

ASX RELEASE

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Chair's Address to Shareholders

Ladies and Gentlemen, I would now like to update you on ABT's business over the past twelve months and how the 2021 financial year is shaping up so far.

During FY20, Advanced Braking Technology Ltd continued to deliver on its promise to stabilise its financial performance. With the repayment of the R&D prepayment loan facility and the extinguishment of the convertible notes the Company is, with the exception of some minor equipment leases, now debt free. In addition, ABT improved its financial performance through increased sales, improved margins and a reduction in expenditure, resulting in a positive cash flow from operations for the year.

Despite the COVID-19 challenge, business operations continued to function effectively and service levels were maintained. ABT's primary customer base remained within the mining and civil construction industries, which continued to operate during this challenging period. Thanks to our suppliers, our supply chain continued to function, which has ensured the continuity of business operations without compromising the supply of products to our customers, both here in Australia and internationally. In particular, the support the Harrop Engineering team provided from Melbourne, under lockdown restrictions is greatly appreciated and acknowledged.

Notwithstanding those added challenges, ABT focused on its clearly defined strategic direction, which led to further diversification of our product portfolio, customer base, industries and geographic regions. New mining customers include Fortescue Metals Group and Newmont's Tanami operations. In addition, we can count Scania Australia, as an OEM for mining trucks and John Holland & CBP Contractors within the civil construction industry, as new ABT customers.

During the year, the Company entered into a Technology Licence Agreement with VEEM Ltd. VEEM will manufacture and supply ABT's specialised park brake mechanism for the Thales' Hawkei Protected Mobility Vehicle. The Customer, Thales Australia Limited is part of the Thales Group, the world leading aerospace, defence, transport and security technology company headquartered in Paris, France. Besides opening up the opportunity to be recognised as an Original Equipment Manufacturer's product designer, ABT also achieved the strategic goal of securing its first long-term supply agreement.

The Company is also encouraged by early stage enquiries about our braking solutions received from international companies involved in autonomous and electric vehicles. The use of electric and autonomous vehicles within the global mining industry continues to gather pace and ABT is actively engaged with the developers of this emerging technology. Our brakes are now installed on multiple electric vehicle platforms around the world, which are either being demonstrated or trialled at mine sites in Australia, Europe, Canada and South Africa.

In addition to product development and sales, ABT continued to strengthen its governance and operations to allow the Company to implement its growth strategy. And, as we look to grow the business through organic growth, ABT will also continue to investigate opportunities that will allow it to achieve size and to significantly upscale the business through either acquisitions, strategic partnerships or joint ventures.

I would like to thank the Board and the entire ABT team for their efforts and contribution. The progress our staff, led by John Annand and the leadership team, have made throughout the year has positioned us well for the future.

I would also like to thank our shareholders for their continued support of Advanced Braking Technology.

Dagmar Parsons
Chair

This release has been approved by the Board of Advanced Braking Technology Limited.

- ENDS -

For further information, please contact:

Mr. John Annand
Chief Executive Officer
T: +61 (0) 8 9302 1922

Ms. Dagmar Parsons
Chair
T: +61 (0) 8 9302 1922

www.advancedbraking.com

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.