

INVESTOR PRESENTATION

APRIL 2018



ADVANCED BRAKING TECHNOLOGY

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COMPANY OVERVIEW

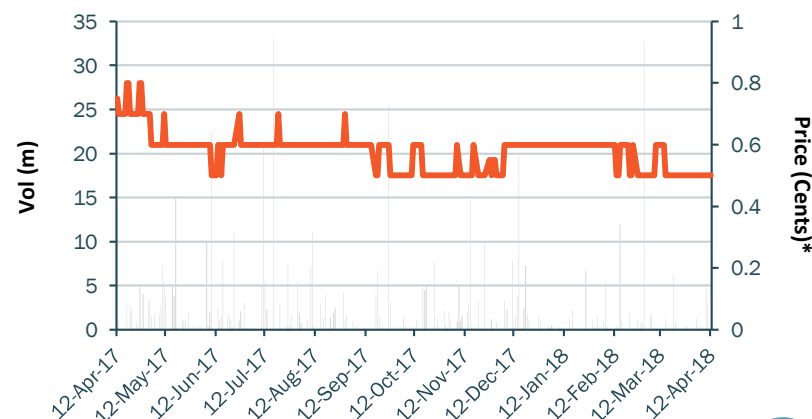
Advanced Braking Technology Ltd (ABT), listed on the ASX (ASX:ABV) develops and distributes high performance sealed brakes to the automotive, transport, and mining industries.

The company's founding product is the **ABT Failsafe** brake, which uses the award-winning and patented **sealed integrated braking system technology**. It has been used by **blue-chip customers for 20+ years**.

The newly developed **Terra Dura®** polymer encased brake is being rolled-out globally has the **potential to drive significant growth into new markets**.

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

ASX Code	ABV
Share Price (12.04.2018)	\$0.005
Market Cap	A\$11m
12-Month High/Low*	\$0.008 - \$0.005
Revenue (FY17)	A\$7.7m
Top 20 Shareholders	Hold ~43%



*Closing Price

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

Generated revenue of \$7.7m in FY17, up 43% on the previous year. Strong growth trend continues 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





CORE COMPETENCE

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

BOARD AND MANAGEMENT



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.



BRUCE GREY

Non-Executive 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. For 10 years until 2009, was Chairman of a German JV between Bishop and Mercedes-Benz Lenkungen GmbH.



NEVILLE WALKER

Chief Financial Officer

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



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.

OUR PRODUCTS

SAFETY

ABT FAILSAFE

DURABILITY

TERRA DURA

TWO MAJOR PROBLEMS

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 failsafe 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 – daily service and handbrake recalibration is common
- Increased risk of brake failure

ABT FAILSAFE SEALED INTEGRATED BRAKING SYSTEMS



THE SAFETY SOLUTION

ABT FAILSAFE

- **Award-winning, patented** sealed integrated braking system
- 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
- Failsafe 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

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 mass market retail 4WD vehicles
- Trials underway with **leading blue-chip mining customers**
- 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: ROUGH ROAD TESTING



Rough Road Testing

- Loops of **gravel** road with **mud and water** holes
- In total, over **6,000 km** of both rough road and normal road use
- Reached high speeds of **up to 100km/h**

Factory Brake Results

- Factory 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® Results

- Terra Dura® internals **remained dry**, the **hub to spline wear** was **minimal** and pad wear measures **were less than 1mm**
- Terra Dura® presented **no wheel bearing issues**
- Terra Dura® had **no loss in brake performance**



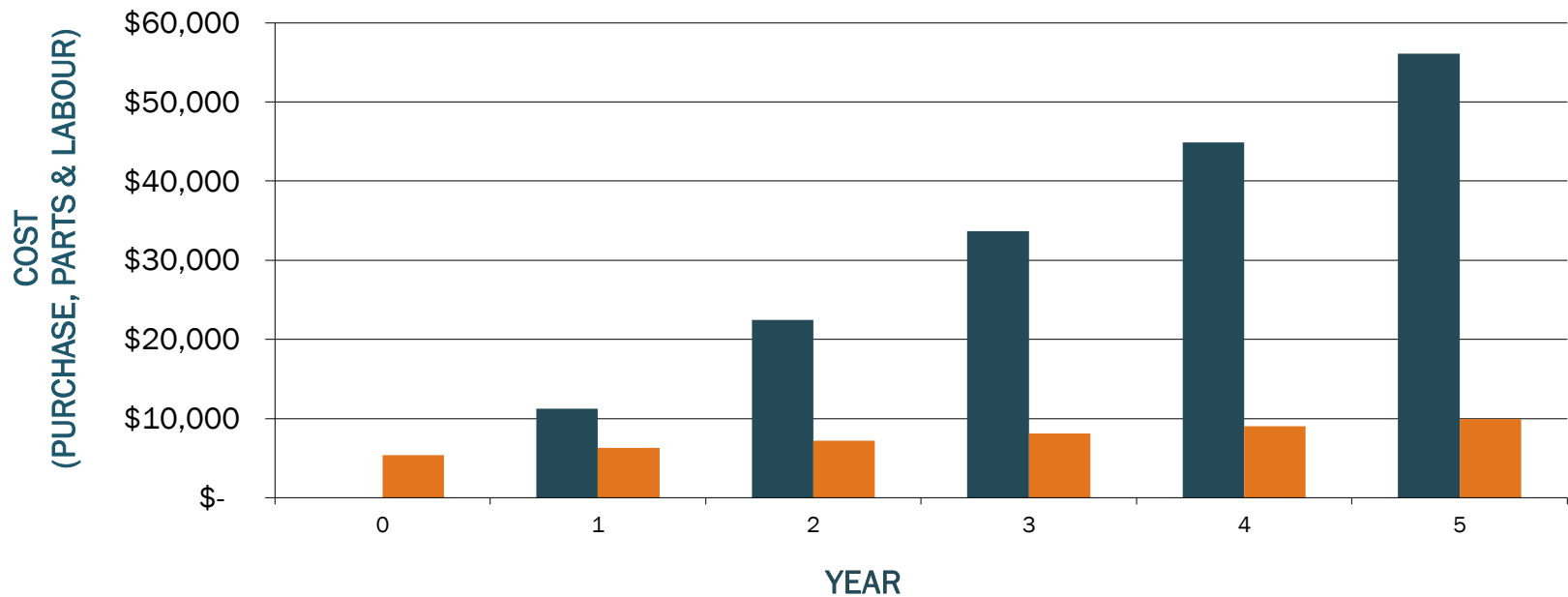
TERRA DURA® PAY BACK



- 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



The background is a monochromatic blue image featuring various mechanical components. In the foreground, a bolt is partially inserted into a cylindrical metal part. Other similar parts and bolts are visible in the background, some in focus and others blurred, creating a sense of depth. The overall aesthetic is industrial and technical.

TERRA DURA® ROLL-OUT

GEARING UP FOR SALES

The company has achieved targeted production run rates for first Terra Dura® applications and prepares to fulfill a significant expansion into international markets on the basis of more products to follow.

Management have carried 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



TRENDS AND OPPORTUNITIES



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



**GREATER GROWTH
OPPORTUNITIES**

PENETRATE NEW MARKETS

DEVELOP NEW PRODUCTS & VEHICLE APPLICATIONS



PENETRATE NEW MARKETS

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



INCREASE TARGET MARKET TO OVER 500,000 BRAKES PER ANNUM

PARTNERING AND LICENSING

SEEK TO PARTNER/LICENSE EXTENSIVE PATENT PORTFOLIO



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

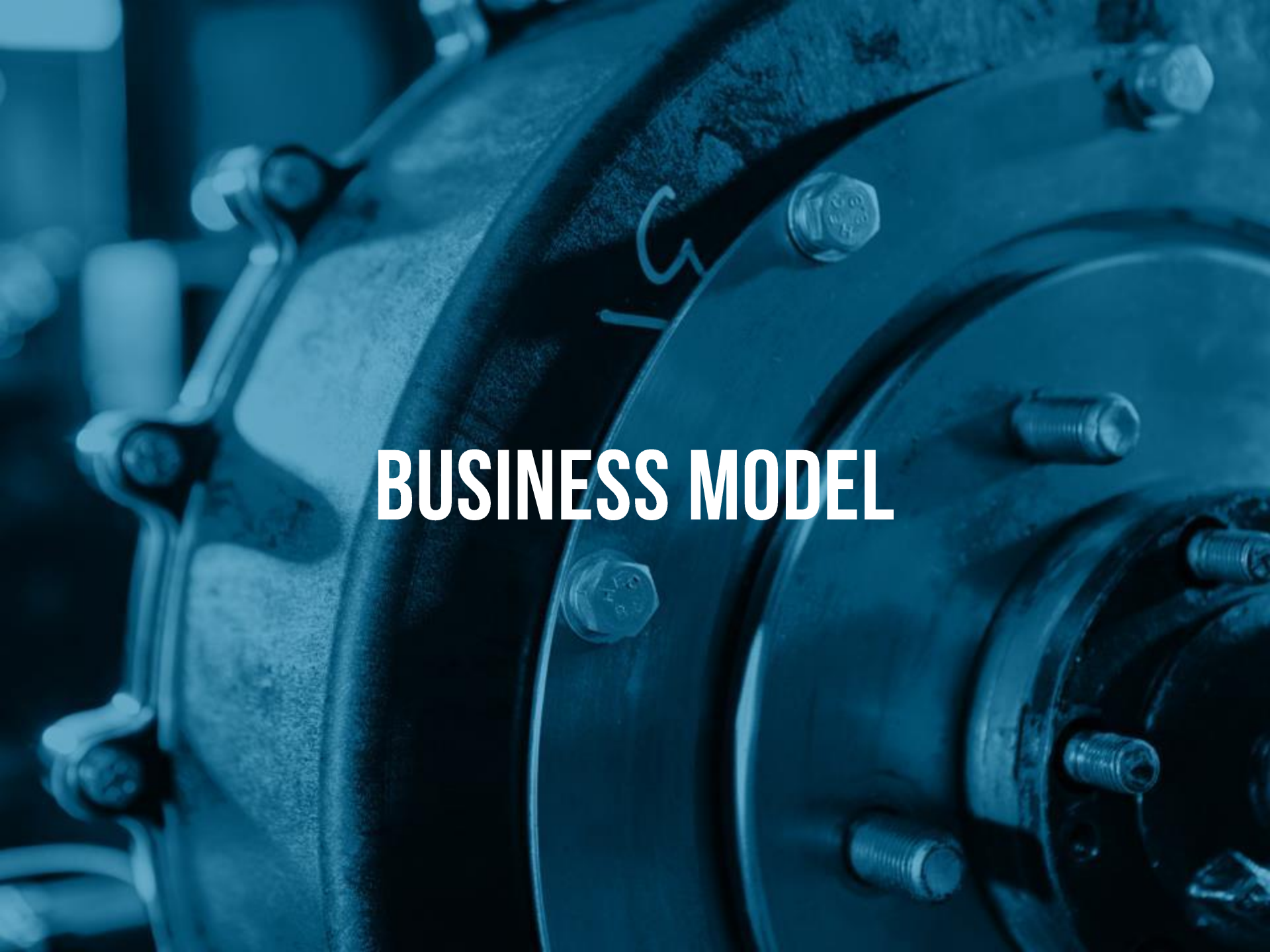


PENETRATE NEW MARKETS

- Mining: Conveyor, Lifting
- Military
- Automation & Robotics
- Work Platforms and Utilities



INCREASE TARGET MARKET TO OVER 1,000,000 BRAKES PER ANNUM



BUSINESS MODEL

BUSINESS MODEL

LEAN AND SCALABLE

OUTSOURCED MANUFACTURING

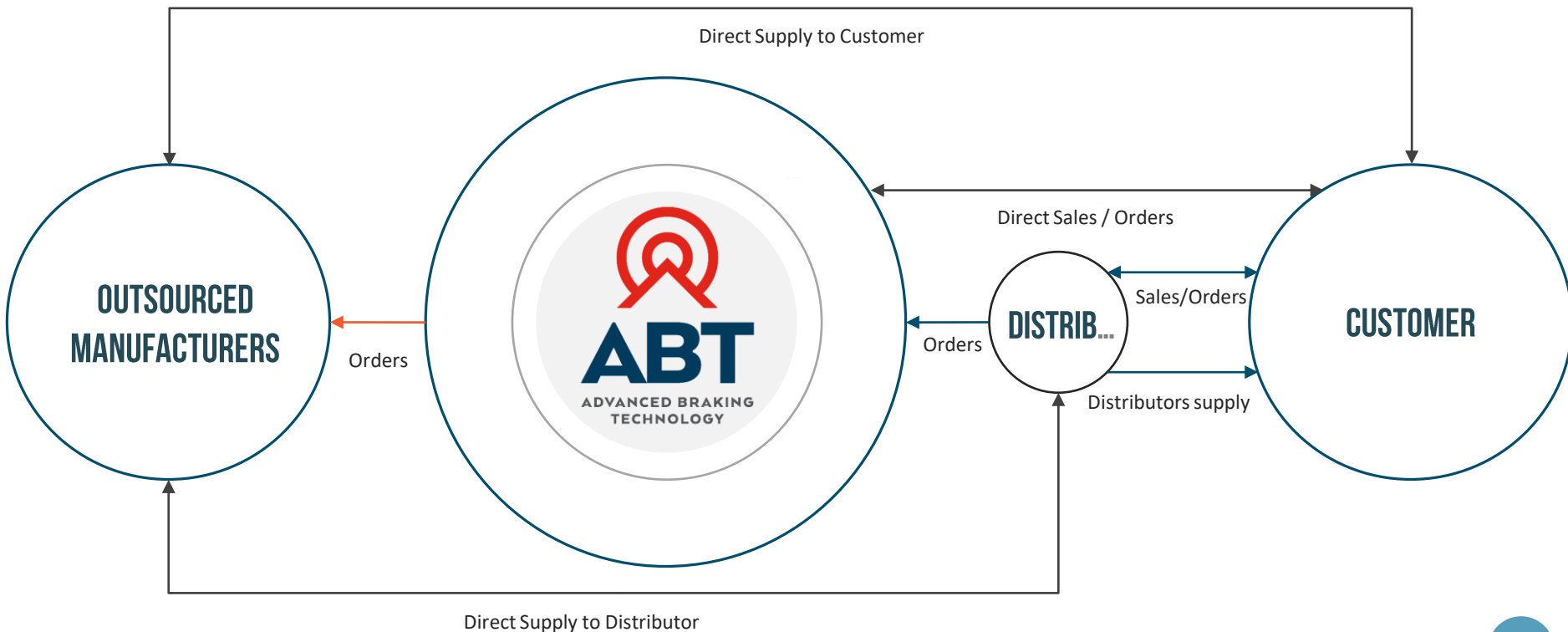
- Manufacturer(s) assemble and ship direct to end customer or distributor
- ABT holds minimal inventory

ABT FOCUSES ON:

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

DISTRIBUTORS

- 18+ distributors globally to drive international growth



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

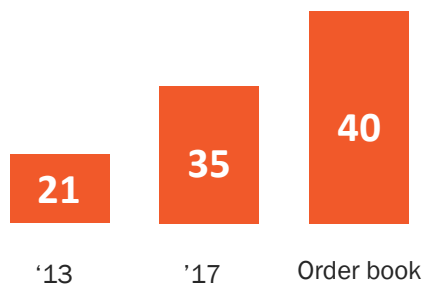
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CONTINUED GROWTH & OPPORTUNITIES

INVESTOR OUTLOOK

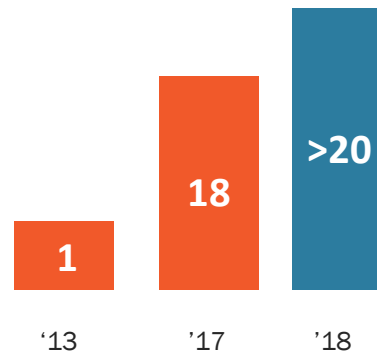
EXPORTS (%)

ABT's export revenue has increased 66% in four years. Current international orders make up almost 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
- Professional Sales Channel Manager employed
- Additional domestic SWales Manager employed
- Broaden service network
- Selection criteria and performance management
- Increase number of distributors
- Deploy market pull strategy
- **Increase sales through distributors**

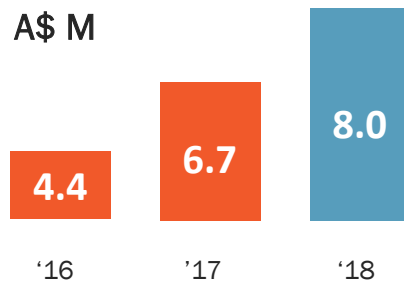
ORGANISATIONAL OUTLOOK

INVESTOR OUTLOOK

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 its Failsafe products and the roll-out of Terra Dura® into new markets.

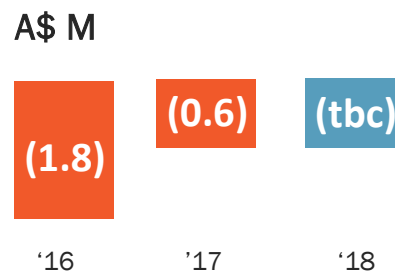
OPERATING REVENUE

ABT's operating revenue is projected to increase from A\$6.7 million to A\$8.0 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

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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