



# ABT

ADVANCED BRAKING  
TECHNOLOGY

## Investor Update 1H21 Half Year Results



# Company Overview

'Protecting your brakes from the environment, protecting the environment from your brakes'

**Over 20 years** experience and the **original manufacturer** of sealed wet brake technology

Designed, developed, tested and manufactured **in Australia**

Heavy duty braking solutions to the **mining, defence, waste management and civil construction** industries with further diversification underway

Focused on **innovation, safety and environmental responsibility** and reduction in downtime costs and increased **operational efficiencies for our customers**



## **WE BELIEVE IN SAFETY – IT IS CENTRAL TO EVERYTHING WE DO**

Through embracing 'Safety Principles' in everything we do, we aspire to create prosperity for everyone that is touched by our business.

We aim to produce and sell innovative braking solutions with the commitment to promoting sustainable business practices that protect people and the environment.

# Results Overview

Significant inroads to improve the business performance in a challenging operating environment

**Sales Revenue**

**\$4.8m**

10% on pcp

**Gross Margin**

**44.7%**

**Cash Balance**

**\$1.48m**

\$0.51m at June '20

**Growing Blue Chip  
Customer Base**

**Substantially  
debt free**

**First long term supply  
contract**

# Market Overview

# Growing global distribution and customer network

ABT is well-positioned to take innovative solutions to market and capture additional business development opportunities globally

Sales & Distribution network covering

**>16 countries**

**>20 years**

experience and the original  
manufacturer of sealed  
brake technology

**Further growth**

planned through expansion of our  
Australian and international  
footprint



# Value proposition

The ABT product portfolio provides solutions to a number of identified problems

## Problems identified

### Damage suffered to OEM braking systems operating in harsh off-road environments

- Abrasion and corrosion - contamination by dust, mud, chemicals leading to premature brake wear, poor and often unsafe braking performance

### Unintended vehicle movements

- Risk to both people and equipment due to vehicle roll aways

### Impact to both people and the environment

- Harmful brake dust emissions

## ABT solution

### Enclosed and sealed braking systems

- Prevents contaminants from causing premature brake wear and poor braking performance

### Failsafe technology

- Spring applied hydraulic release, failsafe capability

### Wet brake technology

- Fluid filled braking system

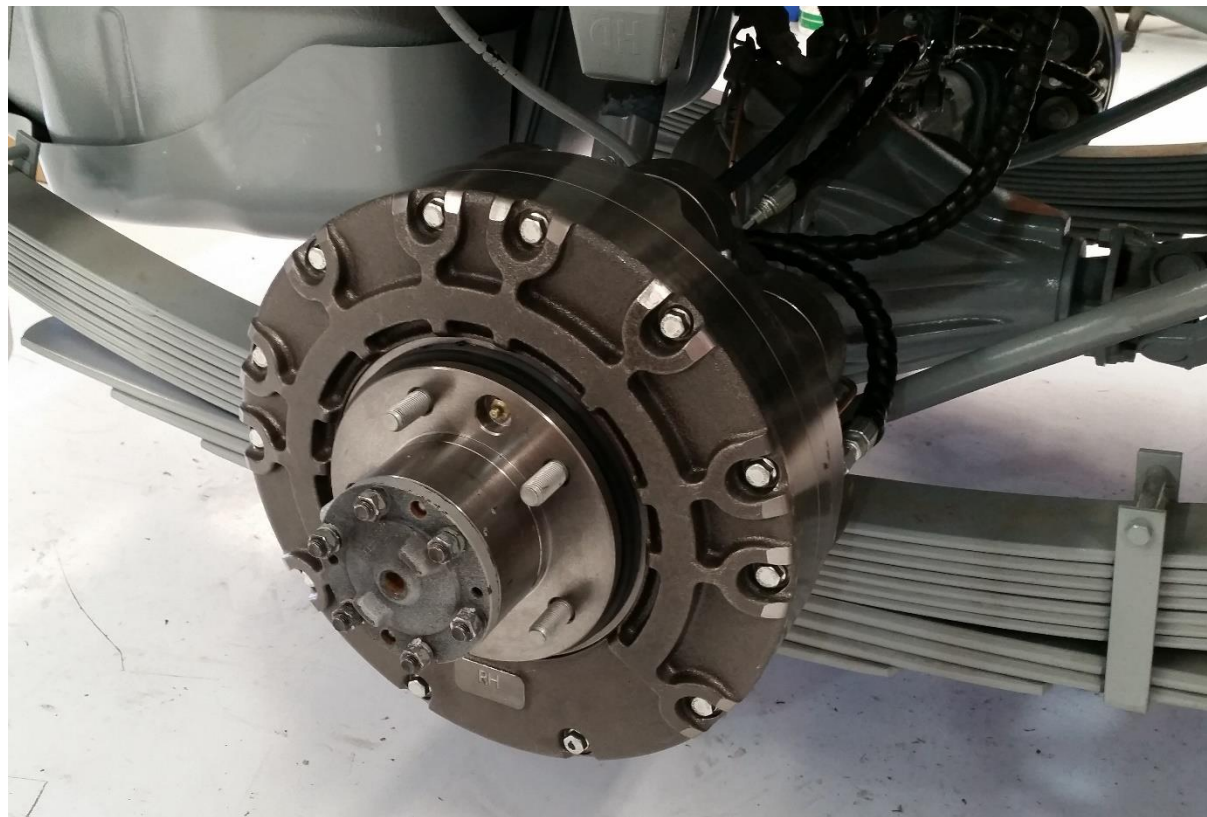
## Customer benefits

- Significantly **improved safety** for both people and equipment
- Improved Total Cost of Ownership through **reduced maintenance costs**
- **Increased vehicle uptime** & fleet availability
- **Excellent braking performance** even in the harshest operating conditions
- Zero brake particulate emissions **improves safety and lowers environmental impact**
- Improved heat management results in **reduction in brake fade and bearing overheating**

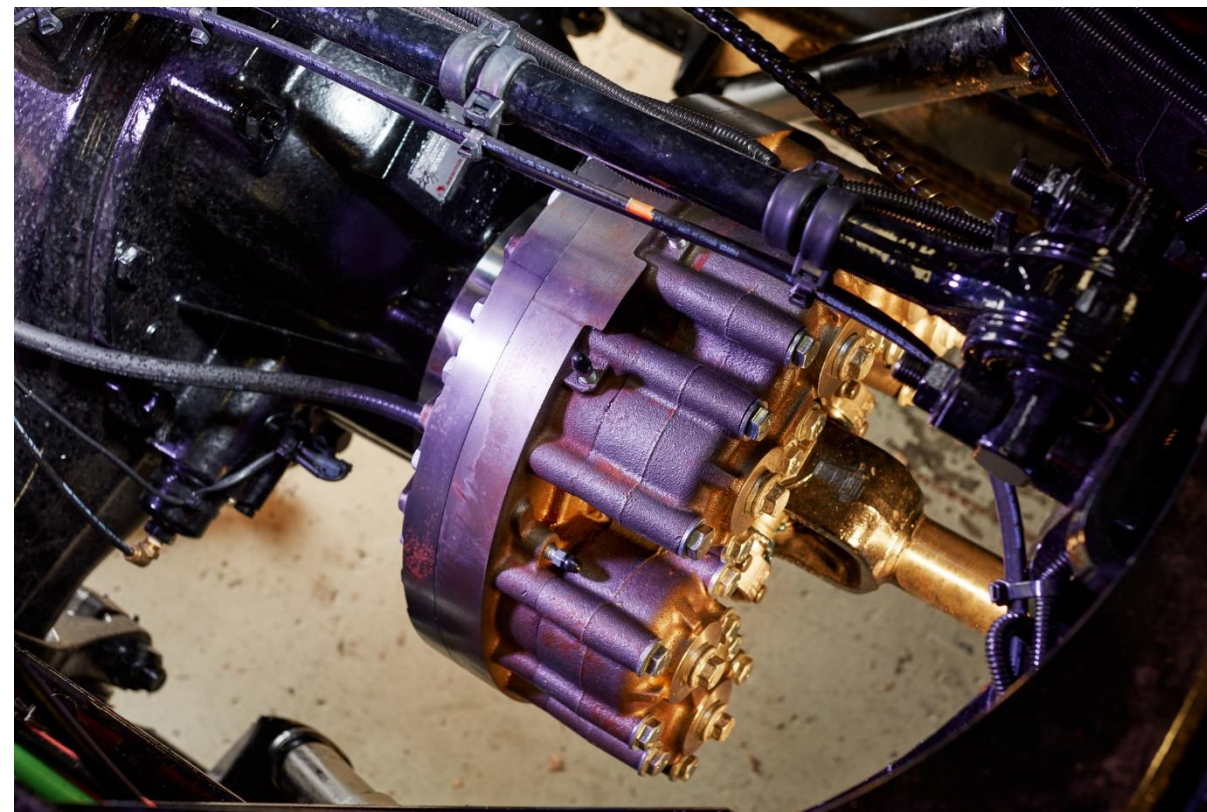
# Product and Customer Overview



# Current core products



Fully Sealed With  
Failsafe Capability



Failsafe Driveline Brakes



Terra Dura ® Fully Sealed  
For Durability

# Current core products

Product portfolio suitable for a number of different applications



- **Maximum safety** 4WD brake
- **Fully enclosed** wet brake design equipped with **failsafe technology**
- Exceptional **reliability and durability, with low maintenance requirement**
- **Mandated for use** in many underground mines to prevent vehicle runaway
- Field proven by **blue-chip customers for 20+ years**
- **Zero brake dust emissions**
- Now in 4<sup>th</sup> generation



- **Maximum safety driveline** brake
- Contains all the safety features of Failsafe
- Technology suitable for numerous applications from underground mining to high speed open road use
- **Mandated for use** in many underground mines to prevent vehicle runaway
- Field proven by **blue-chip customers for 20+ years**
- **Zero brake dust emissions**



- **Exceptionally durable** 4WD brake
- **Fully enclosed** design protects internal brake components from abrasion and corrosion
- Sealed design specifically for **harsh** environments (mining, construction, agriculture & off-road)
- Provides **significant costs savings**
- **Zero brake dust emissions**
- **Updated product launch in June 2019** – greatly improved durability and reliability

# Product innovation

ABT continues to innovate to secure new market opportunities across a range of industries



Design, prototype testing and long-term supply agreement with Thales Australia for a **hill-hold brake** for use on the Hawkei light protected vehicle

Design, prototype testing and deployment within Fortescue Metals Group for a dry **driveline brake** for use on a fully autonomous light vehicle application



**Continuous improvement** of original design concept

- design review undertaken
- metal cover version released to market for use within the most extreme operating environments
- International patent for improved concept design lodged

**Future innovation will focus on continuous improvement of our existing product portfolio to address the automotive megatrends of autonomous, electric and connected vehicles**

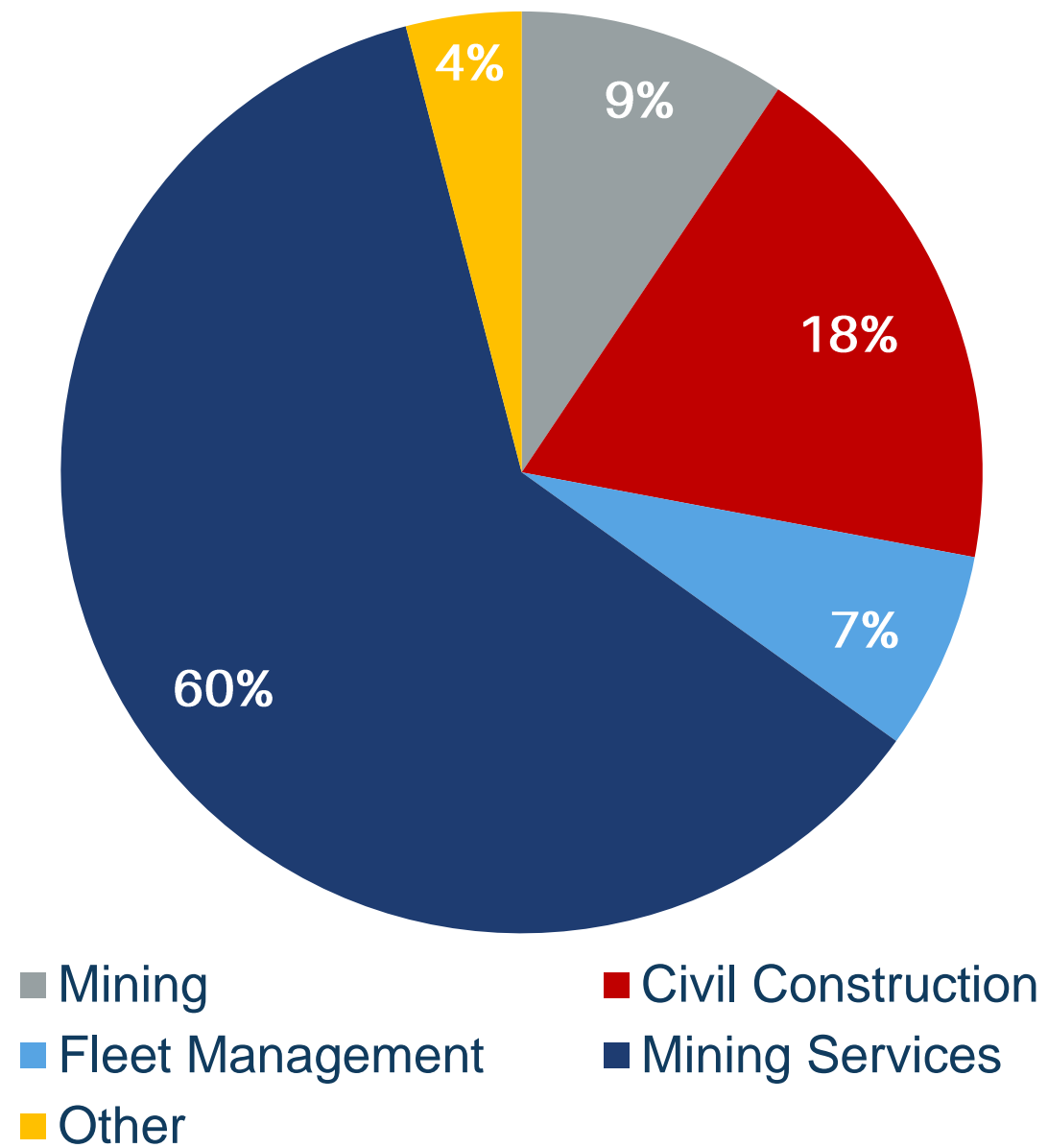
# Customers and end users

ABT continues to grow its blue chip customer base



# Product, customer and industry diversification

Sales by Industry (rolling 12 months)



THALES



CLEANAWAY



WestConnex M4-M5 Link Tunnels



# Pipeline Opportunities

Sales pipeline and forward order book remains strong

## Product Opportunities

### Failsafe

Penetration into non-ABT mine sites

Failsafe mandated mine sites creating opportunities with new vehicle applications requiring Failsafe capability

New international markets engaged – Chile, Indonesia, Zambia, New Caledonia, Botswana

### Terra Dura

Metal cover variant "Terra Dura X" released to market

Targeting "sweet spot" opportunities within wet/abrasive operating environments

Engagement with non-traditional ABT customer base (eg salt, bauxite)

New international markets engaged – Chile, Indonesia, New Caledonia

## Industry Opportunities

### Global Mining

Failsafe mandated mine sites

High maintenance environments

Autonomous vehicle applications

### Civil Construction

Foothold gained within tunneling projects in Australia

### Other

**Defence:**  
Hawkei Project

**Rail:**  
Hi-Rail applications

**Environmental:**  
Brake dust emissions

# Financial Performance

# Financial performance

- Total revenue of \$5.13 million, up 10.8% on previous corresponding period (pcp)
- Operating Sales increased to \$4.76 million, up 10.4% on pcp with product sales margins of 44.7% broadly stable compared to pcp of 46.2%
- Net Profit result of \$0.24 million (1H20: (\$0.006 million))
- Positive EBITDA result of \$0.39 million (1H20: \$0.32 million) a 23% increase on pcp
- ABT received approximately \$0.1 million in COVID-19 related financial assistance payments, provided by both the Federal and Western Australian governments

	1H21	1H20	Change
Total Revenue	\$5.13m	\$4.62m	10.8%
Operating Revenue	\$4.76m	\$4.31m	10.4%
Gross Margin	44.7%	46.2%	(3.3%)
Total Expenses	\$2.26m	\$2.32m	(2.5%)
EBITDA	\$0.39m	\$0.32m	22.8%
Profit / (Loss) for the period	\$0.24m	(\$0.006m)	n/a

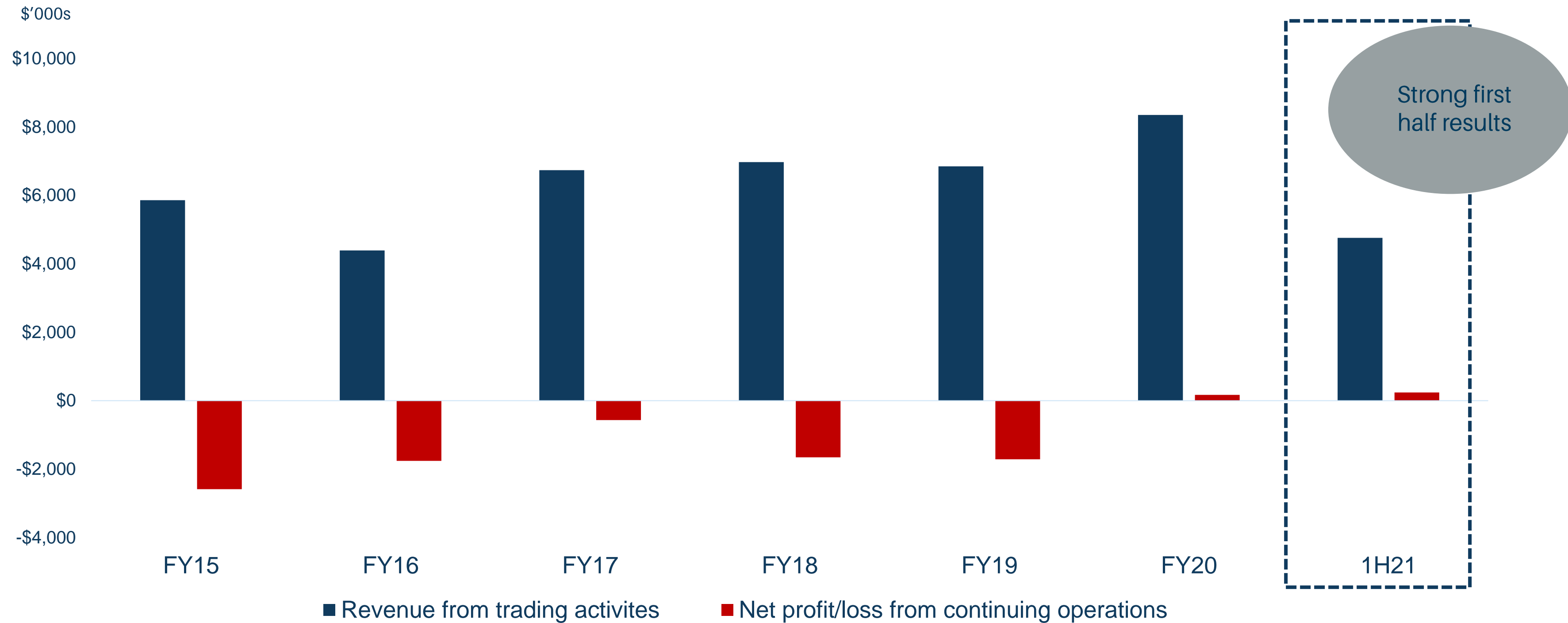


# Cash Flow performance

- Improved cash position of \$1.48 million following three consecutive quarters of positive cashflow
- Retired significant proportion of its debt in 1H20 materially reducing the Company's ongoing finance costs
- Improved sales and focus on cost management alongside receipt of the tax offset for R&D of \$0.53 million allowed the business to grow the cash balance, resulting in an improved cash position of \$1.48 million

(\$m)	1H21	1H20
Net cash from operating	1.00	0.54
Net cash from investing	(0.02)	0.65
Net cash from financing	(0.01)	(0.49)
Cash balance	1.48	0.84

# Improving financial position

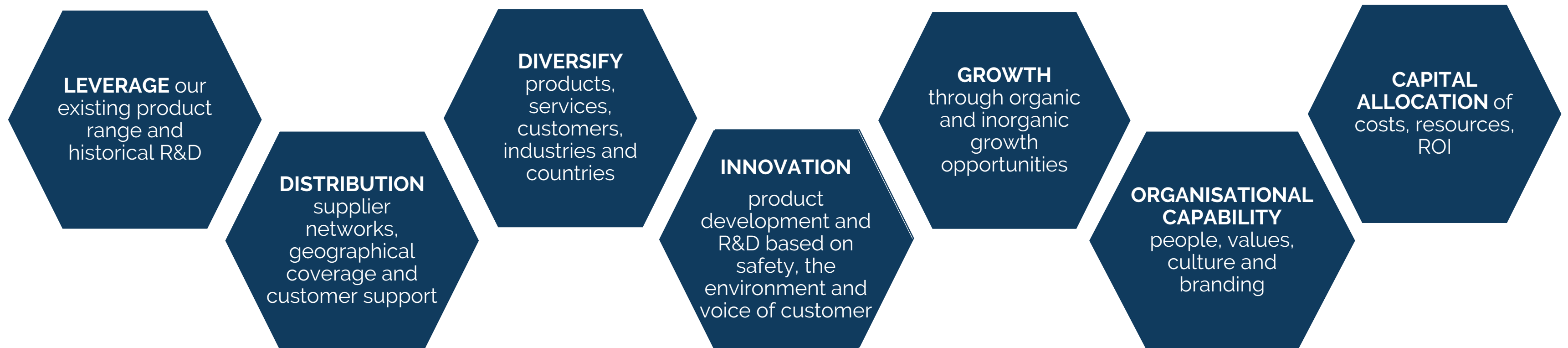


# Strategy and Outlook

# Strategy

**By 2023**

**Generate material growth in both revenues and earnings by offering innovative braking solutions to a global customer base**



**Deliver shareholder value**

# A strong future

## Recent progress to support our strategy

-  Leadership team and internal capability strengthened
-  Significantly improved financial position; increased sales and cost management
-  Substantially debt free
-  Cash flow and EBITDA positive and net profit result achieved
-  Product innovation and diversification; new products released to market
-  Customer diversification; first long term supply agreement achieved
-  Industry diversification; sales revenue from new industries achieved
-  Patent portfolio strengthened; international patent lodged

# Outlook for FY21

## The foundations for growth are now in place

- Continue to drive:
  - **Innovation;**
  - **Diversification** by leveraging our current product offering to both existing and new customers across a range of industries, and;
  - **Organic and inorganic growth** opportunities.
- Expand our **Australian and international distribution footprint** by partnering with local businesses within key geographic regions
- Continue to **improve financial performance**
- Investigate further opportunities that will allow ABT to **achieve size and significantly upscale** through acquisitions, strategic partnerships or joint ventures
- Position ABT for the future to participate in the **automotive megatrends** of automated, electric and connected vehicles



# Appendices

# Board and Management Team



**Dagmar Parsons**  
Non-Executive Chair



**David Slack**  
Non-Executive Director



**Adam Levine**  
Non-Executive Director



**Mark Lindh**  
Non-Executive Director



**John Annand**  
Chief Executive Officer



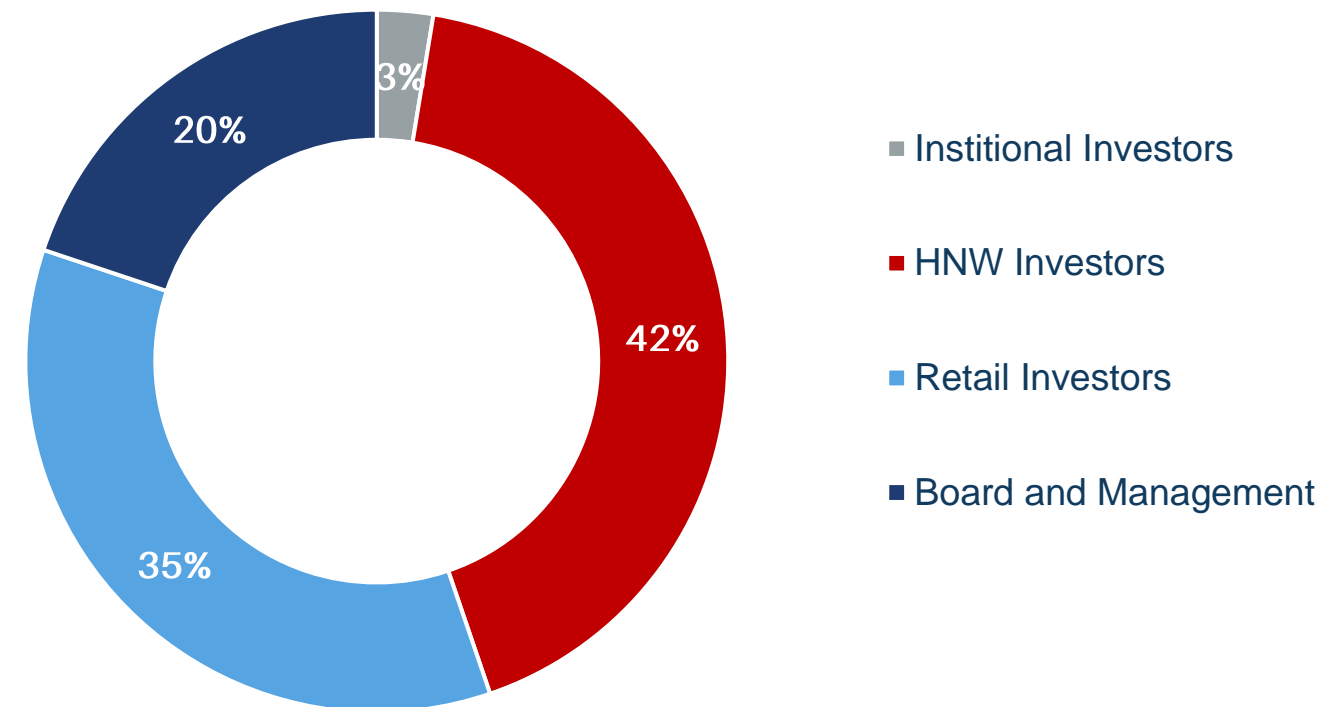
**Paige Exley**  
Chief Financial Officer



# Corporate Overview

ABT is substantially debt free with a supportive register

Top 50 share registry breakdown



## Board of Directors

Dagmar Parsons	Non-Executive Chairman
David Slack	Non-Executive Director
Mark Lindh	Non-Executive Director
Adam Levine	Non-Executive Director

## Substantial Shareholders

Keith Knowles/Parks Australia	24.13%
David Slack	18.24%
<b>Total</b>	<b>42.37%</b>

## Financial Information

Share price as of March 5, 2021	4.7 cents
Ord Share on Issue (M)	379.1
52-week trading (low/high)	0.015/0.130
<b>Market Cap (\$M)</b>	<b>\$17.81</b>
Cash (30 December 2020)	\$1.48M
Debt (30 December 2020)	nil

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