

ASX ANNOUNCEMENT

27 October 2023

September 2023 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 Q1 FY24 along with the Quarterly Activities Report and Appendix 4C.

Q1 FY24 Highlights

- **Revenue from ordinary activities** of \$3.70m¹ for the quarter (a 17.3% increase on pcp)
- **Revenue from continuing operations** of \$3.58m² for the quarter (a 18.2% increase on pcp)
- **Gross Profit** \$1.18m for the quarter (a 15% increase on pcp) with a gross margin of 50.6%
- **Closing cash position of \$1.0m**

"Revenue growth for the first Quarter was in line with expectations as we continue to execute ABT's FY24 Strategic Roadmap. The execution of the roadmap encompasses the implementation of strategies designed to achieve ABT's short term as well as medium term organisational goals and objectives. This includes international market development yielding growth in regions including North America, Asia and Africa. ABT's domestic market also performed strongly with a focus on increasing market share and providing technical and sales support commensurate with being the leading brand in Failsafe braking systems for commercial fleets. During the quarter, ABT continued to progress key development projects including the Heavy Vehicle (HV) Sealed Integrated Brake (SIBS) range which targets road trucks 'mine spec'd for mine operations. Light commercial fleet innovation also remains a focus for ABT as the mining sector continues to leverage technology to deliver environment, safety and governance targets."

Financial Update

Revenue from continuing operations for the quarter amounted to a total of \$3.58m with product sales contributing \$3.4m for the quarter. The company delivered growth of 17% in product sales over Q1 FY23. The overall product sales margin for the quarter is 48.8% (50.5% pcp). The 1.7% change in margin is related to product mix and geographical jurisdiction of sales.

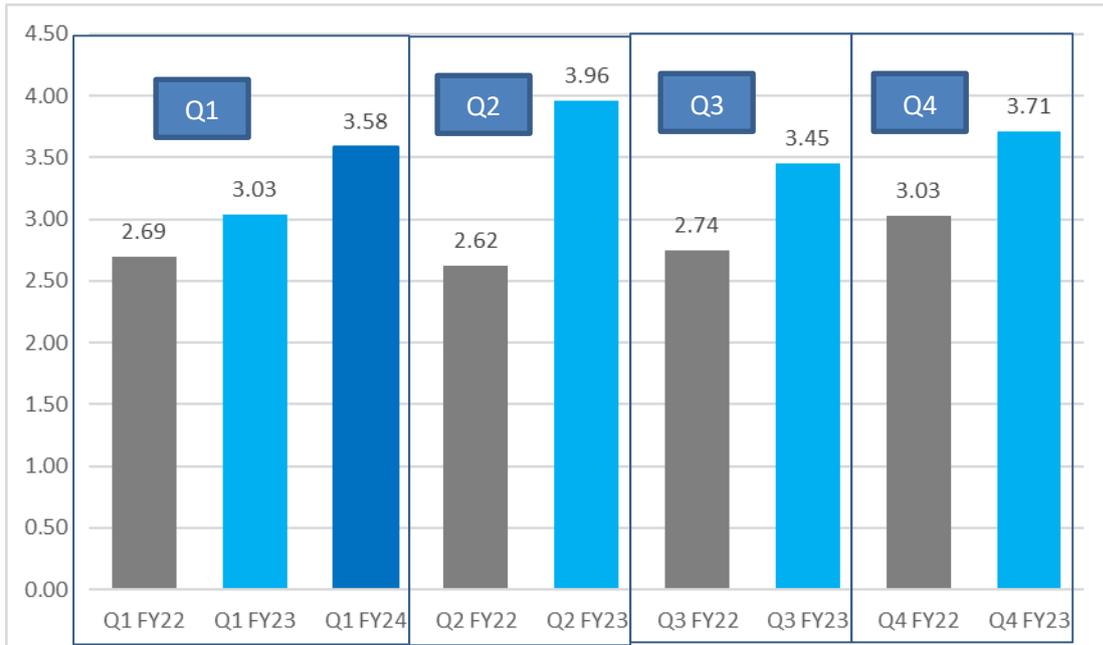
¹ All revenue, sales and profit metrics are unaudited. Revenue from ordinary activities includes Product Sales, Operating Sales and R&D Income

² Unaudited. Revenue from continuing operations includes Product Sales and Operating Sales only

³ www.australianmining.com.au/rio-tinto-turns-to-mining-mosquito-fleet/.

⁴ [Mobile plant for use on mine & petroleum sites | Resources Regulator publication \(nsw.gov.au\)](https://www.resources.gov.au/minerals/energy-and-fuels/motor-vehicles/mobile-plant-for-use-on-mine-and-petroleum-sites)

Total Revenue from continuing operations by quarter pcq



The Company continues to generate positive, unaudited net profit and EBITDA results. During the quarter, ABT had a net operating cash outflow of \$867k which was influenced by debtor payments received at a slower pace than expected, whilst creditor payments have been consistent as per agreed terms. Unaudited quarter end cash balance is \$1.0m (\$2.0m at June 2023 year-end). \$350k cash was received in the first week of the month in October 2023. Payments to related parties and their associates during the quarter included in operating activities totalled \$79k which included non-executive directors' fees and superannuation.

ABT Outlook

The International Energy Agency estimates the demand for minerals used for electric vehicles and battery storage will grow tenfold by 2040.¹ This market dynamic is boosting continued and unprecedented investment and growth in underground and other mining formats.

Since the global pandemic, the industry has seen an accelerated focus on Environment, Social and Governance (ESG) focus in the form of safety, compliance and technology driven environmental solutioning as a key driver for innovation.

CEO Andrew Booth states "Our dedicated ABT Team remains intently focussed on delivering a strong FY24 first half result complimented by continued R&D product innovation as well as the expansion of our domestic and international customer base ."

1. International Energy Agency: The Role of Critical Minerals In Clean Energy Transitions.

This release is authorised by the Board of Directors.

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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 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1 Cash flows from operating activities		
1.1 Receipts from customers	3,128	3,128
1.2 Payments for		
(a) research and development	(69)	(69)
(b) product manufacturing and operating costs	(2,229)	(2,229)
(c) advertising and marketing	(22)	(22)
(d) leased assets	(55)	(55)
(e) staff costs	(1,029)	(1,029)
(f) administration and corporate costs	(583)	(583)
1.3 Dividends received (see note 3)		
1.4 Interest received	3	3
1.5 Interest and other costs of finance	(3)	(3)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	(10)	(10)
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(867)	(867)
2 Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses	-	-
(c) property, plant and equipment	(137)	(137)
(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	(137)	(137)

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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	-	-
3.6	Repayment of borrowings	(45)	(45)
3.7	Transaction costs related to loans and borrowings	(10)	(10)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.1	Net cash from / (used in) financing activities	(55)	(55)

4	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,048	2,048
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(867)	(867)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(137)	(137)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(55)	(55)
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	989	989

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	884	1,943
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (Term deposits)	105	105
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	989	2,048

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	79
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><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></p>		

- a) Non-Executive directors fees and superannuation - \$79k

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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>		
7.1 Loan facilities	178	178
7.2 Credit standby arrangements	500	-
7.3 Other (Vehicle Finance)	-	-
7.4 Total financing facilities	678	178
7.5 Unused financing facilities available at quarter end		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 Elantis Premium Funding Ltd. The amount outstanding for the remaining period of the arrangement, being months is \$178,000. The interest rate of the funding is a flat rate of 4.45%.</p> <p>The facility at 7.2 above is a NAB Invoice Finance Facility, which provides finance of 80% of Australian Trade Receivables up to the value of \$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 2013. The interest rate for the NAB Invoice Finance Facility is currently 9.78%.</p>		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(867)
8.2 Cash and cash equivalents at quarter end (item 4.6)	989
8.3 Unused finance facilities available at quarter end (item 7.5)	500
8.4 Total available funding (item 8.2 + item 8.3)	1,489
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.72
<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: No. The performance of the current quarter is influenced by debtor payments received at a slower pace than expected, whilst creditor payments have been consistent as per agreed terms. The timing has resulted in a cash outflow for the period	
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: No. The company is not looking to raise further cash to fund its operations at present.	
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: Yes, funds have since been received into the bank account following clearance timing issues.	
<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: 27 October 2023

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.