

27 July 2018

Dear Shareholder

## Notice to shareholders of Entitlement Offer

We write to you as the registered holder of Advanced Braking Technology (ASX Code: ABV) (**Company**) shares as at today's date.

As advised in an ASX announcement on 25 July 2018, the Company is undertaking an accelerated non-renounceable entitlement offer of shares to its shareholders.

The pro rata offer is on the basis of:

- a) 1 new share for every 3 shares held at 5pm (WST) on 27 July 2018 (**Record Date**), each at an issue price of 0.3 cents per share; and
- b) 1 new option to purchase a share for every 2 shares issued under (a) above, each exercisable at 0.4 cents per share with an expiry date of 18 months from the date of issue,

(**Entitlement Offer**) to raise approximately \$2,224,121 (before costs).

The Entitlement Offer is not underwritten but is being lead managed by Baker Young Stockbrokers Limited.

The Company intends to apply the net proceeds raised under the Entitlement Offer towards the following:

- a) providing working capital to assist in the rollout of the Company's "Terra Dura" product (following successful trials) across Australia and entry into the European market;
- b) providing working capital to assist in continued product development and deployment into high potential global markets including Canada and Chile; and
- c) providing working capital for general corporate purposes.

## The Entitlement Offer

The Entitlement Offer is being offered without a prospectus and pursuant to an Information Booklet dated 27 July 2018, in accordance with section 708AA of the *Corporations Act* 2001 (Cth). Only shareholders who hold shares on the Record Date and have a registered address in Australia, New Zealand or Singapore are eligible to participate in the Entitlement Offer (**Eligible Shareholders**).

The Entitlement Offer is available to all Eligible Shareholders. An Information Booklet in relation to the Entitlement Offer will be sent out to all Eligible Shareholders on 1 August 2018.

New shares issued pursuant to the Entitlement Offer will rank equally with all fully paid ordinary shares in the capital of the Company already on issue. Based on shares currently on issue, following completion of the Entitlement Offer, and if fully taken up, the Company will have issued:

- a) 741,373,646 new shares resulting in 2,965,494,582 total shares; and
- b) 370,686,823 new options.

For the purposes of calculating each Eligible Shareholder's entitlement, fractions of entitlements have been rounded up to the nearest whole number of new shares. Eligible Shareholders who choose not to take up their entitlement will receive no value in respect of their entitlement and their shareholding in the Company will be diluted.

The Information Booklet for the Entitlement Offer has been lodged with the ASX and is available on ASX's website and a copy is also available on our website: [www.advancedbraking.com](http://www.advancedbraking.com).

The indicative timetable for the Entitlement Offer is below:

<b>Event</b>	<b>Date</b>
Institutional Entitlement Offer settlement	31 July 2018
Retail Entitlement Offer opens	1 August 2018
Issue and quotation of New Shares under Institutional Entitlement Offer	1 August 2018
Retail Entitlement Offer closes (5.00pm WST)	13 August 2018
Issue of New Shares under Retail Entitlement Offer	20 August 2018
Quotation of New Shares under Retail Entitlement Offer	21 August 2018
Despatch of holding statements for New Shares under the Retail Entitlement Offer	22 August 2018

*\*The timetable is indicative only and subject to change. The Company reserves the right, subject to the Corporations Act 2001 (Cth) and the ASX Listing Rules, to amend the above dates.*

Eligible Shareholders will receive a copy of the Information Booklet and a personalised Entitlement and Acceptance Form shortly. You must follow the instructions in this form to take up your entitlements.

For and on behalf of the Board.

**Ms Dagmar Parsons**  
**Chairman**