

31 January 2022

December 2021 Quarterly Report

Key Points

- **Security maintained in Palma district and indications for LNG project restart in H1 2022 strengthen.**
- **Wentworth camp contract settlement negotiations advanced.**
- **Contract opportunities outside of LNG and Cabo Delgado province continue.**
- **Operations and management restructure progressed both in Mozambique and Australia.**

Labour and training specialist RBR Group Limited (ASX: RBR) presents its December 2021 Quarterly Report.

Wentworth Camp Project in Palma, Mozambique

As reported in the annual report the Group's Wentworth camp, held via operating subsidiary Projectos Dinamicos Lda ("PD") remains relatively intact as security in northern Cabo Delgado (from the regional capital of Pemba, north through the LNG site in Afungi, the Palma district and up to the Tanzanian border) has been restored and maintained following deployment of a large contingent of local and regional African "SADC" military personnel.

Access to Palma township is opening up paving the way for PD to deploy personnel to inspect and assess the condition of the camp and associated infrastructure. Easing of access has opened the door for management to progress discussions with the Company's insurance agents with the intent to arrange a formal assessment of damages and progress the existing insurance claim of circa US\$900k.

During the Quarter negotiations progressed with CCS JV regarding settlement of the dispute over outstanding monies owing on the Wentworth camp construction contract. Based on those positive discussions PD agreed to suspend temporarily; the formal arbitration process that commenced on 21 October 2021.

The Company is hopeful of a formal settlement in the near term and will make a further statement at that time.



Figure 1: April 2021



Figure 2: November 2021

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Business Development

Mozambique

Although construction activities on the major LNG projects in the far northern province of Cabo Delgado remain suspended, other business opportunities of scale for RBR Group exist in other regions, such as the project works for Sasol (a South-African listed petroleum and chemicals company) in Inhambane province, and other prospects in Maputo, Inhambane and Nacala provinces.

As reported the Group opened new offices in Vilanculos, Inhambane province and staff have been redeployed to take full advantage of the opportunities emerging in the region. With particular focus on the Sasol PSA expansion project, management of Futuro Group operating subsidiary; Futuro Skills are now building alliances with local government departments to develop the local content policies and procedures for supply of unskilled and semi-skilled workers to the Project EPC's and sub-contractors. In addition, Futuro Skills has responded to a number of requests for tender ("RFT") in training both in the capital Maputo and across the provinces.

With the easing of Covid-19 restrictions Government departments and the Banking sector are back in full operation leading to shorter lead times in service delivery This has boosted the demand for assistance and expediting services from Futuro Business Services. Although not material in dollar value demand for Work Visas and Permits services continues to grow and with it the profile of Futuro Group.

Camp construction and accommodation services provider PD has also focussed its attention on the significant opportunities flowing from the Sasol project and have lodged several RFT responses in relation to provision of accommodation camp supply, installation, and management services associated with the project.

Operational and Management Structure

As announced in the September Quarterly the Group has reviewed its operating & management structures in our primary geographical locations of Africa and Australia.

On 25 August 2021, Mr Patrick Danaux was appointed COO Africa and has subsequently overseen the revamping of our Futuro operations within Mozambique. Of note is the strategic move to open offices in Vilankulos (Inhambane province) to pursue the significant opportunities arising from South Africa's SASOL PSA expansion project commitment.

In Australia, the Company has contracted the services of Mr Stuart Manifold to assist in the identification and assessment of scalable business opportunities for the provision of training and labour hire services. The Company is committed to developing a robust local business focused in areas of high skills demand and current labour shortages.

Stuart's background is in O&G safety and training having established, operated, and subsequently sold a successful Crises and Emergency Management business "Risktec Australasia" operating from several offices located both in Perth and offshore.

More recently Stuart held an executive position with the ASX listed ICollege Limited (ASX: ICT). During his tenure Stuart was directly involved in the M&A activities of ICollege which has seen the Company value grow from a ~\$2million market capitalisation to \$120m today.

The Company is in the process of completing due diligence on several business opportunities under Stuart's guidance.

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Revenue and Balance Sheet

At quarter end, RBR had consolidated cash of \$950k, a 50% interest in PD and (indirectly) the Wentworth camp.

Included in the cash flow report are payments to related parties of the entity and their associates of \$109k for Director's fees and salaries.

Subsequent to the Quarter end the Company has negotiated the further extension of the existing convertible note facility of \$400k that matured on 20 January 2022. The extension is for 3 months to 21 April 2022 with the intent to repay those funds during that period with part proceeds from the expected positive settlement of the Wentworth camp contract dispute.

The RBR Board maintains its positive view as to the robustness of its existing business operations and the ability to identify and secure further investment in Australian-based labour services opportunities.

For more information, please contact:

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For the purpose of ASX Listing Rule 15.5, this announcement has been authorised for release by the board.

The information in this announcement has been disclosed by RBR and is the responsibility of RBR. Neither CCS JV, nor their directors, officers, employees or agents assume any responsibility for the accuracy or completeness of that information.

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

RBR Group Limited

ABN

38 115 857 988

Quarter ended ("current quarter")

31 December 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	86	144
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(60)	(74)
(c) advertising and marketing	-	-
(d) leased assets	(64)	(95)
(e) staff costs	(133)	(291)
(f) administration and corporate costs	(315)	(597)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(60)	(121)
1.6 Income taxes paid	(1)	(1)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(547)	(1,035)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(2)	(2)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(2)	(2)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	-	-

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	1,501	1,976
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(547)	(1,035)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(2)	(2)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(2)	11
4.6	Cash and cash equivalents at end of period	950	950

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	670	1,219
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (Africa Subsidiaries)	280	282
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	950	1,501

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	109
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Item 6.1 includes aggregate amounts paid to directors including salary and director's fees.

Quarterly cash flow report for entities subject to Listing Rule 4.7B

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (Convertible Notes)	2,150	2,150
7.4 Total financing facilities	2,150	2,150
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
Tranche1 Convertible Note for \$400k is unsecured with an interest rate of 12% pa. Maturity extended to 21 April 2022.		
Tranche 2 of Convertible Notes has a value of \$1,750k is unsecured with an interest rate of 11% pa. Maturity on 25 November 2022.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(547)
8.2 Cash and cash equivalents at quarter end (item 4.6)	950
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	950
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.7
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: Yes	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: Yes As referred to in the attaching Quarterly Report the Company has advanced negotiations for an agreed settlement on the disputed Wentworth Camp contract. On settlement part proceeds will be repatriated to fund Australian operations. The company maintains the support of capital markets Brokers and existing investors should additional capital be required.	

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes as per 8.6.2.

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 January 2022

Authorised by: By the Board

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.