



Advanced Braking Technology

ADVANCED BRAKING TECHNOLOGY

INVESTOR PRESENTATION

NOVEMBER 2017

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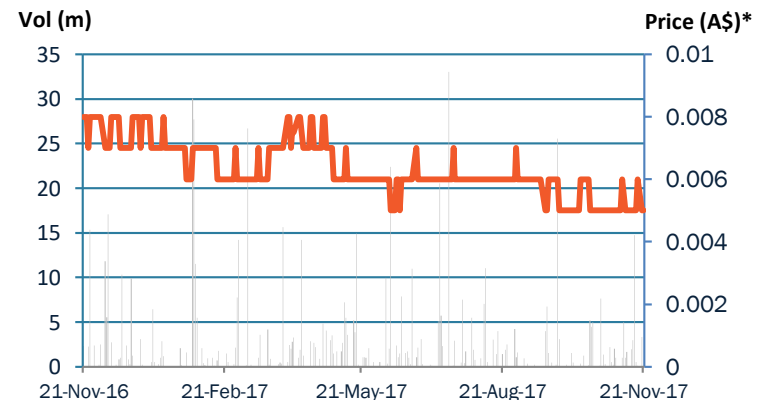
Advanced Braking Technology Ltd (ABT) is an Australian company listed on the Australian Securities Exchange (ASX: ABV) that develops and distributes high performance sealed brakes to the automotive, transport and mining industries.

ABT's founding product is the award-winning, patented **Sealed Integrated Braking System (SIBS®)** - a fail-safe, single rotor, enclosed, wet brake used by blue-chip customers for 20+ years.

The newly developed **Terra Dura®** polymer brake is on the verge of a global roll out and has the potential to **open up significant market & growth opportunities.**

ABT's extensive patent portfolio restricts competition and provides exciting licensing potential.

ASX Code	ABV
Share Price (21.11.2017)	\$0.005
Market Cap	A\$11M
12-Month High/Low*	\$0.008 - \$0.005
Revenue (FY17)	A\$7.7m
Top 20 Shareholders	Hold ~43%



INVESTMENT HIGHLIGHTS

KEY REASONS TO INVEST

GLOBAL PRODUCTS & MARKETS

Operating in a multi-billion dollar industry with potential for significant success through licensing deals to meet rising international and domestic demand.

CUTTING EDGE PROVEN TECHNOLOGY

Used by blue-chip customers for 20 years with \$30M+ spent on R&D in developing the technology and product portfolio.

GLOBAL DISTRIBUTION PARTNERSHIPS

Comprehensive distribution and channel partner engagement model with 18+ distributors globally (and growing).

COMMERCIALISATION AND GROWTH PHASE COMMENCED

Generating revenue of \$7.7m in FY17, up 43% on the previous year. Strong growth trend to continue in FY18.

STRONG IP POSITION

Strong patent portfolio with a wide-breadth of patents in key global markets.

NEW CEO — PETER HILDEBRANDT

Under new CEO, Peter Hildebrandt (ex Bosch and Volkswagen), board & management are driving a strategic transformation.

MULTIPLE DEMAND DRIVERS

- SAFETY
- LEGISLATION
- ENVIRONMENTAL
- COST SAVINGS
- EFFICIENCY
- LOW CAPEX
- OUTSOURCING
- LOW FIXED COSTS
- LEVERAGED TO SALES
- GROWTH

OUR VALUED
CUSTOMERS



**VALUE PROPOSITION:
PRODUCT LEADERSHIP**
CORE COMPETENCE

**USING OUR IP AND TECHNOLOGY WE
TAKE INNOVATIVE BRAKING
SOLUTIONS TO MARKET.**

- Research & Development
- Application Engineering
- Customer & Partner Relations
- Opportunity Development

THE BOARD

KEY REASONS TO INVEST



BRUCE GREY

Chairman
Managing Director of Advanced Manufacturing CRC Limited until April 2014. Bruce is a Non-Executive Director of CAP XX listed on the London Stock Exchange. He has also been an Executive Director of two Australian public companies.



DAVID SLACK

Non-Executive Director
Founding Managing Director of Karara Capital Pty Ltd. David was Non-Executive Director of the Victorian Funds Management Corporation and holds positions of deputy Chairman and Chair of the Board Investment Committee.



ADAM LEVINE

Non-Executive Director
A lawyer by profession, Adam has over 20 years national and global experience in structuring and executing private equity investments and corporate finance transactions both as a legal advisor and a principal investor.



MARK LINDH

Non-Executive Director
A corporate advisor with more than 15 years of experience in advising mining and resources companies with a particular focus on the energy sector.

MANAGEMENT TEAM

KEY REASONS TO INVEST



PETER HILDEBRANDT

Chief Executive Officer

Expansive international management experience in automotive and industrial markets. Executive MBA, with a track record in technology and innovation driven applications. Started late August 2017.



NEVILLE WALKER

Chief Financial Officer

Fellow Certified Practicing Accountant with forty years experience across a wide range of industries including telecommunications, manufacturing, automotive and mining & energy. Steady and trusted financial leadership at ABT.



MARTIN JOHNSTON

GM Engineering

Considerable experience of new product releases, design, supplier liaison and manufacturing. Martin is responsible for all aspects of ABT's R&D and applications engineering. Longest serving member of the management team and creator of Terra Dura.



DEAN ROBINSON

Head of Sales

Strong manufacturing background working for multi-nationals including Black & Decker, Sony and Volkswagen. Established the European operations for a Canadian electronics manufacturer and became their General Manager. Re-joined ABT in 7/2017.



STEPHEN MURDOCH

Supply Chain Manager

Certified Supply Chain Professional with a Diploma in Management. Strong functional experience with more than 35 years in factory, logistics, procurement and supply chain. His strong industry credentials are a valuable asset to ABT from 12/2017.



OUR PRODUCTS

SAFETY

- Global focus on occupational health and safety with increasing regulation
- Mine sites are inherently dangerous
- Brake failure has serious consequences
- OEM brakes do not incorporate fail safe capabilities
- OEM brakes do not meet Australian regulation
- Release of dangerous emissions

DURABILITY

- OEM brakes are not suitable for harsh environments
- Exposure to abrasive elements rapidly deteriorates brake pads –7 days in extreme cases
- Service, replacement and downtime costs are highly detrimental to an operation
- Increased risk of brake failure

SIBS
SEALED INTEGRATED
BRAKING SYSTEM



THE SAFETY SOLUTION

- **Award-winning, patented** Sealed Integrated Braking System (SIBS®)
- Advanced and refined by ABT **over 15 years**
- Technology provides a **safer operating environment** for vehicles from underground mining to high speed on the open road
- **Mandated for use** in many underground mines
- Global **blue-chip** customers
- Fail safe brakes with **exceptional reliability**
- **Excellent durability** results in low maintenance costs – payback 12-18 months
- **Zero emissions** = environmentally sound
- **Minimal competition**
- Long term **patent coverage** in key global markets



TERRA DURA

THE GROWTH DRIVER



with patented SIBS® technology

THE MOST DURABLE BRAKE ON THE MARKET

- **New polymer encased**, fully sealed, dry brakes for top braking performance
- Lighter and more affordable than failsafe wet brakes. **Half the weight and cost**
- Built to withstand **high braking temperatures, mud, and water**
- **Labour and part replacement savings of up to 70%** can pay back installation costs in as little as **three months**
- **Enormous market potential** - Suitable for both commercial and leisure 4WD vehicles
- Immediate pipeline of addressable vehicles from existing and trial customers is **over 1,500 units**
- **No competitive alternative** in the market
- Long term **patent coverage** in key global markets



TERRA DURA

COMPETITIVE ADVANTAGES



SAFETY

Top braking performance remains completely unaffected by water, mud or contaminants.



LESS DOWNTIME

Removes the need for frequent servicing to replace worn or damaged brake parts.



LOWER RUNNING COSTS

Labour and part replacement savings can pay back installation costs in as little as 3 months.



LAST LONGER

Even under extreme conditions Terra Dura brake pads can last up to 50,000 km.



EASY INSTALLATION

Can be self installed and serviced by a qualified mechanic.



ENVIRONMENTALLY FRIENDLY

Fully enclosed design results in zero braking emissions.

TERRA DURA COMPETITIVE ADVANTAGES



FINDINGS FROM ROUGH ROAD TESTING



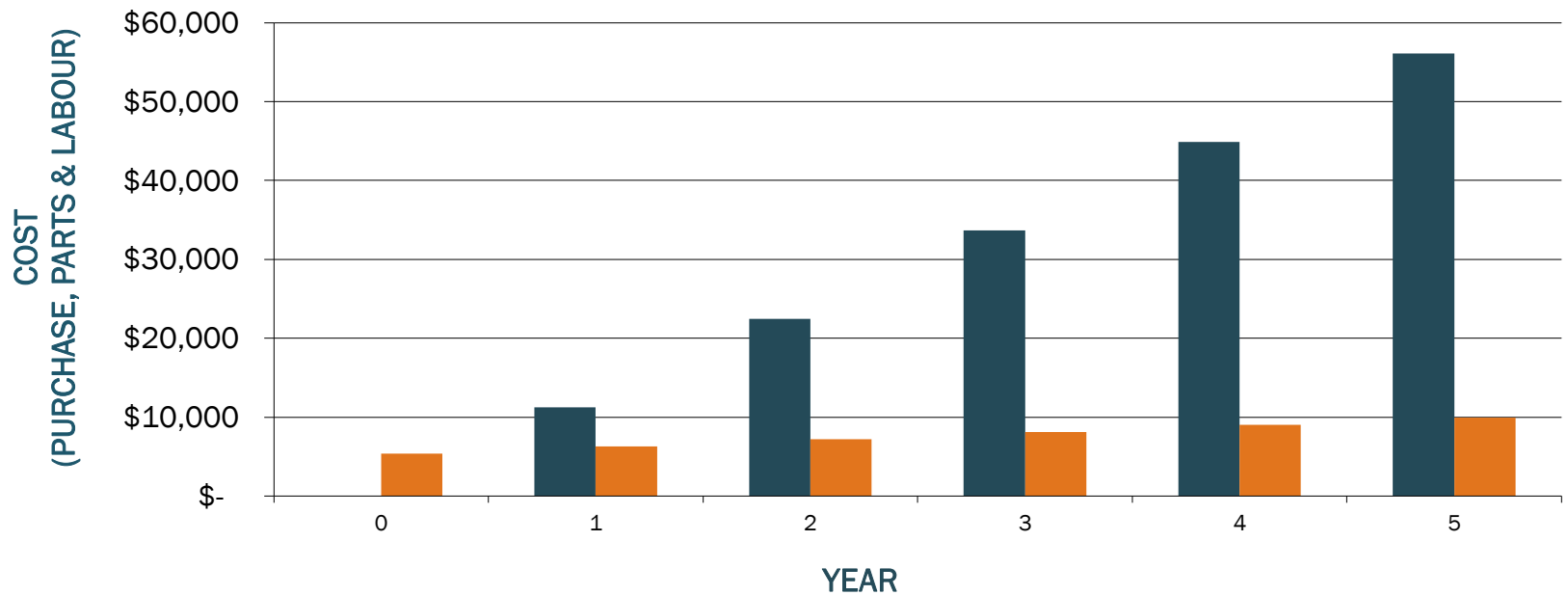
- Loops of **gravel** road with **mud and water holes**
- In total, almost **6,000 km** of both rough road and normal road use
- OE front brake found with **fully worn pads** and **failed hub seal**
- If left unchecked, this would have resulted in a **costly rebuild of front axle**
- **Terra Dura rear brakes remained sealed with minimal wear**
- **Terra Dura without wheel bearing issues**

TERRA DURA PAY BACK

- Terra Dura can save A\$40,000+ over 5 years, per vehicle
- Payback in as little as 3 months

KEY | ■ = Standard Rear Brake
■ = Terra Dura Brake

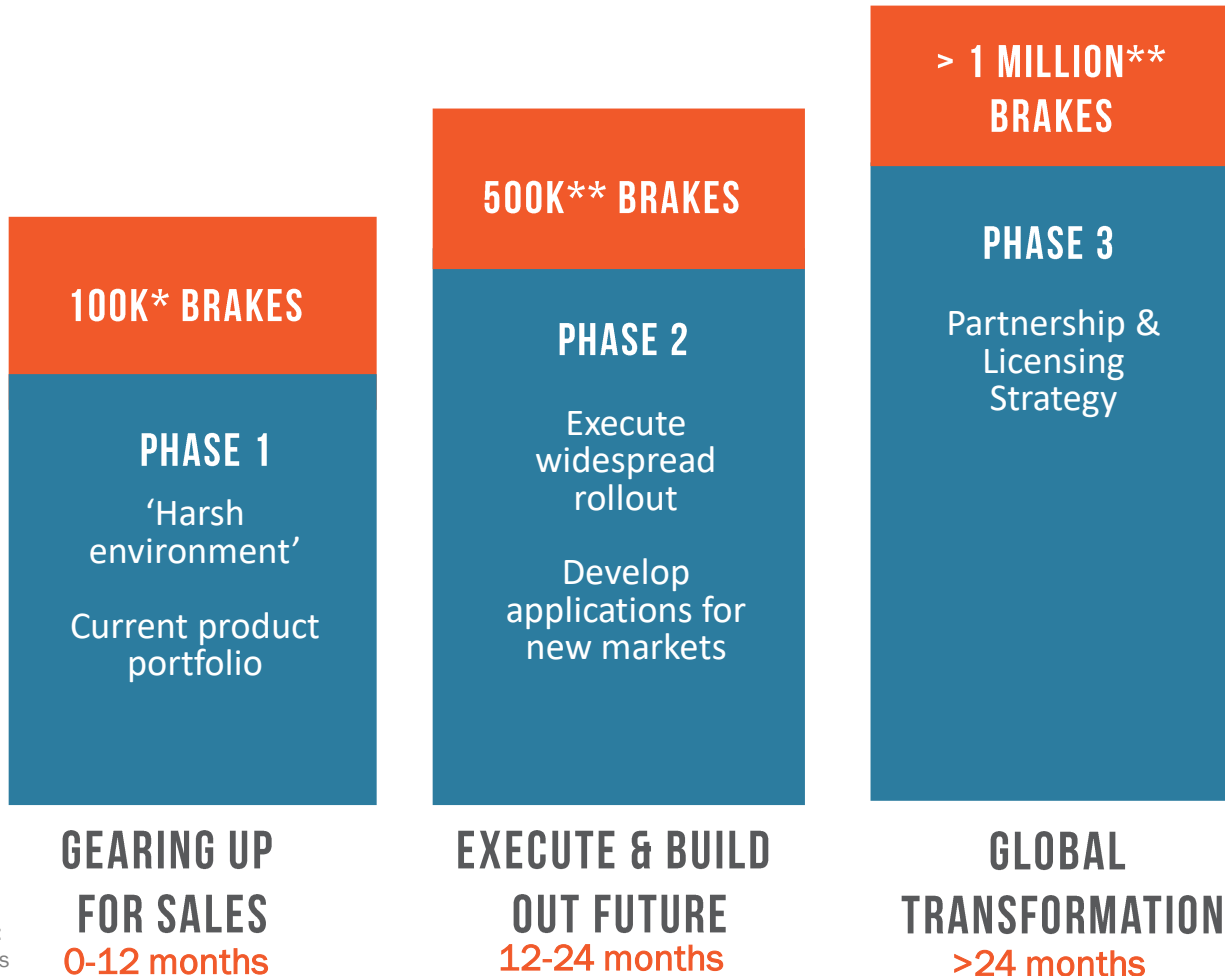
TOTAL ACCUMULATIVE COST OF OWNERSHIP PER VEHICLE



BUSINESS ROADMAP

BEYOND CURRENT NICHE APPLICATIONS

KEY REASONS TO INVEST



* Mining only
** Addressable market: vehicles/applications



PHASE 1

**GEARING UP
FOR SALES**

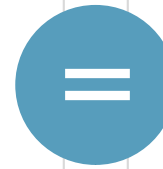
GEARING UP FOR SALES PHASE 1

The company, under new CEO Peter Hildebrandt, has clear strategies in place to achieve targeted production run rates by early 2018 to fulfill a significant expansion into international markets.

The management, led by Peter, is carrying out structural adjustments via the deployment of supply chain excellence, and development of a comprehensive distribution and channel partner engagement model that will support the projected growth trajectory over the next 12 months.

SCALABLE SUPPLY CHAIN

Establish an Enhanced Fulfillment Process



INCREASE PRODUCTION VOLUMES AT STRONG MARGINS

DISTRIBUTION

Deploy an Effective Engagement Model



BROAD ROLL-OUT OF TERRA DURA VIA AN EFFICIENT AND ENGAGED NETWORK

BUSINESS MODEL

Define Market and Key Success Factors



PENETRATE NEW MARKETS AND INCREASE TERRA DURA VEHICLE APPLICATIONS / PRODUCT RANGE

ORGANISATION

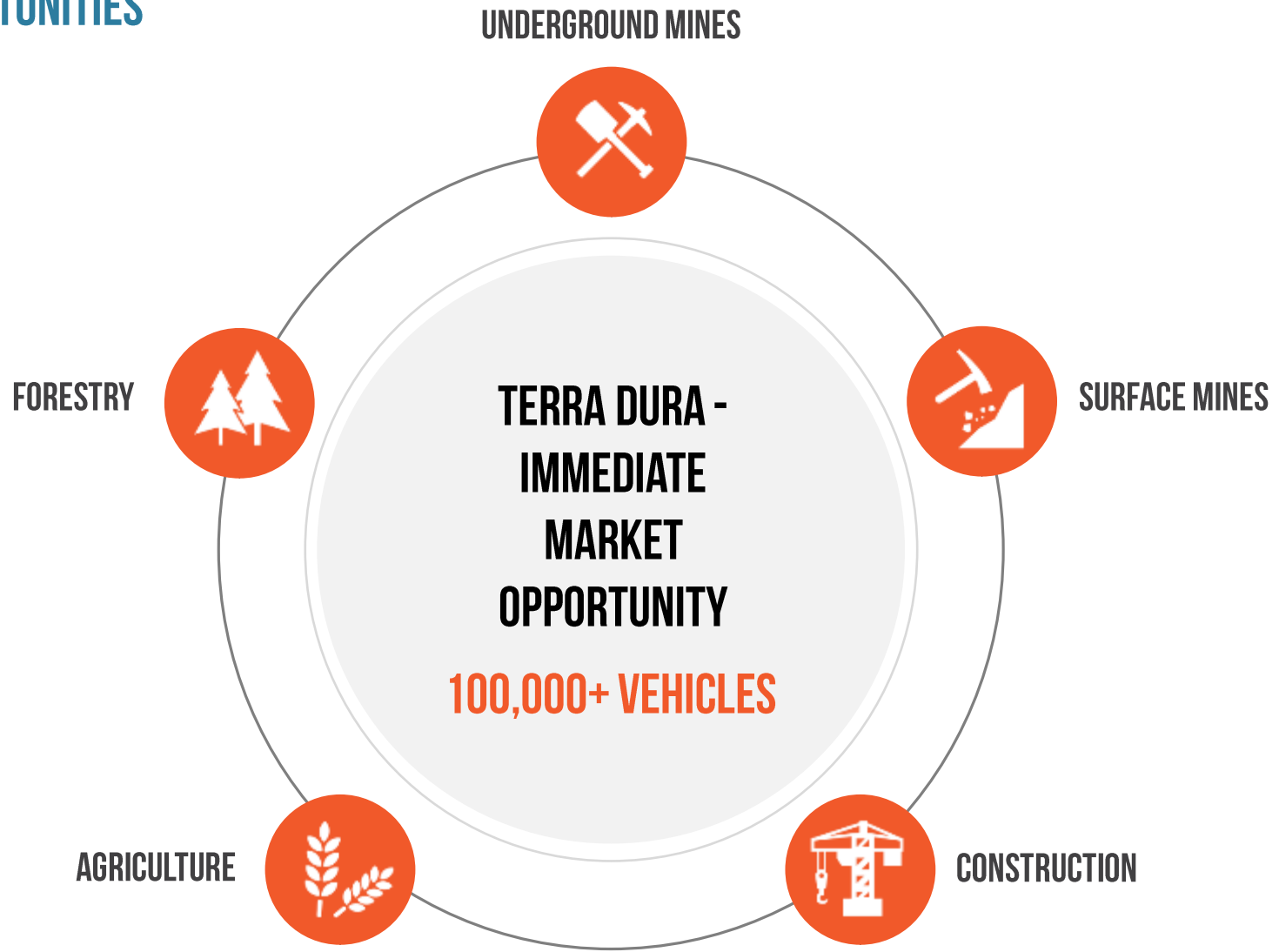
Build a Results Focused Organisation



OPERATE PROFITABLY TO DRIVE GROWTH AND SHAREHOLDER VALUE

IMMEDIATE MARKET OPPORTUNITIES

PHASE 1



TRENDS AND OPPORTUNITIES

PHASE 1

MINING

The mining industry is experiencing a strong resurgence, with commodity prices increasing and companies increasing their spend globally. These tailwinds support a broad roll-out of Terra Dura into the surface mining market.

CONSTRUCTION

Infrastructure spend in Australia and abroad is at all time highs, set to reach \$9 trillion by 2025.¹ Terra Dura is a perfect fit and supports entry into this enormous market.

DEMAND DRIVERS

- **Emissions:** Concerns about dust and particulates from friction brakes
- **Accidents:** Concerns about truck and public transport incidents in particular
- **Industry:** Safety and OH&S
- **Electrification** of vehicles
- **Untapped global markets**

APPLICATIONS

Vehicle sales in Australia hitting new record highs. Terra Dura® will initially supply for:



**TOYOTA
LANDCRUISER**



TOYOTA HILUX
#1 commercial
vehicle for 19
years straight



ISUZU D-MAX



PHASE 2 & 3

PHASE 2

**EXECUTE AND BUILD
OUT FUTURE**

PHASE 3

**GLOBAL
TRANSFORMATION**

EXECUTE AND BUILD OUT FUTURE

PHASE 2

EXECUTE



**BROAD ROLL-OUT OF
TERRA DURA**



**INCREASE PRODUCTION
& DISTRIBUTION**



DRIVE PROFITABILITY

BUILD OUT FUTURE



**CONTINUED R&D TO
DEVELOP NEW PRODUCTS &
VEHICLE APPLICATIONS**



**PENETRATE ADDITIONAL
NEW MARKETS**

POTENTIAL NEW MARKETS:

- Emergency Services
- Trailers; Semi-trailers
- Retail – Aftermarket
- Trucks
- Buses



**INCREASE TARGET
MARKET TO OVER
500,000 BRAKES**

| PHASE 3 – GLOBAL TRANSFORMATION

ABT HAS AN EXTENSIVE AND VALUABLE PATENT PORTFOLIO

- **Potential to partner, Joint Venture and/or license technology to 3rd party**
- **Advantages of Partnerships/Licensing:**
 - Utilise partners resources, expertise and distribution networks
 - ‘Clip the ticket’ revenues with no significant expenditure
 - ABT maintains focus on core business, whilst gaining access to markets once inaccessible
- **Potential new markets**
 - Mining: Conveyor, Lifting
 - Automation & Robotics
 - Military
 - Work Platforms and Utilities



**INCREASE TARGET
MARKET TO OVER
1,000,000 BRAKES**



BUSINESS MODEL

BUSINESS MODEL

LEAN AND SCALABLE

OUTSOURCED MANUFACTURING

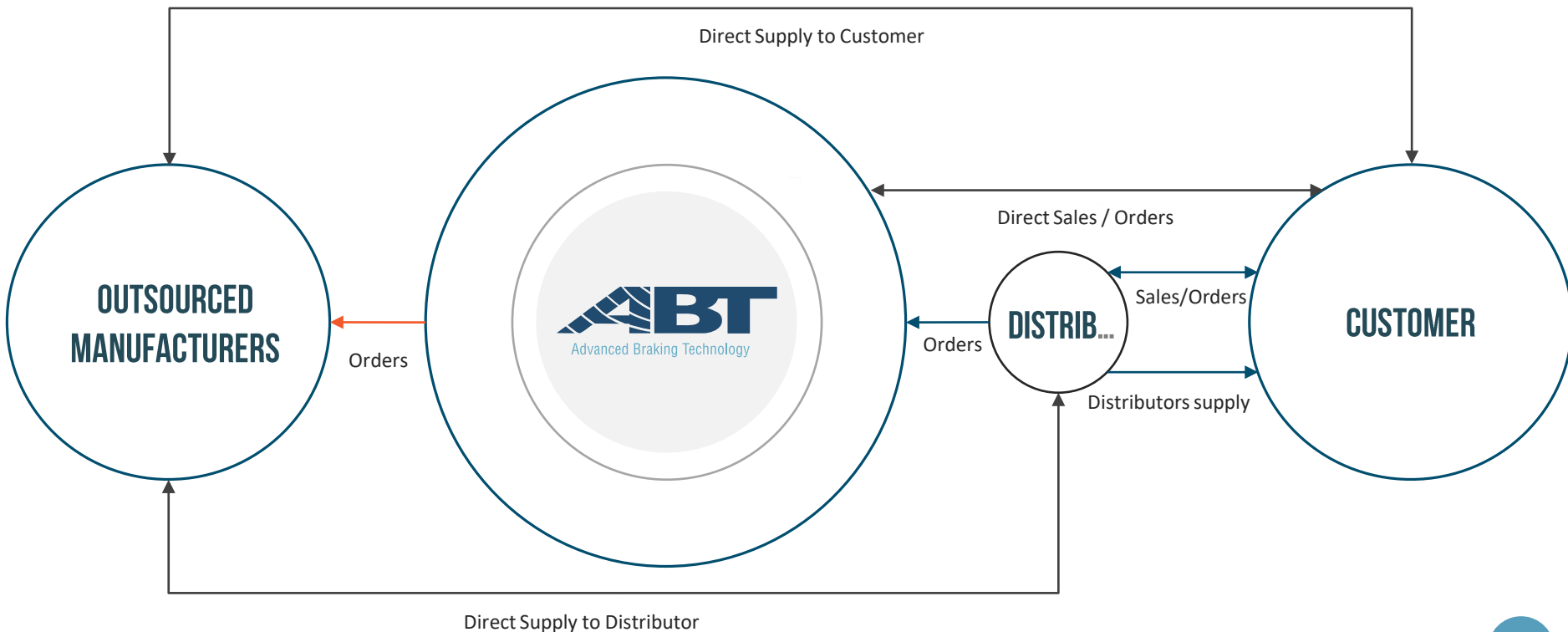
- Manufacturer(s) assemble and ship direct to end customer or distributor
- ABT holds minimal inventory

ABT FOCUSES ON:

- Direct sales
- Partner relations
- Research & Development
- Opportunity development

DISTRIBUTORS

- 18+ distributors globally to drive international growth



GLOBAL DISTRIBUTORS

RIGHT TIME TO INVEST

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

- 18+ distributors across key global markets.
- Additional distributors to be engaged to enhance international market penetration.

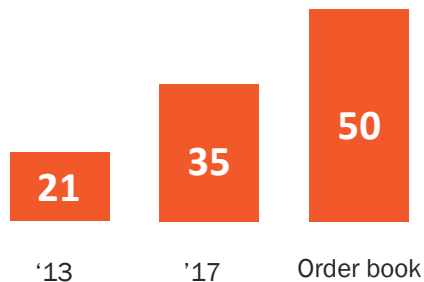


CONTINUED GROWTH & OPPORTUNITIES

INVESTOR OUTLOOK

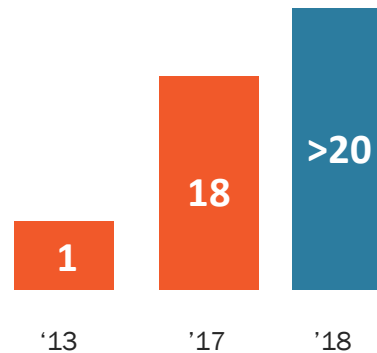
EXPORTS (%)

ABT's export revenue has increased 66% in four years. Current international orders make up half of the overall intake.



DISTRIBUTORS

ABT's global distributor network has experienced strong growth which is expected to continue over the the next 12 months.



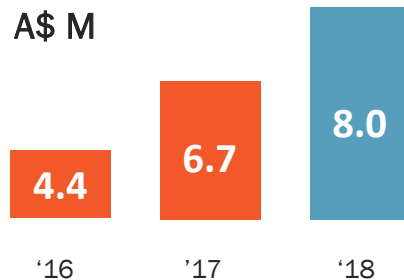
EXECUTION PLANS

- Enhance distributor engagement and alignment
- Employ a professional Sales Channel Manager
- Enhance supportive material
- Broaden service network
- Selection criteria and performance management
- Increase number of distributors
- Deploy market pull strategy
- **Increase sales through distributors**

FY17 was a watershed year in ABT's history, with strong growth in operating revenue and a financially positive last quarter. The company expects stronger trading conditions to remain throughout this financial year as a result of continuing, steady demand for the SIBS® products and the roll-out of Terra Dura into new markets.

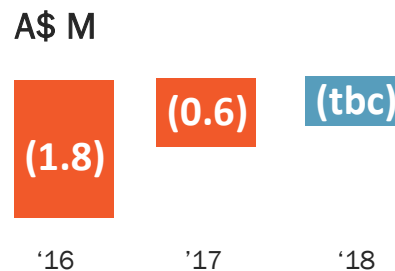
OPERATING REVENUE

ABT's operating revenue is projected to increase from A\$6.7 million to A\$8 million in 2018.



OPERATING PROFIT/LOSS

ABT continues to strive for sustainable growth and profitability.



OUR COMMITMENT - FY18:

- Address 'whole of business' capabilities.
- Focus on getting fundamentals right.
- Execution of plans.
- Doing the right things at the right time.

KEY MILESTONES & ACTIVITY PIPELINE

INVESTOR OUTLOOK

We are progressing with the completion of the first phase of building our growth strategy towards the end of FY18. Our focus will then be on addressing enterprise strategy aspects and charting a growth path beyond current applications and markets.

- Enhance supply chain function and capacity
- First 100 sets of Terra Dura distributed
- ABT channel partner engagement model deployed
- Fulfill initial Terra Dura demand of 1,500 sets
- Additional sales channel partners on board
- Development of new Phase 1 vehicle applications
- Phase 2 and 3 opportunities identified and defined:
 - New Product applications
 - Potential Partners, JV & Licensing transactions

INVESTMENT HIGHLIGHTS

INVESTOR OUTLOOK





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