

## ASX ANNOUNCEMENT

30 January 2024

### December 2023 Quarterly Activities Report and Appendix 4C

Advanced Braking Technology Ltd (ASX: ABV) ('ABT' or 'the Company' or 'the ABT Group'), the leading supplier of fail-safe brakes for commercial vehicles, is pleased to provide an overview of the unaudited results for Q2 FY24 along with the Quarterly Activities Report and Appendix 4C.

#### Reporting Highlights

- **Q2 Revenue** from Product Sales of \$3.39m (+5.4% vs. pcp)
- **Q2 Gross Margin** of 52.1% (vs. 49.1% pcp)
- **Q2 Net Profit After Tax** of \$663k (a 102% increase on pcp)
- **Q2 Operating Cash Flow** of \$1.03m for the quarter
- Closing **cash position of \$1.9m (+958k on Q1 FY24)**
- **YTD Revenue** from Product Sales (+11% vs. pcp)
- **YTD Net profit after tax \$788k (+2% vs pcp)**

"I am pleased to report that in Q2 we have achieved progress in driving market penetration of our core product as well as progressing product development in both light and heavy vehicle solutions in line with our FY24 Strategic Roadmap.

A key driver of revenue growth was targeted market development in Africa with strong focus on new customer acquisition as well as encouraging growth in international markets. During this period, Heavy Vehicle validation trials further progressed, as well as Light Vehicle product innovation. ABT continues to invest in research and development to provide high-quality products that meet the evolving needs of our customers.

On the operational front, we have forged ahead streamlining our processes and improving efficiency. Our cost reduction initiatives have yielded positive results, evidenced by the improvement in our gross margin. Additionally, we have deepened several strategic partnerships that have enhanced our distribution capabilities and expanded our geographic reach.

In terms of our financial position, we continue to maintain a strong balance sheet and operating leverage. Our cash flow remains robust, enabling us to fund our growth initiatives while also returning value to our shareholders. Looking ahead, we remain optimistic about the remainder of the fiscal year as we continue to focus on driving innovation, expanding our market presence, and improving operational efficiency to deliver sustainable long-term growth.

I would like to express my gratitude to our dedicated team, our customers, partners and shareholders for their continued support. Our quarterly results are a testament to the collective efforts of our team, and I

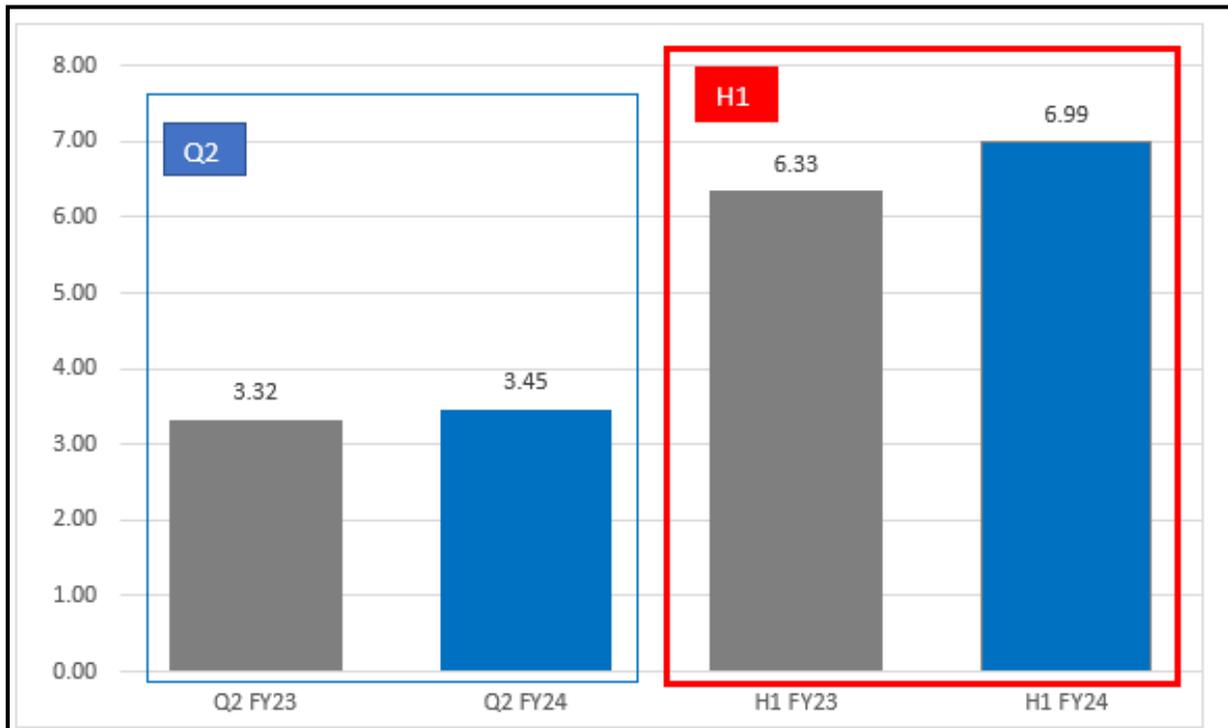
All revenue, sales and profit metrics are unaudited. Revenue from ordinary activities includes Product Sales, Operating Sales and R&D Income  
Revenue from continuing operations includes Product Sales and Operating Sales only

am confident that we are on the right track to deliver superior value for all our stakeholders in the quarters to come.”

### Financial Update

Revenue from ordinary activities for the quarter amounted to a total of \$4.10m with product sales contributing \$3.39m for the quarter. The company delivered growth of 5.4% in product sales over Q2 FY23. The overall product sales margin for the quarter is 51.6% (50.4% pcp). The positive change in margin is related to product mix and geographical jurisdiction of sales.

#### Normalised Revenue from Ordinary Activities



*Normalised revenue from ordinary activities excludes income from externally and internally funded R&D activities.*

The Company continues to generate positive, unaudited net profit and EBITDA results. During the quarter, ABT had a net operating cash inflow of \$1,029k which included cash received for the R&D rebate of \$670k following the finalisation of the Company’s tax return. Unaudited quarter end cash balance is \$1.9m (\$2.0m at June 2023 year-end). The Company continues to allocate resources to R&D activities.

Payments to related parties and their associates during the quarter included in operating activities totalled \$81k which included non-executive directors' fees and superannuation.

This release is authorised by the Board of Directors.

**- ENDS-**

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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.

## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

## Name of entity

ADVANCED BRAKING TECHNOLOGY LTD

## ABN

66 099 107 623

## Quarter ended ("current quarter")

31 December 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1 Cash flows from operating activities</b>		
1.1 Receipts from customers	4,376	7,504
1.2 Payments for		
(a) research and development	(126)	(195)
(b) product manufacturing and operating costs	(2,438)	(4,667)
(c) advertising and marketing	(10)	(32)
(d) leased assets	(44)	(99)
(e) staff costs	(1,000)	(2,029)
(f) administration and corporate costs	(389)	(972)
1.3 Dividends received (see note 3)		
1.4 Interest received	3	6
1.5 Interest and other costs of finance	(2)	(5)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	662	652
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>1,029</b>	<b>162</b>
<b>2 Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses	-	-
(c) property, plant and equipment	(55)	(191)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(55)</b>	<b>(191)</b>

**Appendix 4C**  
**Quarterly cash flow report for entities subject to Listing Rule 4.7B**

<b>3</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	60	60
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(67)	(112)
3.7	Transaction costs related to loans and borrowings	(9)	(19)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.1</b>	<b>Net cash from / (used in) financing activities</b>	<b>(16)</b>	<b>(71)</b>

<b>4</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	989	2,048
4.2	Net cash from / (used in) operating activities (item 1.9 above)	1,029	162
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(55)	(191)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(16)	(71)
4.5	Effect of movement in exchange rates on cash held		
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,947</b>	<b>1,947</b>

<b>5</b>	<b>Reconciliation of cash and cash equivalents</b>	<b>Current quarter</b>	<b>Previous quarter</b>
	at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>\$A'000</b>	<b>\$A'000</b>
5.1	Bank balances	1,839	884
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (Term deposits)	108	105
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,947</b>	<b>989</b>

<b>6</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter</b>
		<b>\$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	81
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

a) Non-Executive directors fees and superannuation - \$81k

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	112	112
7.2	500	-
7.3	-	-
<b>7.4 Total financing facilities</b>	<b>612</b>	<b>112</b>
<b>7.5 Unused financing facilities available at quarter end</b>		500
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	
	<p>The loan facility at 7.1 above is an unsecured finance arrangement for the Company's annual insurance premiums with Elantis Premium Funding Ltd. The amount outstanding for the remaining period of the arrangement, being 5 months is \$112,000. The interest rate of the funding is a flat rate of 4.45%.</p> <p>The facility at 7.2 above is a NAB Invoice Finance Facility, which 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 by a general security over the assets of the Company. This facility been in place since 2013. The interest rate for the NAB Invoice Finance Facility is currently 10.03%.</p>	

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	1,029
8.2	1,947
8.3	500
8.4	2,447
<b>8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	N/A
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?
	Answer:
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
	Answer:
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
	Answer:
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

## 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.

Date: 30 January 2024

Authorised by: Board of Directors  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.