



31 October 2022

## September 2022 Quarterly Report

### Key Points

- Initial contract secured at SASOL-Temane light oil, gas, and LPG processing facility in Mozambique by operating entity Projectos Dinamicos Lda (PD)
- Land tenure secured for construction of accommodation camp, labour training and Building Assembly facility (MBA) adjacent to SASOL-Temane Project
- Wentworth camp assets and associated infrastructure re-deployed to Temane location
- Initial investment from South African based Tennant Group secured as 1st stage of broader strategic alliance
- Balance of \$400k RBRAU series convertible notes repaid in full
- Futuro Group maintain readiness for re-deployment to the LNG onshore facility in Afungi for a potential project restart H1 2023.

Labour and training specialist RBR Group Limited (**RBR or the Company**) is pleased to present its September 2022 Quarterly Report.

**RBR's Executive Chairman, Ian Macpherson commented:** *"The September Quarter saw the realisation of first commercial returns from the significant groundwork by the Company for the growth of its Mozambique business over the previous 6 months. The potential for building a robust business for both labour camps and training in Temane, which hosts three significant gas and energy projects, is clear. Our ability to secure and finance the contract opportunities is greatly enhanced by the alliance that we are building with Tennant Group across our business divisions. At quarter end the Group continues to pursue opportunities in the area."*

### Central Mozambique LNG

Through the Quarter, the Group maintained its focus on contract opportunities existing at the three gas projects in Temane, being:

- (1) Globetech 450 gas power plant;
- (2) SASOL PSA Project; and
- (3) Existing corporate camp expansion.



Temane - Central Mozambique Gas Project Area

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**Initial contract secured:**

As announced on 20 September, PD was confirmed as successful tenderer for supply, installation and potentially, ongoing management, of a temporary facilities project for South African based WBHO as contractor to SASOL Limited. The contract value is circa US\$2.0m with completion and handover of the temporary facilities scheduled for March 2023.



Civils for WBHO Site



Mobilisation of equipment – WBHO Site

The WBHO project is underway; teams and equipment have been mobilized and the project is on schedule.

The Temane Projects construction is forecast to require a 3000 plus workforce providing significant scope for larger contract opportunities for PD/Futuro Group.

**Wentworth Camp re-deployment**



Wentworth Camp, Palma, Mozambique

In the absence of a clear timeframe for re-commencement of the TotalEnergies LNG project at Afungi, the Group resolved to demobilise from Wentworth and moved essential camp assets and related infrastructure south to Pemba.

During the quarter, the Company has successfully relocated a significant portion of these assets to Temane on land the Group has secured proximal to the SASOL—Temane LPG project. Initial earthworks and stage 1 assembly of an accommodation camp facility for up to 100 personnel has commenced.



Planned Futuro Temane camp development incorporating 100-person multiuser accommodation, MBA, and training Facility

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Following the decision to proceed with the transport and reconstruction of the accommodation camp assets it is the intent to expand the service capabilities at the camp to encompass the training business of Futuro Skills and provide an MBA facility for supply of further accommodation and office building design and assembly services to 3<sup>rd</sup> party contractors on the Project. Futuro Skills has delivered training for 93 person-days over the past month to support the roll-out of WBHO contract for PD. The training was organized around general safety, working at heights and proper use of required hand-tools.

The ability to establish a training centre within the camp area will provide significant business synergies to the Group.



WBHO Project PD Team

## Northern Mozambique LNG – Update

Futuro Group continue to closely monitor the developments in Northern Mozambique being in readiness for the restart of the mega Mozambique LNG (TotalEnergies) project at Afungi, Palma.

Recent developments include:

- Mozambique LNG (operated by TotalEnergies) reportedly undertaking security audits with a view to a restart at Afungi, Palma.
- Increased interest and on ground activities by O&G majors to develop shore-based facilities in Pemba and or Nacala.
- Port development in Northern Mozambique continues with cargo terminal development in Pemba and Nacala. Nacala port has virtually doubled its container capacity with clear opportunities and vision for servicing the LNG developments.
- Block 4 Coral Sul FLNG (3.4 mill tpa) operated by ENI plan to be shipping gas commercially by year end 2023.
- Commitment to further drilling projects in the gas rich Area 4 resource.

## Tennant Group Alliance:

A significant step forward for the group in terms of both enhancing financial capability and expansion of our business service divisions was the announcement during the quarter of the investment by South African based, private financial services group, Tennant.

Tennant has identified a number of synergies that exist between the respective group businesses particularly in Africa but also for expansion of their business internationally with a focus on Australia.

Post quarter end Tennant made an initial investment in RBR Group of \$320k by way of both share subscription (\$20k) and an interest free unsecured convertible loan (\$300k).

It is the intent that the loan will be converted to ordinary shares in RBR subject to shareholder approval of that conversion at the forthcoming Annual General Meeting scheduled for 29 November 2022.

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With proceeds from this investment and additional funds received from the repatriation of monies from Mozambique, as referred to below, the Company subsequently was able to repay in full and cancel the balance of the \$400k RBRAU series convertible notes.

In addition to the initial investment Tennant has undertaken to assist in securing additional funding for RBR of up to US\$2.0m to strengthen the RBR balance sheet and assist in the retirement of any residual convertible note debt due to mature end of November 2022.

Discussions continue and remain very positive as to the structure and detail of that facility.

### **Australian Business and new opportunities**

Alternative Australian based skills training and labour supply opportunities that had passed preliminary review, as previously referenced; remain on hold in terms of further assessment.

The Company plans to revisit those other potential investment transactions in conjunction with a broader review process with Tennant under the alliance.

### **Revenue and Balance Sheet**

The Board was particularly pleased to be able to announce RBR Groups maiden consolidated group profit for the year to 30 June 2022.

The significantly improved working capital position has allowed the Group to more aggressively pursue the contract opportunities outlined herein over the past quarter in addition to redeploying our accommodation camp and associated infrastructure assets to the Temane LPG Project area.

At quarter end cash reserves were \$2.3 million with \$160k in Australia and \$2.17m in Mozambique.

The Company was able to repatriate \$150k from loan funds advanced to Mozambique operations during the quarter and a further \$276k in early October. This capital injection in conjunction with the Tennant investment enabled the Company to retire \$300k of the balance owing on the RBRAU series convertible notes in October 2022.

There remains a balance of \$1.75m RBRAX Series notes due for repayment, conversion or potentially extension in November. The Company is in continued contact with note holders and remains confident that positive solutions will be put in place.

Included in the cash flow report are payments to related parties of the entity and their associates of \$41k for Director's fees and salaries plus supplier payments to related parties.

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.

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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")**

30 September 2022

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	147	147
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(408)	(408)
(c) advertising and marketing	-	-
(d) leased assets	(41)	(41)
(e) staff costs	(177)	(177)
(f) administration and corporate costs	(412)	(412)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(55)	(55)
1.6 Income taxes paid	(196)	(196)
1.7 Government grants and tax incentives	-	-
1.8 Other	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,142)</b>	<b>(1,142)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(152)	(152)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(152)</b>	<b>(152)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
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	(287)	(287)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(287)</b>	<b>(287)</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	3,765	3,765
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,142)	(1,142)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(152)	(152)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(287)	(287)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	149	149
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>2,333</b>	<b>2,333</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	160	208
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (Africa Subsidiaries)	2,173	3,557
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,333</b>	<b>3,765</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	41
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

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<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)	2,050	2,050
<b>7.4 Total financing facilities</b>	<b>2,050</b>	<b>2,050</b>
<b>7.5 Unused financing facilities available at quarter end</b>		-
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.	<p>Tranche1 Convertible Note balance was \$300k is unsecured with an interest rate of 12% pa. This balance and accrued interest has been paid subsequent to the quarter end.</p> <p>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.</p>	

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,142)
8.2 Cash and cash equivalents at quarter end (item 4.6)	2,333
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	2,333
<b>8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	<b>2.04</b>
<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: N/A	
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: N/A	
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: N/A	
<i>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.</i>	



## 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 October 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.