

Appendix 4C

Quarterly report – Quarter Ended 30 September 2016 (Quarter 1)

Advanced Braking Technology Ltd

ABN 66 099 107 623

ASX Code ABV

SYNOPSIS

1 Cash Balance

Cash balance as at 13 October 2016 - \$3.966m

2 Material movements in cash since 30 September 2016

The FY16 Research and Development Tax Rebate of \$777k was received on 10 October 2016.

3 Material movements in cash - Quarter 2 to Quarter 4 FY17

Repayment of \$1.345m in Convertible Notes redeemed on or prior to 15 August 2016 is scheduled to occur on 13 November 2016.

Repayment of a further \$0.500m in Convertible Notes may be payable in February 2017, if not converted to ordinary shares (at \$0.00938 per share) by 19 November 2016.

4 Net cash from operating activities

Net cash from operating activities improved by \$1.029m over Quarter 1 FY16, from a \$1.126m shortfall to an effective break-even outcome of \$0.096m shortfall.

Operating cash flow was positively impacted by;

- \$290k (22%) reduction in trade receivables
- \$746k (103%) increase in revenue from trading activities

This was partly offset by a ramp up in testing costs for the new Terra Dura brake, which is currently being beta tested by a number of customers.

5 Cashflow from financing activities

During July and August 2016, a net of \$2.500m was received via a share placement to institutions and sophisticated investors.

Funds received from the placement will be used to:

- Fund repayment of Convertible Notes
- Provide additional working capital to fund future product developments

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 2016

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	1,913	1,913
1.2 Payments for		
(a) research and development	(190)	(190)
(b) product manufacturing and operating costs	(990)	(990)
(c) advertising and marketing	(44)	(44)
(d) leased assets	(21)	(21)
(e) staff costs	(497)	(497)
(f) administration and corporate costs	(237)	(237)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	4
1.5 Interest and other costs of finance paid	(75)	(75)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	40	40
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(97)	(97)

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(5)	(5)
	(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	55	55
	(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	50	50

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	2,700	2,700
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	1	1
3.4	Transaction costs related to issues of shares, convertible notes or options	(183)	(183)
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	2,518	2,518

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	887	887
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(97)	(97)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	50	50
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,518	2,518
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	3,358	3,358

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	243	128
5.2	Call deposits	3,065	709
5.3	Bank overdrafts	-	-
5.4	Other (term deposit)	50	50
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,358	887

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	(20)
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	456	-
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. 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 14 October 2016 is 7.62%</p> <p>The company may seek to rollover or refinance the Convertible Note debt of \$500,000, if not converted into shares. If redeemed, this payment would be due in February 2017.</p>		

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Research and development	(246)
9.2	Product manufacturing and operating costs	(929)
9.3	Advertising and marketing	(33)
9.4	Leased assets	(31)
9.5	Staff costs	(579)
9.6	Administration and corporate costs	(249)
9.7	Other (provide details if material)	
	Interest and other costs of finance paid	(15)
	Payments to acquire property, plant and equipment	(207)
	Repayment of convertible notes	(1,345)
9.8	Total estimated cash outflows	(3,634)

9.9	Estimated cash inflows next quarter	\$A'000
9.91	Receipts from customers	1,562
9.92	Government grants and tax incentives	777
9.93	Total estimated cash inflows	2,339

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: 14 October 2016

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.