

Appendix 4C

Quarterly report – Quarter Ended 30 September 2017 (Quarter 1)

Advanced Braking Technology Ltd

ABN 66 099 107 623

ASX Code ABV

SYNOPSIS

1 Cash Balance

Cash balance as at 12 October 2017 - \$0.793m

2 Material movements in cash since 30 September 2017

The FY17 Research and Development Tax Rebate of \$0.831m is expected to be received by the end of October.

3 Material movements in cash - Quarter 2 to Quarter 4 FY18

The only material movement in cash currently projected from 1 October 2017 to 30 June 2018, apart from the continued trends in the increase in product manufacturing and operating costs and receipts from customers, will be the receipt of the \$0.831m FY17 Research and Development Tax Rebate.

4 Net cash from operating activities

Net cash from operating activities was \$0.476m unfavourable against Quarter 1 FY17, from a \$0.097m shortfall to a \$0.573m shortfall.

Operating cash flow was impacted by;

- \$513k (49%) increase in inventory, and
- \$286k (39%) increase in staff, administration and corporate costs in relation to the change of CEO and the addition of two sales roles.

The Company has increased inventory to meet rising demand for SIBS© and Terra Dura© brakes and recruitment of two additional sales team members to capture untapped opportunities.

This has reduced the net cash impact for the quarter, against rising customer receipts, but all point toward favourable trends in sales of traditional SIBS© products, which has continued into Quarter 1, with an increase of 8.3% over Quarter 1 FY17.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

ADVANCED BRAKING TECHNOLOGY LTD

ABN

66 099 107 623

Quarter ended ("current quarter")

30 SEPTEMBER 2017

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	2,377	2,377
1.2 Payments for		
(a) research and development	(189)	(189)
(b) product manufacturing and operating costs	(1,729)	(1,729)
(c) advertising and marketing	(8)	(8)
(d) leased assets	(5)	(5)
(e) staff costs	(699)	(699)
(f) administration and corporate costs	(321)	(321)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	3
1.5 Interest and other costs of finance paid	(2)	(2)
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	(573)	(573)

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(102)	(102)
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(102)	(102)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	1,733	1,733
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(573)	(573)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(102)	(102)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	1,058	1,058

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	242	250
5.2	Call deposits	755	1,431
5.3	Bank overdrafts	-	-
5.4	Other (term deposit)	61	52
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,058	1,733

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	(54)
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8.	Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	500	-
8.3	Other (please specify)	-	-
8.4	<p>Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.</p> <p>The only facility under 8.2 above is a NAB Invoice Finance Facility, which presently provides finance of 80% of Australian Trade Receivables up to the value of \$500,000.</p> <p>This facility is secured by the company's debtors and has been in place since 2013, but has never drawn down on it.</p> <p>The interest rate for the NAB Invoice Finance Facility as at 30 September 2017 is 7.62%</p>		

9.	Estimated cash outflows for next quarter	\$A'000
9.11	Research and development	(189)
9.12	Product manufacturing and operating costs	(1,809)
9.13	Advertising and marketing	(33)
9.14	Leased assets	(7)
9.15	Staff costs	(671)
9.16	Administration and corporate costs	(298)
9.17	Other (provide details if material)	
	Interest and other costs of finance paid	(56)
	Payments to acquire property, plant and equipment	(85)
	Repayment of convertible notes	-
9.19	Total estimated cash outflows	(3,148)

9.2	Estimated cash inflows next quarter	\$A'000
9.21	Receipts from customers	2,440
9.22	Government grants and tax incentives	831
9.23	Interest received	3
9.29	Total estimated cash inflows	3,274

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

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.



Sign here:

(Company secretary)

Date: 16 October 2017

Print name: Neville A Walker

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.