notes	Contributed Equity	Share Option Reserve	Foreign Currency Translation Reserve	Accumulate d losses	Owners of the parent	Non- controlling interest	Total
BALANCE AT 30 JUNE 2018		19,279,596	769,913	(95,432)	(19,408,530)	545,547	(6,445)	539,102
Loss for the half-year		-	-	-	(547,083)	(547,083)	(2,771)	(549,854)
Other comprehensive income		-	-	(2,551)	-	(2,551)	(260)	(2,811)
Total comprehensive income		-	-	(2,551)	(547,083)	(549,634)	(3,031)	(552,665)
Transactions with owners in their capacity as owners:								
Shares issued during the half-year	3	63,000	-	-	-	63,000	-	63,000
Director performance rights		-	10,049	-	-	10,049	-	10,049
BALANCE AT 31 DECEMBER 2018		19,342,596	779,962	(97,983)	(19,955,613)	68,962	(9,476)	59,486
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	3	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)

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 2019

Notes	<u>31/12/2019</u> \$	<u>31/12/2018</u> \$
Cash flows from operating activities		
Receipts from customers	210,967	315,803
Interest received	586	486
Convertible note interest paid	(78,486)	-
Payments to suppliers and employees (inclusive of goods and services tax)	(1,091,305)	(902,896)
Net cash used in operating activities	<u>(958,238)</u>	<u>(586,607)</u>
Cash flows from investing activities		
Payments for exploration and evaluation	-	(354)
Payments for plant and equipment	(5,864)	(3,797)
Receipts for sale of plant and equipment	312	-
Net cash (used in) / provided by investing activities	<u>(5,552)</u>	<u>(4,151)</u>
Cash flows from financing activities		
Proceeds from loans	50,000	96,715
Repayment of loans	(50,000)	(89,239)
Proceeds from the issue of shares	1,001,463	63,000
Proceeds from the issue of convertible notes	-	1,144,51
Capital raising costs	(28,020)	(16,537)
Net cash provided by financing activities	<u>973,443</u>	<u>1,198,452</u>
Net decrease in cash held	<u>9,653</u>	<u>607,694</u>
Cash at the beginning of the half-year	<u>412,821</u>	<u>341,920</u>
Exchange rate movements	(557)	152
Cash at the end of the half-year	<u><u>421,917</u></u>	<u><u>949,766</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 2019

1. BASIS OF PREPARATION OF HALF-YEAR FINANCIAL STATEMENTS

These general purpose financial statements for the half-year ended 31 December 2019 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 2019 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 2019 annual financial report for the year ended 30 June 2019.

In the half-year ended 31 December 2019, 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 2019.

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 \$995,424 (2018: \$549,854) and a net cash outflow from operating activities of \$958,238 (2018: \$586,607).

At 31 December 2019 the Consolidated Entity had cash assets of \$421,917 (30 June 2019: \$412,821) and working capital of \$384,806 (30 June 2019: \$356,701). In the six months to 31 December 2019 the Company raised \$1,001,463 before costs.

Although the above is indicative of a material uncertainty, the Company maintains the ongoing support of its major shareholders and capital markets advisers in ensuring continuing access to equity funds. The Company completed a capital raise in September and November 2019 that included free attaching options with an expiry price of \$0.014 expiring 31 August 2021. The Company is confident that it will be able to access additional funds through the equity markets during the year to allow for operating activities to continue, if required. 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 2019

2. CONVERTIBLE NOTES

On 6 December 2018, the Company announced that it had secured commitments for \$1.3M via the issue of Convertible Notes as part of its preparations to capitalise on the US\$50 billion LNG construction boom about to get underway in Mozambique.

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 A\$1.00 (Face Value); the aggregate Face Value of all Notes will be maximum of A\$1,500,000.

Maturity Date: The Notes will mature on the date that is 24 months after the Issue Date.

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 A\$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 A\$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 2019

3. CONTRIBUTED EQUITY

(a) Ordinary Shares

	<u>31/12/2019</u>	<u>30/06/2019</u>
	\$	\$
788,547,723 (30 June 2019: 716,264,651) fully paid ordinary shares	20,436,175	19,478,110

(b) Unlisted Options

As at the date of this report the remaining options included 15,000,000 broker options with an exercise price of \$0.025 expiring on 30 June 2020 and 42,266,535 options with an exercise price of \$0.014 expiring on 31 August 2021.

	Issue date	Expiry date	Number of options	Exercise Price	Weighted average value cents
Unquoted broker options	15 Dec 2017	30 Jun 2020	15,000,000	\$0.025	0.349
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
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 placement options (1 option for 2 shares)	29 Nov 2019	31 Aug 2021	6,871,428	\$0.014	N/A
Unquoted vendor bonus options	29 Nov 2019	31 Aug 2021	3,500,000	\$0.014	0.673

The assessed fair values of the broker and vendor options 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	Number of options	Exercise price (cents)	Volatility percentage (%)	Risk-free rate (%)	Value (cents) for one option
7 Dec 2017	30 Jun 2020	15,000,000	2.50	130	1.93	0.349
6 Dec 2018	31 Jul 2019	3,500,000	1.80	130	1.93	0.312
16 Sep 2019	31 Aug 2021	3,000,000	1.40	115	0.72	0.813
29 Nov 2019	31 Aug 2021	3,500,000	1.40	110	0.68	0.673

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)

For the half-year ended 31 December 2019

(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.

	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.

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 2019

4. 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 31/12/2019	<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
Half-year ended 31/12/2018	<u>Asia-Pacific</u>	<u>Africa</u>	<u>Total</u>
	\$	\$	\$
Revenue	447	279,266	279,713
Operating Profit (Loss) before tax	(510,597)	(39,485)	(550,082)
Income tax	-	228	228
Net Profit (Loss) after tax	(510,597)	(39,257)	(549,854)
Segment Assets	1,067,586	299,704	1,367,290
Segment Liabilities	1,239,198	68,606	1,307,804

5. 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>31/12/2019</u>	<u>31/12/2018</u>
	\$	\$
Earnings/ (loss) used in calculating basic and diluted earnings/ (loss) per share	<u>(995,424)</u>	<u>(549,854)</u>
Weighted average number of ordinary shares used in calculating basic earnings/ (loss) per share:	751,904,967	700,958,904
Effect of dilutive securities-share options	-	-
Adjusted weighted average number of ordinary shares used in calculating diluted earnings/ (loss) per share	<u>751,904,967</u>	<u>700,958,904</u>
Basic (loss) per share (cents per share)	(0.13)	(0.08)
Diluted (loss) per share (cents per share)	(0.13)	(0.08)

Non-dilutive securities

As at balance date there were 57,266,535 unlisted options (31 December 2018: 51,850,002) 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 2019

6. 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.

7. CONTINGENT LIABILITIES

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

8. EVENTS SUBSEQUENT TO BALANCE DATE

No events have arisen since the end of the half-year that may have 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.

DIRECTORS' DECLARATION

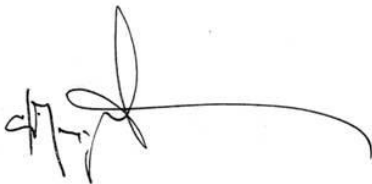
In the opinion of the Directors of RBR Group Limited ("the Consolidated Entity"):

- (a) the financial statements and notes, set out on pages 7 to 16, 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 2019 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 2019.

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

Signed at Perth this 27th day of February 2020.

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 2019 and the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half year ended on that date, notes comprising 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 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 2019 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 to the financial report which indicates that the Group incurred a loss for the half year of \$995,424 and had net cash operating outflows of \$958,238 for the period. These conditions, along with other matters as set out in Note 1, 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.

Directors' responsibility for the half year financial report

The directors of the Company are responsible for the preparation of the half year financial report that gives a true and fair view in accordance with the Australian Accounting Standards 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.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. 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*, in order to state whether, on the basis of the procedures described, 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 2019 and its financial performance for the half year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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 Settinieri (Audit) Pty Ltd
RCA No. 289109 ABN 61 112 942 373
Liability limited by a scheme approved under Professional Standards Legislation

Proactive ▀ Quality ▀ Supportive

INDEPENDENT AUDITOR'S REPORT (Continued)

As the auditor of the Company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

BUTLER SETTINERI (AUDIT) PTY LTD



LUCY P GARDNER
Director

Perth
Date: 27 February 2020