

ASX RELEASE

31 May 2018

Market Update

- **Advanced Braking Technology (“ABT”) has now delivered 50 Terra Dura[®] sets to customers globally**
- **Additional blue-chip mining customers, domestic and international, have been delivered Terra Dura[®] brake sets to trial (paid Terra Dura[®] trials)**
- **ABT remains confident the growing number of blue-chip paid trials will result in a broad rollout across their fleets**
- **Terra Dura[®] successfully passes military standard cold climate and thermal shock testing**
- **Year-to-April revenue up 20%, although overall Q4 ABT Failsafe Brake sales impacted due to market weakness**

Advanced Braking Technology Limited (ASX: ABV) (‘ABT’ or ‘the Company’) provides this operational update to the market, detailing operational performance, financial performance and outlook.

Terra Dura

ABT is pleased to announce that 50 Terra Dura[®] sets have been successfully delivered to a variety of mining customers, both domestic and international. This includes additional blue-chip miners, which have been delivered sets to trial Terra Dura[®] (fully paid). ABT notes that undergoing a paid trial (2-3 sets) is the preferable pathway for mining site managers, enabling for a tangible benefit to be demonstrated before committing to a larger/fleet order.

ABT remains confident in the tangible, economical benefit that Terra Dura[®] presents as a result of its significant durability outperformance and anticipates larger orders upon the completion of these trials, which will typically run for 3 – 6 months.

Terra Dura – Cold Climate / Thermal Shock Testing

ABT is pleased to provide the successful results from the Terra Dura[®] rear brake, cold climate testing at an independent laboratory in Sydney.

The laboratory utilises the globally recognised MIL-STD-810G standard thermal shock testing method in order to expose any weak points in the Terra Dura[®] brake design. The Terra Dura[®] brake was placed in a thermal shock chamber and exposed to single and multiple dwell cycles of 30min at temperatures of -50 °C.

Upon completion of the testing, the brake was removed from the test chamber and subjected to visual inspection for damage. ABT is happy to report that the testing revealed no excessive wear, damage or degradation, providing further evidence that the Terra Dura® is suitable for cold climate applications and geographies.

Additionally, a set of Terra Dura® rear brakes underwent initial cold climate vehicle field trials at two different mines sites in Canada. The trials were completed successfully. The Terra Dura® brake operated without any problems and met performance expectations.

Revenue Update

In the March quarter, ABT recorded 25% growth in operational revenue vs. the previous corresponding quarter and a 'year-to-April' comparable revenue growth of 20%. Although, it has become apparent to the Company that it will not be able to maintain this strong level of sales performance through the end of the financial year due to market weaknesses. As such, ABT's operational revenue is expected to fall short of the previously guided A\$8m. ABT now anticipates an operating revenue for FY18 in the range of \$6.9m to 7.1m.

It must be noted that the weakness in sales has been caused by external factors and only relates to the ABT Failsafe product range. Interest in Terra Dura®, both domestically and internationally, remains strong, supporting ABT's view that it will be an integral part of the Company's growth and profitability going forward.

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About Advanced Braking Technology

Advanced Braking Technology Ltd (ABT) is an Australian company listed on the Australian Stock Exchange (ASX: ABV) focusing on the development, manufacturing and marketing of high performance brakes to the automotive, transport and mining industry. This incorporates the ground-breaking and internationally patented sealed integrated brake technology, as used in the ABT Failsafe product range, plus the new Terra Dura® polymer brake, which additionally targets the recreational 4WD market. The Company has manufacturing bases in Australia with its Head Office in Perth and a corporate office in Melbourne.