

ASX ANNOUNCEMENT

30 October 2024

September 2024 Quarterly Activities Report and Appendix 4C

Advanced Braking Technology Ltd (ASX: ABV) ('ABT' or 'the Company' or 'the ABT Group'), presents its quarterly activities report for the period ended 30 September 2024.

Reporting Highlights

- **Q1 Product Sales Revenue** of \$4.3m (+27% vs. pcp)¹
- **Q1 Total Sales** \$4.4m (+ 24% vs. pcp)²
- NPAT \$0.21m (+69% vs. pcp)
- Closing **cash position of \$1.7m** (+77% vs. pcp)
- **ABT Signs Exclusive Global Distribution Agreement** to market and sell automatic braking systems under its own branding BrakeIQ

ABT has delivered strong results across key metrics including Revenue, Profit and Productivity for the first quarter of F25. International Revenue grew by +55% as a result of tactical growth achieved in North America, Southeast and North Asia regions as strategic engagement with our bluechip customer base continues. This milestone quarter has delivered stronger Operating leverage as well as a higher return on invested capital (ROIC) foremost, providing our stakeholders with confidence in ABT's ability to drive sustained growth, create value and utilise capital with the efficiency and profitability of our company's operations.

Mine Safety technology continues to attract investment and strategic focus across mine operations around the globe. This was clearly evident at the recent MinExpo 2024 Convention in Las Vegas, where ABT exhibited for the first time. The event highlighted a leading-edge mining industry rising to the challenge of meeting strong global materials and energy demand in a safer, smarter, more environmentally responsible and more efficient way.

Collision avoidance technology development is a key element of this and last week ABT announced the exclusive global distribution agreement to distribute, market and sell BrakeIQ internationally. BrakeIQ is a cutting-edge automatic braking system designed to 'plug and play' with Collision Avoidance Systems (CAS) that solutions for heavy 'yellow' vehicle fleets. The brake system interoperates with any collision avoidance technology on the mine operation and will override the driver in the event where an obstacle is detected and the driver fails to act. The system fills a niche in the market with a mechanised in-cab brake actuator without interfering with the existing Original Equipment Manufacturer (OEM) brake system of the vehicle. BrakeIQ has been developed, validated and deployed jointly with a tier one Australian Mine operator. ABT's primary target markets are South Africa, where collision avoidance is mandated for all operators in 2025, and Australia, where mine safety and technology leads the world.

1. Product Sales included sales of light and heavy vehicle brake systems, spares & consumables.
2. Total Sales includes product sales, installation, services, freight, and other minor revenue.

BrakeIQ offers ABT revenue diversification as well as complements our existing portfolio of safety products with a safety brake solution for heavy yellow machinery and vehicles operating on the surface as well as underground. The Global Distribution Agreement for BrakeIQ provides ABT with incremental revenue and diversification as well as a valuable strategic partnership with mine technology company Raptortech. ABT is a leading international Failsafe Brake OEM in mining providing strong credentials to brand and market BrakeIQ product globally. ABT’s innovation roadmap has identified the importance of the complimentary interoperable relationship between our failsafe brake systems and collision avoidance technology. Our valuable bluechip Customer relationships remain pivotal to our strategic roadmap and BrakeIQ aligns strongly with this.

Financial Results (Unaudited)

For the quarter ending 30 September 2024 (AUD \$'000)

	FY24 Q1	FY25 Q1	% Change
Product Sales ¹	3,407	4,313	27%
Total Sales ²	3,585	4,434	24%
Underlying EBITDA	122	334	175%
NPAT	126	213	69%
Cash & Cash Equivalents	989	1,748	77%
Receivables	2,639	3,722	41%
Net Assets	7,106	9,092	28%

Financial Commentary (previous corresponding period)

Product Sales have increased by +27% vs p.c.p. Product sales include the sale of light and heavy vehicle brake systems as well as spares and consumables. Spares and consumables increased by +41% vs p.c.p following an ongoing focus on customer engagement across Australia and key international markets.

Total Sales increased by +24% vs p.c.p. Total sales include product sales, installation, services, freight and other minor revenue.

Underlying EBITDA increased by +175% vs p.c.p. Underlying EBITDA excludes any income related to the Research and Development tax incentive (RDTI). The increase was driven by higher revenue and effective management of operating costs.

Cash & Cash Equivalents and Receivables both increased by +77% and +41% respectively vs p.c.p as a result of increased sales through the period.

Payments to related parties and their associates during the quarter included in operating activities totalled \$70k which included non-executive directors' fees and superannuation.

“Both in Australia as well as internationally, ABT continues deepening key mining relationships. The evidence is not only in revenue, but also in the deal pipeline of opportunities and insights we are gleaming as we continue to build stronger and closer ties with these key operators.

1. Product Sales included sales of unit brakes, spares & consumables.
2. Total Sales includes Product sales, installation, services, freight, and other minor revenue.

I want to once again express my gratitude to the dedicated ABT team. The Q1 results are a testament to our oneteam philosophy and their collective efforts. The H1 and FY25 Full Year targets remain firmly in our sights. Thank you to all our stakeholders and strategic partners for your continued support.”

Andrew Booth, CEO.

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 September 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	3,967	3,967
1.2 Payments for		
(a) research and development	(53)	(53)
(b) product manufacturing and operating costs	(2,732)	(2,732)
(c) advertising and marketing	(44)	(44)
(d) leased assets	(23)	(23)
(e) staff costs	(961)	(961)
(f) administration and corporate costs	(597)	(597)
1.3 Dividends received (see note 3)		
1.4 Interest received	7	7
1.5 Interest and other costs of finance	(26)	(26)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(461)	(461)
2 Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses	-	-
(c) property, plant and equipment	(106)	(106)
(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	-	-
(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	(106)	(106)

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)	-	-
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	286	286
3.6	Repayment of borrowings	(372)	(372)
3.7	Transaction costs related to loans and borrowings	(7)	(7)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.1	Net cash from / (used in) financing activities	(93)	(93)

4	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,408	2,408
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(461)	(461)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(106)	(106)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(93)	(93)
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	1,748	1,748

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	1,640	2,300
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)	1,748	2,408

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	70
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 - \$70k

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	200	200
7.2 Credit standby arrangements	1,500	-
7.3 Other (Vehicle Finance)	-	-
7.4 Total financing facilities	1,700	200
7.5 Unused financing facilities available at quarter end		1,500
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>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 7 months is \$200,000. 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>		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(461)
8.2 Cash and cash equivalents at quarter end (item 4.6)	1,748
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)	3,248
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	7.04
<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:	
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:	
<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: 30 October 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.