

ASX ANNOUNCEMENT

24 January 2025

December 2024 Quarterly Activities Report and Appendix 4C

Advanced Braking Technology Ltd (ASX: ABV) ('ABT' or 'the Company' or 'the ABT Group'), presents its quarterly activities report for the period ended 31 December 2024.

Reporting Highlights

- **Q2 Product Sales Revenue** of \$4.2m (+24% vs. pc¹)
- **Q2 Total Sales** \$4.3m (+ 21% vs. pc²)
- Underlying **NPAT** \$0.12m (+25% vs. pc³)
- Closing **cash position of \$2.4m** (+21% vs. pc)
- Global market development milestones for new **BrakeiQ**⁴
- Unprecedented FY25 H2 revenue pipeline for **SIBS internationally**⁵

ABT continued its growth trajectory in the second quarter of FY25, with a 24% increase in revenue compared to the prior comparable period. We also saw strong performance in profitability with a 25% increase in net profit, evidencing sustained improvements in productivity. We achieved this through tactical business development combined with ongoing operational efficiencies, resulting in increased operating leverage and a higher return on invested equity (ROE). This strong performance demonstrates our commitment to delivering sustainable growth and creating value for our stakeholders.

Our FY25 Strategy is to grow ABT's reach globally. ABT's International revenue continued to perform, driven by strategic engagement with our blue-chip customers in North America, Southeast Asia, and North Asia. And, we commence the 2025 calendar year with unprecedented levels of deal activity and opportunities across South Australia's Copper region, the Western Australian Goldfields, Indonesia, Mongolia, South Africa, Canada and Ghana. Examples include ABT activating a growing install base of SIBs on the ground with tier one mining operators in Indonesia and Mongolia for a diversifying range of vehicle applications. Africa remains a strategic pipeline development focus for both Hilux and LandCruiser fleets on large mine operations within this growing technology lead market.

Collision avoidance technology development is a key element of safety innovation. In October 2024, ABT announced the launch of BrakeiQ internationally. BrakeiQ is a cutting-edge automatic braking system designed to 'plug and play' with Collision Avoidance Systems (CAS) for vehicle fleets. During this ramp up period, ABT has been engaging and developing important partner relationships in Australia, South Africa and North America. BrakeiQ will deliver future ABT revenue diversification and complement our existing portfolio of safety products with a novel brake technology for a range of heavy vehicle fleets.

1. Product Sales included sales of light and heavy vehicle brake systems, spares & consumables.
2. Total Sales includes product sales, installation, services, freight, and other minor revenue.
3. Underlying NPAT excludes income related to Research and Development Tax Incentive (RDTI) in previous periods.
4. ABT signs Exclusive Global Distribution Agreement to market and sell automatic braking systems under its own brand.
5. SIBS is ABT's Sealed Integrated Braking System Failsafe Brake brand.

Financial Results (Unaudited)

For the quarter ending 31 December 2024 (AUD \$'000)

	FY24 Q2	FY25 Q2	% Change	FY24 H1	FY25 H1	% Change
Product Sales ¹	3,388	4,186	24%	6,795	8,499	25%
Total Sales ²	3,527	4,262	21%	7,112	8,695	22%
Underlying EBITDA ³	217	259	19%	340	602	77%
Underlying NPAT ³	96	120	25%	104	342	229%
Cash & Cash Equivalents	1,947	2,361	21%	1,947	2,361	21%
Receivables	2,000	2,675	34%	2,000	2,675	34%
Net Assets	7,854	9,343	19%	7,854	9,343	19%

Financial Commentary (previous corresponding period)

Product Sales have increased by +24% vs p.c.p. (Product sales include the sale of light and heavy vehicle brake systems as well as spares and consumables.) International sales account for 56% (42% p.c.p.) of product sales revenue which is because of continued customer engagement in key international markets.

Total Sales increased by +21% vs p.c.p. (Total sales include product sales, installation, services, freight, and other minor revenue.)

Underlying EBITDA increased by +19% vs p.c.p. with Underlying NPAT + 25% vs p.c.p. (Underlying EBITDA and NPAT excludes any income related to the Research and Development tax incentive. (RDTI) recognised in previous periods).

Cash & Cash Equivalents and Receivables both increased by +21% and +34% respectively vs p.c.p because of increased sales through the period.

Payments to related parties and their associates during the quarter included in operating activities totalled \$73k which included non-executive directors' fees and superannuation.

The NAB Trade Loan was renewed for a further 12 months during the period. The facility was drawn down for the amount of \$607k in December 2024, for the purpose of funding opening inventory for BrakeIQ. The drawdown period is 118 days and full payment of principal and interest is due in April 2025. The interest rate is based on drawing at the time and is calculated as an aggregate of ATR, at 6.42% plus customer margin 0.8% pa.

"As we enter the second half of FY25, I am optimistic about our growth prospects, particularly in the expanding Asian, African and American markets and the growing demand for technology led safety solutions. We have a strong pipeline of new product and strategic partnerships that will drive continued success, and I'm confident in achieving our full-year revenue growth target. I want to take this opportunity to express my sincere gratitude and congratulations to the dedicated ABT team. I especially want to

1. Product Sales included sales of unit brakes, spares & consumables.
2. Total Sales includes Product sales, installation, services, freight, and other minor revenue.
3. Underlying NPAT and EBITDA excludes income related to Research and Development Tax Incentive (RDTI) in previous periods.

acknowledge the exceptional cross-functional collaboration that has led to the successful launches of SIBS Hilux and BrakeiQ, and the achievement of our Q2 sales targets. This is a testament to our team's hard work, dedication, and commitment, and these efforts truly embody our company values of innovation and collaboration. We will maintain an unwavering focus on ABT's Strategic Roadmap as we move forward."

Andrew Booth, CEO.

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 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1 Cash flows from operating activities			
1.1	Receipts from customers	5,480	9,447
1.2	Payments for		
	(a) research and development	(48)	(101)
	(b) product manufacturing and operating costs	(3,550)	(6,281)
	(c) advertising and marketing	(34)	(78)
	(d) leased assets	(23)	(46)
	(e) staff costs	(558)	(1,519)
	(f) administration and corporate costs	(638)	(1,235)
1.3	Dividends received (see note 3)		
1.4	Interest received	5	12
1.5	Interest and other costs of finance	(27)	(53)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	608	148
2 Cash flows from investing activities			
2.1	Payments to acquire or for:		
	(a) entities		
	(b) businesses	-	-
	(c) property, plant and equipment	(24)	(130)
	(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)	-	-
2.6	Net cash from / (used in) investing activities	(24)	(130)

Appendix 4C

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

3	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	123	123
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	-	286
3.6	Repayment of borrowings	(86)	(458)
3.7	Transaction costs related to loans and borrowings	(8)	(16)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.1	Net cash from / (used in) financing activities	29	(65)

4	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,748	2,408
4.2	Net cash from / (used in) operating activities (item 1.9 above)	608	148
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(24)	(130)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	29	(65)
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	2,361	2,361

5	Reconciliation of cash and cash equivalents	Current quarter	Previous quarter
	at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	\$A'000	\$A'000
5.1	Bank balances	2,253	1,640
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (Term deposits)	108	108
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,361	1,748

6	Payments to related parties of the entity and their associates	Current quarter
		\$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	73
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 - \$73k

7.	Financing facilities <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	143	143
7.2	Credit standby arrangements	1,500	607
7.3	Other (Vehicle Finance)	-	-
7.4	Total financing facilities	1,643	750
7.5	Unused financing facilities available at quarter end		893
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. The loan facility at 7.1 above is an unsecured finance arrangement for the Company's annual insurance premiums with Momentum Premium Funding Ltd. The amount outstanding for the remaining period of the arrangement, being 4 months is \$143,000. The interest rate of the funding is a flat rate of 4.59%. The facility at 7.2 above is a NAB credit facility, which provides up to the value of \$1,500,000. This facility is secured by the Company's debtors and by a general security over the assets of the Company. This facility was renewed in October 2024 for a further 12-month period. Funding was drawn down on the facility in December 2024 and payment is due in April 2025. The interest rate is based on drawing at time and is calculated as an aggregate of ATR, currently 6.42%		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	608
8.2	Cash and cash equivalents at quarter end (item 4.6)	2,361
8.3	Unused finance facilities available at quarter end (item 7.5)	893
8.4	Total available funding (item 8.2 + item 8.3)	3,254
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	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: 24 January 2025

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.