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Welcome to the OTCQB podcast, where we highlight the venture companies that trade on our markets. I'm your host, Stephen Shipley, corporate services for APAC region at OTC Markets Group. Joining us today is Mike Pivac, CEO of FBR Limited, which trades on the OTCQB venture market under the ticker FBRKF. FBR is a Western Australian company that designs, develops, and builds robots to address global needs in a safer, more efficient, and more sustainable way. These robots are designed to work outdoors using the company's core technology. Today, we'll explore the company's development and what being on the OTCQB market means for their growth and investor relations for US investors. Mike, thanks so much for joining us today.

Mike Pivac

Great to be with you, Stephen.

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Can you tell us a little bit more about what FBR does?

Mike Pivac

Well, I think you did a very good job in the intro. I mean, we design, develop, manufacture the world's largest highway capable mobile construction robot, the Hadrian X. But in addition to that, we also pride ourselves on being one of the world leaders in long boom technology. And we focus our robotics skills, if you like, and attention on the much larger and industrial application for robots that we see are needed in across various industries in the world. We have developed the Hadrian robot as a home construction robot predominantly. Obviously it's very suited to low-rise commercial work, strip malls and shopping centers and schools and those types of things too. And it has obviously quite a versatile capability in terms of what it can build. So I think in that regard, we see ourselves as taking on the challenges of the robotic world that most other people haven't been able to go near just yet.

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Excellent. Could you expand on the problem that FBR aims to solve with its technology?

Mike Pivac

Look, the problem that we are working on a solution for has been around for

many decades. Building homes or commercial structures using masonry product has been undertaken for hundreds, if not thousands of years. And what's happening as we get further into the 21st century is that the dull, dirty, dangerous trades within the construction industry and in other industries too, for that matter, they're not attractive to the 21st century school leaders who are looking for more sort of high-tech jobs, safer jobs, cleaner jobs. And yet, we haven't been able to make a lot of advancement in the construction industry, particularly in terms of improving the way that we do things, doing them safer, producing less waste, and allowing people to venture into these you know sort of very, very required skills for the industry in a way that's improved from perhaps how their fathers did it. We're seeing very little advancement in terms of how things are undertaken on a construction site. And for us, we see the ability to address a number of different problems at the same time. And when we ventured into this you know a decade or so ago, there was a bricklayer shortage here in Australia. This happens cyclically, as it does in the building industry everywhere around the world. And what happens as a result of that is the cost of laying a brick or a block can double or triple in a very short period of time. So that presents challenges and risks to building companies. And we see the resulting automation of that particular process as being something that's absolutely critical for the industry going ahead. So for us, addressing the labor constraint issues was one of the main reasons why we started this project. But we could also see back then that we could and we should address worksite safety, speed and accuracy, and we should most certainly focus our attention on reducing the amount of masonry waste that goes into landfill and do our part in reducing the amount of construction waste that's generated around the world every year. And if you didn't know 30% of all waste generated in the world on a daily basis comes from the construction industry. So we're very focused on that. Work site safety absolutely imperative that we ensure that everybody that goes to a work site goes home safely at the end of every day and the construction industry has quite a poor record in terms of work site safety and fatalities. And we look to remove people from every dangerous situation or environment that we possibly can. And as we utilize 21st century methods and technologies, the opportunity to correct those things are there. And I think it's our responsibility in some regard to ensure that we capture those problems on the way through.

Wow, that's amazing from a labor, a waste perspective, a safety perspective. That's amazing what your technology is looking to solve there. So who do you

see as your natural competitors and what competitive advantages does your technology provide?

Mike Pivac

Look, I think the predominant advantage that we have, and it's because we've focused on this and this was not the easy route to take, but it was the obvious route to take, is that we wanted to present an improvement, a new machine, a new capability to the building industry without presenting them with any challenges or risks. We see a number of different sort of technologies being developed around the world, obviously 3D concrete printing. There's a lot of work going on in the prefab and modular space where they're trying to build faster and better in factory and then transporting those you know modular units and prefab panels and those sorts of things to building sites using your standard logistics sort of networks. For us, we wanted to present to the industry something that would fit in, okay? Using the materials they're using today, but also being sure that you were prepared for the building materials of the future, which is what we have certainly done with the aging machine. We wanted to present a product to the industry that they could adapt that was better, cheaper and faster. You know, it's very difficult to talk to a builder or a construction company and say, look, we've got this new technology. It's a little slower. It's a little more costly and it does present you a few more risks, but we think you should do it. You just don't get that conversation. So we've designed and developed our machine so that it lays the products of today. It builds the type of houses that people want to live in today. It utilizes all the infrastructure that's set up around the world to produce this type of building product. We utilize that off-the-shelf type product. And all we're doing, all we're presenting to the builders is a smarter and faster and predominantly more cost-effective way of erecting their load-bearing walls in their homes and their commercial buildings.

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Excellent, so who do you see as your natural customers or users of this technology?

Mike Pivac

Look, building and construction companies are obviously the obvious end user. But if you look at it through a different lens, you'll understand where I'm going with

this. For brick and block manufacturers around the world, they rely every day on their being humans. On building sites, using trowels and wheelbarrows and cement mixes and working at heights and cutting bricks on site and creating all these different work site hazards. They rely on humans to utilize their product in the field. And every day, there are less bricklayers and masons in the world than there were yesterday. And I say this to people often that every day I wake up, my market has got bigger than it was yesterday. And it's simply by virtue of the fact that there are not enough young people coming into the trade anymore. It's just one of those dull, dirty, dangerous trades that young people do not want to be involved in. So if you are a brick and block manufacturer and you have millions, hundreds of millions, billions, perhaps, of dollars' worth of infrastructure, and you've made that investment, you should be looking very strongly at automating the laying of your product if you still want it to be a predominant building material 10 years from now. OK, so yeah the disappearing act of bricklayers and masons around the world is estimated somewhere between five and seven percent. If you extrapolate that out five to 10 years from now. You know this potentially 30% or more brick players less than there are today. So if you're a brick and block manufacturer, I think it should be a very important part of your business strategy moving forward. The end users, the builders and construction company, I think the end beneficiaries at the end of the day will be those people that are responsible for ensuring that the people that we have now and the expected growth in our population over the next 20 or 30 years will be housed. And to ensure that it will be housed, we have to look for better, smarter, faster and more cost-effective ways of providing housing. And we think we have one very important component of that solution. We don't have the whole answer. You know, when you consider the bricks and blocks that are laid in a standard home or a commercial structure, it only way makes up a small percentage of the overall work and the overall building materials that goes into that structure, but it's a very important component. Okay, the roof can't go on until the bricks are up. Your windows and doors can't go in. Your internal fit out can't go in. The house needs the wall to go up as quickly as possible because it is one of the biggest bottlenecks in the construction process. And we're taking that process now, building a standard 4x2 home, what could potentially take days or weeks we're doing in one work day. So in terms of speeding up the process, doing that obviously presents cost and time advantages to the builder. Doing that in a way where we produce 98% less waste that's being produced today, and not only reduces the amount of product they have to buy, Because simply when we do an estimate for the building that we're going to build with the robot, we know exactly to the brick how much product needs to be ordered. There's no over-ordering required. There's no overestimating required. It's an exact amount. And then there's a significant cost advantage in saving to the builder in terms of waste removal. And the waste removal costs for building companies at the moment, I mean, For the conversations that I find myself in with building companies, I've only got to talk about the cost saving and waste

removal to get their attention. and I've said this a number of times recently, actually, that with the advantages and the improvements that we make in worksite safety, that alone would have been worth the hard work and investment that we've put in to create the Hadrian construction robot, just in the worksite safety improvements alone.

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Wow, that's amazing. So Mike, given that you're an Australian-based company, what makes the US, in particular, Florida, attractive as your first market entry point because I don't think we really talked about that a little bit. The Hadrian is coming to the United States if it's not there already. Why Florida? And what are you looking to gain by entering the US market here?

Mike Pivac

Well, I am happy to say that the Hadrian has landed.

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Excellent.

Mike Pivac

Yeah, it has landed. It is now in Florida, and so is a part of my team from Perth here. They have repositioned to Florida in the last few days to undertake the pilot program there over the next month or so. Florida, interestingly, the travels over the last few years that I've done in the US, Florida presents a very unique situation. For starters, it's all masonry construction down there, predominantly masonry construction, due to the high wind loads that are experienced in that region. So, masonry home building environment, obviously very strong. There are more homes built in Florida every year than there are in Australia as a whole every year. So it's a very big market, even though it's only one state of the USA. And, in general, I think this is a global view, it's not just mine, but, technology is appreciated and valued more in the USA than anywhere else in the world. So for us, this was not a hard decision to make. In fact, it was something that we were working toward for a number of years. It's the most attractive and valuable building market in the world in our view. They build using the products and using the similar type construction methods that we see in Australia. So we're very familiar with all of that. And if we get the market acceptance and the building community does seek to adopt it and utilize the wall of the service type model that we're taking to market with CRH in Florida, I think the industry in the USA will highly value what we've spent 10 long years creating here in Australia.

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Nice. So, what do FBR shareholders have to look forward to over the next 12 months and how has trading on OTCQB and accessing US investors helped as part of your equity strategy?

Mike Pivac

Look, I think our shareholders have a lot to look forward to. One thing that I think people have got used to around the world over the last, maybe 20 years even is that we tend to see companies appear almost overnight with amazing valuations because they've created something that you can, a software product, predominantly that you can turn on tonight and have 50,000 users next week. And we hear and we see a lot of those types of stories and those sort of very high value events occurring. For us developing a tangible machine, utilizing very unique technology, we're the only people in the world that do what we do for a reason that's because it's very hard to do. And we were able to do things with robots in the outdoor environment that nobody else is doing around the world. And we've developed that technology so that there are other adjacent use cases for it in other very valuable industries, which we are now starting to see come through a lot more strongly for the company. So, I think our shareholders have a lot to look forward to now and they've been patient with us and we really appreciate that. But as you pointed out to me earlier, when you see the machine working and you take the view that if this is what we're going to see in the future on a building site replacing humans, well, where do I sign up? Most of our shareholders are very loyal. We have 12 or 13,000 retail shareholders. We have very strong institutional support and people have been patient, understanding that creating something like this does take time, but importantly, we're not about to get a competitor appear overnight either. Whereas if you had developed and introduced a new software platform or something like that, in 12 months time, you've got 10 other companies copying what you have and then starting to erode into your market share and your value. With what we've created, it's going to take a long time for anybody to get close to where we are. So we have a very, very strong first mover advantage with this. The technology advancements that we've made in the latest iteration of the machine, the one that's just landed in Florida, the Hadrian 110, we've got about 18 or 19 years of patent protection around very key components of that machine. So, we are the only people that can deliver product through a traversing and telescoping stabilized boom with millimeter accuracy over a hundred feet day or night in almost all weather conditions. This is unprecedented. And this can actually cause you, as a founder, as the CEO, it can actually cause you some problems, because people sometimes say to me, like, if

this was such a big problem like around the world, why aren't there more people doing it? You guys have produced this machine that can build houses with a robot, but that's great. But is there really a problem? Are you a solution looking for a problem? Or is there a big enough problem there for this solution you've created? Well, we are the only ones that can do what I said. And therefore, it's going to take a long time for people to, I suppose, develop something that is equal to or better than what we have here. In Australia, we've been the second largest filer of patents for a number of years, only behind their own government agency, the CSIRO. We have over 44 patent families, 250 patents, 145 of those have been granted. We invest heavily in our IP suite. We want to protect what we've created for our shareholders. So I think they can look forward to some long-term value creation to answer your question. And with regard to the OTCQB, it's interesting because we've been watching that quite often just recently because we've seen some value creation coming into FBR in the last few weeks. Our share price has been very healthy and we've been watching the sort of liquidity improve on the ASX, but at the same time we're seeing the liquidity improve on the OTCQB. So, to put that into perspective, we're doing on the OTCQB now on a daily basis what we were doing in Australia two months ago on a daily basis. Now, I expect that that's going to continue to grow. We'll be doing everything we can to ensure that it does. But it has given us another string to our bow. There are people that have varying views on having multiple platforms. But the ASX is and can be a challenging thing for people to contemplate investing in, and therefore having a platform in the USA that people can work with in your own time zone, in your own currency, I think, that will see long-term advantages for us, I believe.

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Absolutely. So, it was great talking with you, Mike, we really look forward to following FBR and the continued success of the company. So, thank you for being with us here today.

Mike Pivac

My pleasure, Stephen. Thank you.

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So, thank you for all joining today. FBR trades under the symbol FBRKF on our OTCQB venture market.