

28 February 2019

Appendix 4D

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

Current Reporting Period 1 July 2018 to 31 December 2018
 Previous corresponding reporting period 1 July 2017 to 31 December 2017

Results for announcement to the market

	31/12/2018 \$	31/12/2017 \$	Change %
Revenue from ordinary activities	279,713	275,213	1.6%
Net loss for the year	(549,854)	(770,262)	28.6%
Net comprehensive loss attributable to equity holders of RBR Group Ltd	(547,083)	(770,262)	29.0%
Dividends	-	-	-

	31/12/2018 \$	31/12/2017 \$
Net tangible assets per security		
Net tangible assets	(90,412)	518,206
Ordinary shares	708,736,078	624,536,078
Net tangible assets per security	-0.01 cents	0.08 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

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Delivering skilled labour to site, every day



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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 2018.

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**Interim Financial Report
for the
Half-Year ended 31 December 2018**

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RBR GROUP LIMITED

ABN 38 115 857 988

CORPORATE DIRECTORY

DIRECTORS

Ian Macpherson
Executive Chairman

Richard Garcenac
Chief Executive Officer and Executive Director

Paul Graham-Clarke
Non-Executive Director

COMPANY SECRETARY

Patrick Soh

PRINCIPAL REGISTERED OFFICE

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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

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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 2018. 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 TPlcap) 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)

COMPANY SECRETARY

Patrick Soh – *B.Bus, CPA.*

Appointed 29 November 2016

Mr Soh has 20 years of experience in financial strategies, analysis and governance with some of Australia's most successful companies across multiple industry sectors. Mr Soh has extensive experience in financial risk foresight including on major projects using lead performance indicator techniques and the design of risk-based management programs and behaviours.

Mr Soh's experience as CFO and Company Secretary in ASX listed corporations, brings the same advanced strategies and vast industry knowledge to his work with small to medium enterprises. In addition to traditional corporate accounting services, Mr Soh has proven expertise in business improvement through integrating financial strategy and planning with leadership development, business systems, and organisational culture and capacity.

REVIEW OF OPERATIONS AND ACTIVITIES

The Consolidated Entity recorded an operating loss after income tax for the half-year ended 31 December 2018 of \$549,854 (31 December 2017: \$770,262 loss). The net loss for the half-year excluding key non-cash items for depreciation, share based payments expense and goodwill amortisation is \$533,221 (31 December 2017: \$639,770 loss).

RBR continued to grow its revenue base organically, primarily through the provision of training and assessment services in Mozambique, through expanding its client base, and through securing repeat work with existing clients. The Company counted several top-tier Mozambican, international and non-governmental organisations among its clients.

Concurrently, the Company focused on ensuring the capabilities required to deliver the services underpinning the strategy, in particular to deliver these services to the significant LNG projects in the north of the country are in place as and when required by the target sectors and the organisations operating in them.

The key components or capabilities included:

- Building a database of prospective workers for the Company's recruitment and labour services offering;
- Extending the Company's labour supply capabilities beyond local workers to include the international sourcing of highly skilled technical tradespeople;
- Creating a significant competitive advantage and point of differentiation in the Company's training and assessment capabilities, to become indispensable in our target markets;
- Preparing for rapid expansion of both capacity and geographic footprint in Mozambique, specifically in the north of the country near the planned LNG operations;
- Securing the funding required to deliver the above.

Building the Database

The Company has now accumulated access to more than 250,000 Mozambican workers via databases. This was achieved through a combination of in-house data collected through the Company's commercial activities in country, subscribing to existing services, working with industry associations and unions and, securing access to the database held by South Africa's TEBA.

TEBA is a labour provider which specialises in the supply of migrant workers to the South African mining industry and owns southern Africa's most extensive database of skilled workers, including more than 139,000 Mozambicans who have worked in South Africa. In order to have worked in South Africa, these individuals all have a grounding in health and safety and some type of skill, as well as familiarity with working away from home. RBR intends to use the TEBA workers as a source of local labour for the LNG projects, assessing their pre-existing skills against international (ECITB) standards, and addressing any skills shortcomings through targeted training interventions via subsidiary Futuro Skills Mozambique. This will shorten the work-readiness process for these workers, before placement on the LNG projects.

Extending RBR's Labour Supply Capabilities

Many of the target clients providing contracting services to the LNG projects will need to source entire crews of work-ready staff, including both highly skilled and experienced expatriates as well as Mozambican workers. RBR has partnered with Kuiper International, a leading labour broker specialising in oil & gas tradespeople, to secure access to these skilled expatriates. The alliance between RBR and Kuiper will enable RBR to offer fully functional crews of tradespeople, utilising its Mozambican labour licence.

DIRECTORS' REPORT (Continued)

Unique and Differentiated Training Capability

RBR's training subsidiary Futuro Skills Mozambique, Lda (FSM) secured Mozambique's first (and currently only) accreditation from the UK's Engineering Construction Industry Training Board (ECITB) to assess, train and issue ECITB qualifications in health and safety, as well as five key technical disciplines: rigging, scaffolding, welding, pipe-fitting, and steel erecting. These qualifications, alongside certain other "international" qualifications, will be required for any worker to gain access to the LNG projects.

The above ECITB-accreditation enabled FSM to secure its first "skills-related" contract with the LNG industry, scheduled to commence in Q1 2019. This contract confirmed that RBR's strategy and capabilities are aligned with the needs of the LNG industry.

Expansion of Capacity and Footprint

RBR currently operates from a modern and well-equipped facility on the outskirts of Mozambique's capital, Maputo. Much of the future LNG-related demand for services will be centred in Cabo Delgado province in the north-east of the country. RBR is in advanced discussions to secure facilities in Palma, within kilometres of the LNG construction site, as well as in the port of Mocimboa da Praia, which is the key point of entry for cargo and equipment destined for the LNG projects.

Furthermore, FSM developed containerised mobile training and assessment units which can be readily transported to any location within the country, in order to provide ECITB-accredited training and assessment services.

Funding

In order to deliver on its commitments, RBR required funding to upgrade its systems, hire additional staff with specific skills in training and labour broking, purchase equipment and expand its footprint in strategic locations. As a result, RBR announced its intention to raise funds through the issue of Convertible Loans. This exercise, which commenced during the reporting period, was successfully concluded in January 2019 with the raising of \$1.3 million.

Other Geographic Locations - Guinea

RBR's majority-owned (60%) subsidiary Futuro Skills Guinee, Sarl (FSG) offered its training and assessment services in the December 2018 quarter to an Australian-owned mining contractor providing services to the gold industry in Guinea, with an expectation of commencing the work in early 2019. While discussions are still underway, binding terms are yet to be finalised.

The Company's focus is primarily on Mozambique, with opportunities in Guinea being identified on an ad-hoc basis by RBR's 40% JV partner in FSG, with the support and guidance of RBR. As a result, Guinea does not demand significant management attention or resources at this time.

Corporate

As announced on the 6 December 2018, the Company advised that it had secured \$1.3 million 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 completion of this transaction including receipt of funds was announced on the 22 January 2019.

DIRECTORS' REPORT (Continued)

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, Butler Settineri (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 2018.

DATED at Perth this 28th day of February 2019
Signed in accordance with a resolution of the Directors

A handwritten signature in black ink, appearing to read 'I. Macpherson', with a long horizontal flourish 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 2018, 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

LUCY P GARDNER
Director

Perth
Date: 28 February 2019

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RBR GROUP LIMITED
and its controlled entities

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the half-year ended 31 December 2018

	Notes	<u>31/12/2018</u>	<u>31/12/2017</u>
		\$	\$
Revenue		279,713	275,213
Cost of sales		(47,317)	(126,941)
Gross Profit		<u>232,396</u>	148,272
Employee expenses		(304,111)	(299,644)
Directors' fees		(30,046)	(42,546)
Insurance expenses		(11,931)	(714)
Contractor fees		(127,666)	(64,227)
Corporate expenses		(16,068)	(48,095)
Depreciation		(6,584)	(10,049)
Rent		(71,648)	(70,146)
Share-based payments expense		(10,049)	(20,443)
Exploration written off		-	280
Goodwill impairment	6	-	(100,000)
Capital raising costs		(16,537)	-
Other expenses		(187,838)	(262,950)
Loss before income tax		<u>(550,082)</u>	(770,262)
Income tax		228	-
Net loss for the year		<u>(549,854)</u>	(770,262)
<i>Other comprehensive income that may be recycled to profit or loss</i>			
Foreign currency translation adjustments		(2,811)	(558)
Total other comprehensive loss		(2,811)	(558)
Total comprehensive loss		<u>(552,665)</u>	(770,820)
Loss is attributable to:			
Equity holders of RBR Group Ltd		(547,083)	(770,262)
Non-controlling interests		(2,771)	-
		<u>(549,854)</u>	(770,262)
Total comprehensive loss is attributable to:			
Equity holders of RBR Group Ltd		(549,634)	(770,820)
Non-controlling interests		(3,031)	-
		<u>(552,665)</u>	(770,820)
Earnings per share			
Basic earnings/(loss) per share (cents per share)	5	(0.08) cents	(0.14) cents
Diluted earnings/(loss) per share (cents per share)	5	(0.08) cents	(0.14) 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 2018

	Notes	<u>31/12/2018</u> \$	<u>30/06/2018</u> \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		949,766	341,920
Other receivables		167,955	205,464
Other assets		28,440	15,932
TOTAL CURRENT ASSETS		<u>1,146,161</u>	<u>563,316</u>
NON-CURRENT ASSETS			
Plant and equipment and motor vehicles		31,729	34,257
Intangibles	6	149,898	149,898
Capitalised mineral exploration expenditure		39,502	39,147
TOTAL NON-CURRENT ASSETS		<u>221,129</u>	<u>223,302</u>
TOTAL ASSETS		<u>1,367,290</u>	<u>786,618</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		130,495	207,434
Provisions		32,796	40,082
Convertible notes	2	1,144,513	-
TOTAL CURRENT LIABILITIES		<u>1,307,804</u>	<u>247,516</u>
TOTAL LIABILITIES		<u>1,307,804</u>	<u>247,516</u>
NET ASSETS		<u>59,486</u>	<u>539,102</u>
EQUITY			
Contributed equity	3	19,342,596	19,279,596
Reserves		681,979	674,481
Accumulated losses		(19,955,613)	(19,408,530)
Equity attributable to equity holders in the Company		<u>68,962</u>	<u>545,547</u>
Non-controlling interests		<u>(9,476)</u>	<u>(6,445)</u>
TOTAL EQUITY		<u>59,486</u>	<u>539,102</u>

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 2018

	Notes	Contributed Equity	Share Option Reserve	Foreign Currency Translation Reserve	Accumulated losses	Owners of the parent	Non- controlling interest	Total
BALANCE AT 1 JULY 2017		18,134,486	812,173	(47,097)	(18,058,679)	840,883	29,610	870,493
Loss for the year		-	-	-	(770,262)	(770,262)	-	(770,262)
Other comprehensive income		-	-	(558)	-	(558)	-	(558)
Total comprehensive income		-	-	(558)	(770,262)	(770,820)	-	(770,820)
Transactions with owners in their capacity as owners:								
Non-controlling interest eliminating on business combination		-	-	(34,359)	63,969	29,610	(29,610)	-
Shares issued during the half-year	3	618,114	-	-	-	618,114	-	618,114
Share issue costs during the half-year		(20,126)	-	-	-	(20,126)	-	(20,126)
Unissued shares issued during the half-year		70,000	(70,000)	-	-	-	-	-
Director performance rights		-	20,443	-	-	20,443	-	20,443
Broker options		(52,350)	52,350	-	-	-	-	-
BALANCE AT 31 DECEMBER 2017		18,750,124	814,966	(82,014)	(18,764,972)	718,104	-	718,104
BALANCE AT 1 JULY 2018		19,279,596	769,913	(95,432)	(19,408,530)	545,547	(6,445)	539,102
Loss for the 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

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 2018

Notes	<u>31/12/2018</u>	<u>31/12/2017</u>
	\$	\$
Cash flows from operating activities		
Receipts from customers	315,803	442,779
Interest received	486	853
Payments to suppliers and employees (inclusive of goods and services tax)	(902,896)	(962,829)
Net cash used in operating activities	<u>(586,607)</u>	<u>(519,197)</u>
Cash flows from investing activities		
Payments for exploration and evaluation	(354)	(426)
Receipt on sale of tenement	-	-
Payments for plant and equipment	(3,797)	-
Net cash (used in) / provided by investing activities	<u>(4,151)</u>	<u>(426)</u>
Cash flows from financing activities		
Proceeds from loans	96,715	-
Repayment of loans	(89,239)	-
Proceeds from the issue of shares	63,000	-
Proceeds from the issue of convertible notes	1,144,513	-
Capital raising costs	(16,537)	597,988
Net cash provided by financing activities	<u>1,198,452</u>	<u>597,988</u>
Net decrease in cash held	607,694	78,365
Cash at the beginning of the half-year	341,920	339,084
Exchange rate movements	152	(50)
Cash at the end of the half-year	<u><u>949,766</u></u>	<u><u>417,399</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 2018

1. BASIS OF PREPARATION OF HALF-YEAR FINANCIAL STATEMENTS

These general purpose financial statements for the half-year ended 31 December 2018 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 2018 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 2018 annual financial report for the half-year ended 30 June 2018.

In the half-year ended 31 December 2018, 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 2018.

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 \$549,854 (2017: \$770,262) and a net cash outflow from operating activities of \$586,607 (2017: \$519,197).

At 31 December 2018 the Consolidated Entity had cash assets of \$949,766 (30 June 2018: \$341,920) and working capital of \$982,870 (30 June 2018: \$315,800). In the six months to 31 December 2018 the Company raised \$1,144,513 before costs, with an additional \$160,000 received in January 2019 for Convertible Notes.

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 June 2018 and December 2018/January 2019 that included the issue of 1,304,513 Convertible Notes at \$1.00 each. RBR believes it is ideally placed to service Mozambique's LNG Construction requirements with the final investment decision expected in 2019. In the event that this is delayed and anticipated cash flows deferred, 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 2018

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 2018

3. CONTRIBUTED EQUITY

(a) Ordinary Shares

	<u>31/12/2018</u>	<u>30/06/2018</u>
	\$	\$
708,736,078 (30 June 2018: 699,736,078) fully paid ordinary shares	19,342,596	19,279,596

(b) Unlisted Options

During the half-year there were two tranches of unlisted options issued pursuant to a placement to Directors and as consideration for services.

	Issue date	Expiry date	Number of options	Exercise Price	Weighted average value cents
Unquoted placement options (1 option for 2 shares)	6 Dec 2018	31 Jul 2019	4,500,000	\$0.018	N/A
Service Provider Options	6 Dec 2018	31 Jul 2019	3,500,000	\$0.018	0.312
Unquoted broker options	15 Dec 2017	30 Jun 2020	15,000,000	\$0.025	0.349
Unquoted placement options (1 option for 2 shares)	25 Jun 2018	31 Jul 2019	28,850,002	\$0.018	N/A

The assessed fair values of the 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	Exercise Price (Cents)	Volatility Percentage (%)	Risk-free rate (%)	Value (Cents) for one Option
7 December 2017	30 June 2020	2.50	130	1.93	0.349
6 December 2018	31 July 2019	1.80	122	1.92	0.312

(c) Performance Shares

	Grant date	Expiry date	Number of performance rights	Weighted average value cents
R Carcenac Class 2	27 Nov 2015	26 Nov 2019	7,500,000	0.350
R Carcenac Class 3	29 Nov 2018	6 Dec 2020	7,500,000	0.689
PacMoz, LDA Purchase Performance Shares Tranche B	25 Mar 2015	24 Mar 2019	30,000,000	-

At the Annual General Meeting held on 29 November 2018, shareholders approved the issue of R Carcenac Class 3 Performance Rights. An independent valuation was completed on these Performance Rights.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)
For the half-year ended 31 December 2018

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 31/12/2018	<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
Half-year ended 31/12/2017	<u>Asia-Pacific</u> \$	<u>Africa</u> \$	<u>Total</u> \$
Revenue	100,471	174,742	275,213
Operating Profit (Loss) before tax	(512,634)	(257,628)	(770,262)
Income tax	-	-	-
Net Profit (Loss) after tax	(512,634)	(257,628)	(770,262)
Segment Assets	554,397	297,034	851,431
Segment Liabilities	83,835	49,492	133,327

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>31/12/2018</u> \$	<u>31/12/2017</u> \$
Earnings/ (loss) used in calculating basic and diluted earnings/ (loss) per share	(549,854)	(770,262)
Weighted average number of ordinary shares used in calculating basic earnings/ (loss) per share:	700,958,904	549,353,497
Effect of dilutive securities-share options	-	-
Adjusted weighted average number of ordinary shares used in calculating diluted earnings/ (loss) per share	700,958,904	554,570,888
Basic (loss) per share (cents per share)	(0.08)	(0.14)
Diluted (loss) per share (cents per share)	(0.08)	(0.14)

Non-dilutive securities

As at balance date there were 51,850,002 unlisted options (31 December 2017: 60,000,000) 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 2018

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. EVENTS SUBSEQUENT TO BALANCE DATE

Since the 31 December 2018 the following events have occurred.

- On 22 January 2019 a further 845,000 Convertible Notes were issued along with 2,500,000 Staff Performance Rights issued under the Employee Securities Incentive Plan.

No other 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 15, 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 2018 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 2018.

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

Signed at Perth this 28th day of February 2019.

A handwritten signature in black ink, appearing to read 'Ian Macpherson', with a long horizontal flourish extending to the right.

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 2018 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 2018 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 \$549,854 and had net cash operating outflows of \$586,607 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 2018 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*.

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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: 28 February 2019