

ASX RELEASE

22 November 2023

Chair's Address to Shareholders

Dear Shareholder,

FY23 has been a year where Advanced Braking Technology Limited (ABT) has accomplished a number of transformative achievements to further position the business for expansion and scale:

- We have strengthened ABT's Blue Chip Customer relationships via strategic business planning and execution with our Customers and International Distribution Partners
- We jointly with Glencore embarked on the new Heavy Vehicle Sealed Integrated Brake System (SIBS) development for the VOLVO FMX Haul Truck
- We invested in our People and Talent with a Human Resources training and development program
- We strengthened our Risk, Finance and IT capability with a new ERP Platform, and
- We opened our new Head Office and Factory in Wangara, Western Australia

The ABT Board thank our shareholders for their trust and support in making these investments to deliver value for your Company now and in the future. Return on these investments is yielded over time and this year, our CEO Andrew Booth and his team have delivered strong operational and financial performance through a period of challenging inflationary global supply chains and cost pressures. This achievement is underpinned by our disciplined approach to strategy execution - continuously monitoring market forces, revising strategic tactics accordingly as well as leveraging our increasing organisational capabilities.

The ABT Board and the Leadership Team sets the direction and tone for our workplace culture. During the year, we continued to give particular attention to supporting our people to feel safe, included and valued at work. Our enduring aim at ABT is for our work to be undertaken consistently embracing our Values and Code of Conduct in everything we do.

During FY23, ABT and Glencore entered into an agreement for the development of a Sealed Integrated Braking System (SIBS) for Heavy Vehicle mine haulage fleet. The design solution includes Intellectual Property developed by ABT and is related to the proven and trusted Failsafe brake for light commercial vehicles. The brake system offers a key solution to ruggedise and adapt the Volvo FMX haul truck for mining specification. The development costs were shared between both parties recognising a mutual commitment to the success of the solution for the Volvo FMX Haul Truck, and for further market expansion by ABT into the medium term.

In February 2023, ABT and Glencore agreed to vary the 'Joint Production Development Agreement' to enable ABT to more rapidly commercialise the SIBS wheel end for the Volvo Haul Truck. The variation allows ABT to enter into agreements with other mining companies regarding their participation in the development project.

The ABT team has delivered a record Year End result in both Product Sales and Total Revenue. These results mark a number of milestones for ABT in Revenue, Product Sales, Gross Margin, Operating Cashflow and Profitability. We ended the financial year with a net cash balance of \$2.05M, a 17.8% increase on previous reporting period, and a Net Profit After Tax of \$1.47M, a 129% increase on FY22 NPAT.

The ABT brand remains synonymous with an innovative failsafe and cost-effective brake safety solution to protect our customers' people, the operating environment, and their assets. It is important at this point in ABT's growth journey, that we continue to reinvest this value accretion into our business model to sustain our aspiring growth roadmap ahead.

We welcomed Les Guthrie to the ABT Board as independent Non-executive Director. Les has over 45 years' experience in the development and delivery of projects across the mining, infrastructure and energy sectors. He has held senior project management and corporate executive roles for major engineering and resources companies in Australia, North America, Asia and the UK. We are delighted to welcome Les.

At the other end of the succession process, we farewelled Mark Lindh at the conclusion of the 2022 Annual General Meeting. On behalf of the ABT Board, I would like to thank Mark for his contribution to the ABT journey.

As we embrace the New Financial Year with a keen focus on executing our strategic roadmap, we continue to strive to deliver outstanding value to our customers and stakeholders. To achieve this continued focus on customer lead product innovation and the expansion of our international customer base is key.

ABT remains invested in developing our dedicated team of people. We are proud of our ABT culture which fosters innovation, growth, creativity and collaboration. We stay focused on building on our 20+ years of experience as the original manufacturer of sealed wet brake technology. We will continue to deliver on innovation, safety and environmental responsibility as a reflection of ABT's ethos.

On behalf of the Board, I would like to thank our shareholders for their ongoing support and thank our people for their unwavering commitment to ABT.

Dagmar Parsons
Chair

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.