

ASX RELEASE

2 August 2018

**NON-RENOUNCEABLE RIGHTS ISSUE TO RAISE APPROXIMATELY
\$1.48M TO FINANCE ROLLOUT OF TERRA DURA**

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NEWSWIRE SERVICES**

Advance Braking Technology Ltd (ASX:ABV) (the “Company”) announces the launch of an accelerated non- renounceable rights issue to raise approximately \$1.48 million before costs (“Entitlement Offer”).

Use of Funds

The Company intends to use the net proceeds from the Entitlement Offer to:

- (a) Provide working capital to assist in the rollout of the Company’s “Terra Dura” product (following successful trials) across Australia and entry into the European market;
- (b) Provide working capital to assist in continued product development and deployment into high potential global markets including Canada and Chile; and
- (c) Provide working capital for general corporate purposes.

Details of the Entitlement Offer

The terms of the Entitlement Offer are as follows:

- One (1) new fully paid ordinary share (“New Shares”) for every three (3) shares held at the Record Date.
- The issue price is 0.2 cents (\$0.002) per New Share, which represents 50% discount to the 30 day WVAP as at 19 July 2018.
- The Entitlement Offer is split between:
 - an accelerated institutional component to be conducted from 2 August 2018 to 7 August 2018 (“Institutional Entitlement Offer”); and
 - a retail component which is expected to open on 10 August 2018 and close on 22 August 2018 (“Retail Entitlement Offer”).
- The Entitlement Offer is expected to raise up to approximately \$1.48m before costs.
- Entitlements are non-renounceable and cannot be traded or sold.
- Eligible retail shareholders can apply for additional New Shares pursuant to a shortfall offer in accordance with the shortfall allocation policy.

An Appendix 3B in relation to the Entitlement Offer is attached.

The Entitlement Offer is being made without a prospectus pursuant to section 708AA of the Corporations Act (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84). The Offer Document will be lodged with the ASX and all eligible shareholders will shortly receive a copy, which includes a personalised application form.

Application for the quotation of the New Shares will be lodged with ASX on completion of the issue.

The Company currently has 2,224,120,936 ordinary shares on issue. If all 741,373,646 New Shares are issued then the Company will have 2,965,494,582 ordinary shares on issue following completion (prior to accounting for any rounding for fraction components of shares, which are to be rounded up to the nearest share).

There are currently 146,650,000 unconverted convertible notes on issue. Each noteholder entitles the holder, upon payment of the conversion price of \$0.008, one share. Only if the convertible notes have been converted and shares have been issued prior to record date will these shares participate in the Entitlement Offer. Only noteholders whom qualify as a sophisticated and professional investor for the purposes of section 708, 708(10) or 708(11) (respectively) of the Corporations Act may participate in the offer. If all the Convertible Notes that can be converted are converted to shares, the number of shares on issue prior to the New Shares being issued will increase by 146,650,000.

As at 30 June 2018, the Company had approximately \$627,000 in cash on hand. Following the completion of the Entitlement Offer, its pro-forma cash position would be approximately \$2 million after the costs of the raising.

Accelerated Institutional Entitlement Offer

As part of the Entitlement Offer, eligible institutional shareholders of the Company will be invited to take up their entitlements prior to commencement of the Retail Entitlement Offer through the Institutional Entitlement Offer. This not only provides additional certainty to the Company, but allows the funds to be received by the Company prior to the commencement of the Retail Entitlement Offer.

Shortfall

Eligible retail shareholders will have the opportunity to apply for additional New Shares in excess of their entitlement. In summary, eligible retail shareholders have the following options available to them:

- Take up their full entitlement of New Shares;
- Take up any number of New Shares less than their full entitlement;
- Take up their full entitlement and apply for additional New Shares above their entitlement; or
- Allow their entitlement to lapse and take up no additional shares.

Rights Issue Timetable

Event	Date
Announcement of Entitlement Offer	2 August 2018
Institutional Offer Opens	2 August 2018

Event	Date
Suspension of securities	6 August 2018
Institutional Entitlement Offer settlement	6 August 2018
Announcement of Results of Institutional Offer Normal trading commences Record Date for Retail Offer (5.00pm WST)	7 August 2018
Issue of New Shares under Institutional Entitlement Offer, Retail Entitlement Offer opens, despatch of offer document to eligible shareholders	10 August 2018
Quotation of New Shares under Institutional Entitlement Offer	13 August 2018
Last day to extend Retail Offer	17 August 2018
Retail Entitlement Offer closes (5.00pm WST)	22 August 2018
Announcement of Results of Retail Offer	27 August 2018
Issue of New Shares under Retail Entitlement Offer	29 August 2018
Quotation of New Shares under Retail Entitlement Offer	30 August 2018
Despatch of holding statements for New Shares under the Retail Entitlement Offer	31 August 2018

The above timetable is indicative only and subject to change. Subject to the Listing Rules, the directors reserve the right to vary these dates, including the Closing Date, without prior notice. Any extension of the Closing Date will have a consequential effect on the anticipated date for issue of the New Shares. The directors also reserve the right not to proceed with the whole or part of the offers at any time prior to allotment. In that event, the relevant application monies will be returned without interest in accordance with the Corporations Act.

No offer will be made to shareholders with a registered address outside Australia, New Zealand or Singapore.

The offer document will be sent to all eligible shareholders. Should shareholders have any questions in relation to the Entitlement Offer please contact the Company directly.

As an endorsement of our commitment to the Company, all Directors with a current holding intend to take up their full entitlement. The Chairman and Chief Executive Officer do not have a current shareholding however intend to participate in this Entitlement Offer.

For and on behalf of the Board.

Ms Dagmar Parsons
Chairman