

ASX ANNOUNCEMENT

30 July 2024

June 2024 Quarterly Activities Report and Appendix 4C

Advanced Braking Technology Ltd (ASX: ABV) ('ABT' or 'the Company' or 'the ABT Group'), the leading supplier of fail-safe brakes for commercial vehicles, is pleased to provide an overview of the unaudited results for Q4 FY24 along with the Quarterly Activities Report and Appendix 4C.

Reporting Highlights

- **Q4 Revenue** from Product Sales of \$4.37m (+24.0% vs. pcp)¹
- **Q4 Gross Margin** from Product Sales of 50% (vs. 48.9% pcp)
- Closing **cash position of \$2.4m** (+17.5% vs. pcp)
- **YTD Revenue from Product Sales of \$14.72M** (+15.0% vs. pcp)¹
- **YTD Net profit after tax \$1.70m** (+10.6% vs pcp)

"The final quarter of FY24 has been a highly productive one for ABT and I am pleased to report that we have achieved our strongest results yet across key metrics including Revenue, Margin, Profit and Productivity. These results reflect an unwavering focus on the execution of our customer engagement across Australia as well as ABT's key international markets. South Africa, Asia and North America continue to develop and present strong opportunity pipeline for ABT. ABT delivered Q4 product revenue growth up +24% compared to prior year; driven by strong performance across brake systems as well as recurring spare parts and consumables sales, resulting in strong and sustained gross margin contribution.

Recently we announced the launch of the Failsafe Sealed Integrated Brake System (SIBS) for the popular Toyota Hilux light vehicle. The ABT SIBS Hilux will offer Mine Fleet Operators similar benefits to our proven Toyota Landcruiser SIBs including ABT's market leading Failsafe technology, as well as Total Cost of Ownership benefit over the useful life of the vehicle of Circa 23%⁴ when compared to a standard brake. This demonstrates to our customers a positive return on investment in an ABT SIBS brake.

Mine Safety technology continues to attract strong investment and strategic focus across mine operations around the globe. As adherence to safety regulations increases, collision avoidance technology development is in strong demand. ABT's innovation roadmap identifies the importance of the complimentary interoperable relationship between failsafe brake systems and collision avoidance technology.

1. This excludes abnormal Engineering Services revenue that occurred during FY23.
2. All revenue, sales and profit metrics are unaudited.
3. Revenue from ordinary activities includes Product Sales, Operating Sales and R&D Income. Normalised Revenue excludes R&D Income.
4. Source: Advanced Braking Technology Total Cost of Ownership Model

Enabling the foundations of ABT to support continuing growth and scale remains a key strategic charter for my team. I am extremely proud of the progress made across a range of projects and initiatives in this area and the strong resulting organisational culture which imbues.

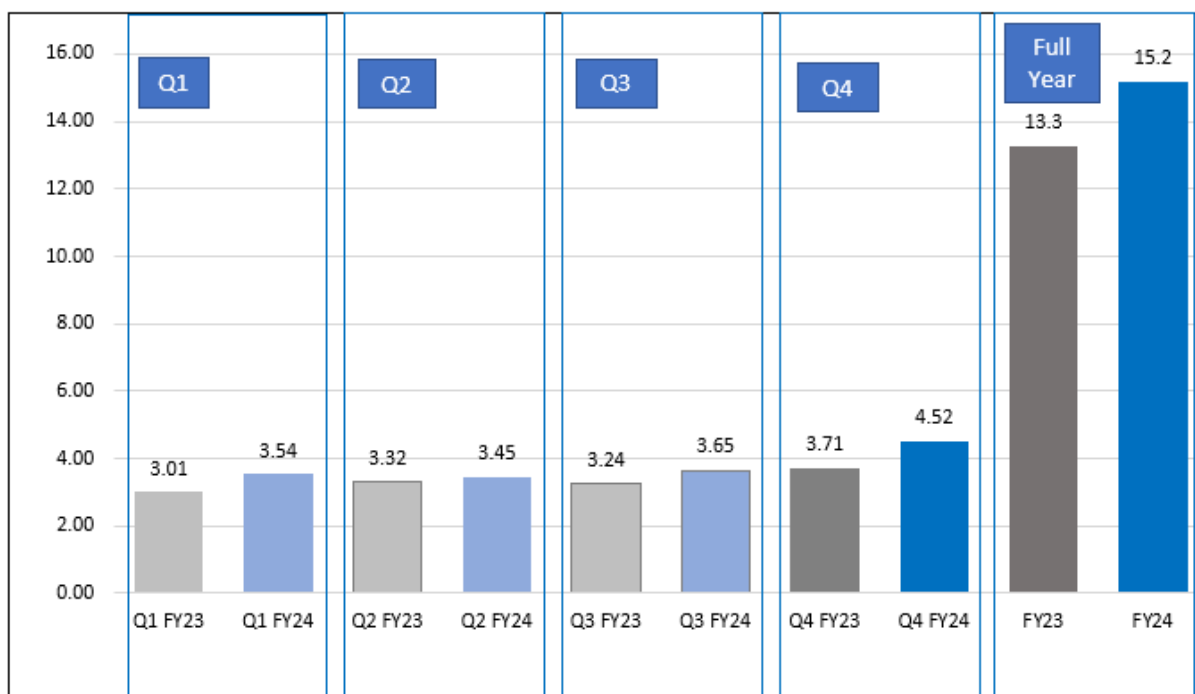
I want to express my appreciation to the highly dedicated and talented ABT team. Our results are a testament to their collective effort, and I am excited about the continuing building momentum in the new financial year ahead. Thank you to all our stakeholders and strategic partners for your continued support.”

Andrew Booth, CEO.

Financial Update²

For the quarter, ABT achieved normalised revenue³ of \$4.52m, an increase of 22% compared to prior year. For the full year, ABT achieved an increase from prior year revenue to \$15.2m, an increase of 14.2% from prior year’s revenue of \$13.3m. The overall product sales margin for the quarter is 50.0% (48.9% pcp). The positive change is driven by our focus on cost and supply chain management and product mix.

Normalised Revenue* from Ordinary Activities



*Normalised revenue from ordinary activities excludes income from externally and internally funded R&D activities.

1. This excludes abnormal Engineering Services revenue that occurred during FY23.
2. All revenue, sales and profit metrics are unaudited.
3. Revenue from ordinary activities includes Product Sales, Operating Sales and R&D Income. Normalised Revenue excludes R&D Income.
4. Source: Advanced Braking Technology Total Cost of Ownership Model

The Company continues to generate positive, unaudited net profit and EBITDA results. During the quarter, ABT had a net operating cash outflow of \$465k. Unaudited quarter end cash balance is \$2.4m (\$2.0m at June 2023 year-end). The Company continues to reinvest resources to R&D activities.

The YTD net profit after tax has increased by 13.3% compared to pcp driven by higher revenue and effective management of operating costs.

Payments to related parties and their associates during the quarter included in operating activities totalled \$72k which included non-executive directors' fees and superannuation.

This release is authorised by the Board of Directors.

- ENDS-

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About Advanced Braking Technology

Advanced Braking Technology Ltd (ABT) designs, manufactures and distributes its innovative braking solutions worldwide. From its head office in Perth, Western Australia, ABT continues to develop its product portfolio for a diverse range of industries that have a strong requirement for safety and environmental responsibility, including the mining, defence, civil construction and waste management industries.

ABT's innovative braking solutions are well known for their unparalleled safety, improved productivity, zero emissions and durability in the world's harshest conditions. As its reputation has grown, demand for ABT's brakes has expanded internationally with its braking solutions being used in all seven continents across the globe.

Appendix 4C

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

Name of entity

ADVANCED BRAKING TECHNOLOGY LTD

ABN

66 099 107 623

Quarter ended ("current quarter")

30 June 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1 Cash flows from operating activities		
1.1 Receipts from customers	3,774	15,021
1.2 Payments for		
(a) research and development	(156)	(458)
(b) product manufacturing and operating costs	(2,397)	(8,550)
(c) advertising and marketing	(18)	(53)
(d) leased assets	(31)	(181)
(e) staff costs	(1,126)	(4,262)
(f) administration and corporate costs	(585)	(1,937)
1.3 Dividends received (see note 3)		
1.4 Interest received	82	95
1.5 Interest and other costs of finance	(8)	(11)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	671
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(465)	335
2 Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses	-	-
(c) property, plant and equipment	(97)	(299)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	160	160
(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)	-	-
2.6 Net cash from / (used in) investing activities	63	(139)

Appendix 4C
Quarterly cash flow report for entities subject to Listing Rule 4.7B

3	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	60	137
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	315	315
3.6	Repayment of borrowings	(49)	(252)
3.7	Transaction costs related to loans and borrowings	(13)	(36)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.1	Net cash from / (used in) financing activities	312	165

4	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,498	2,048
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(465)	334
4.3	Net cash from / (used in) investing activities (item 2.6 above)	63	(139)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	312	165
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	2,408	2,408

5	Reconciliation of cash and cash equivalents	Current quarter	Previous quarter
	at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	\$A'000	\$A'000
5.1	Bank balances	2,300	2,390
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (Term deposits)	108	108
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,408	2,498

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	72
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

- a) Non-Executive directors fees and superannuation - \$72k

Appendix 4C
Quarterly cash flow report for entities subject to Listing Rule 4.7B

7. Financing facilities <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	286	286
7.2 Credit standby arrangements	1,500	-
7.3 Other (Vehicle Finance)	-	-
7.4 Total financing facilities	1,786	286
7.5 Unused financing facilities available at quarter end		500
<p>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> <div style="border: 1px solid black; padding: 5px;"> <p>The loan facility at 7.1 above is an unsecured finance arrangement for the Company's annual insurance premiums with Momentum Premium Funding Ltd. The amount outstanding for the remaining period of the arrangement, being 10 months is \$286,000. The interest rate of the funding is a flat rate of 4.59%.</p> <p>The facility at 7.2 above is a NAB credit facility, which provides up to the value of \$1,500,000. This facility is secured by the Company's debtors and by a general security over the assets of the Company. This facility been in place since 2024. The interest rate is based on drawing at time and is calculated as an aggregate of ATR, currently 6.37%</p> </div>		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(465)
8.2 Cash and cash equivalents at quarter end (item 4.6)	2,408
8.3 Unused finance facilities available at quarter end (item 7.5)	1,500
8.4 Total available funding (item 8.2 + item 8.3)	3,908
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	8.4
<p><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></p>	
<p>8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:</p>	
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:	
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:	
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:	
<p><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></p>	

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: 30 July 2024

Authorised by: Board of Directors
(Name of body or officer authorising release – see note 4)

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.