

ADVANCED BRAKING TECHNOLOGY

CEO PRESENTATION
AGM NOVEMBER 2018



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CONTENT

- **Product Strategy**
- **Financial Outlook**
- **Our Journey – The Next 18 Months**
- **Our Transformation and Vision**
- **Rear View Mirror & Lessons Learned**
- **Strategic Pillars and Key Initiatives**

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PRODUCT STRATEGY **FAILSAFE**



- Core business: **Proven Failsafe brakes** continue to enjoy strong market reception.
- Long-term **patent** coverage in key global markets.
- Both **domestic and global** inquiries about additional applications.
- A **new driveline product** is in early stage development. A universal design targeting high volume global on-road markets.



PRODUCT STRATEGY TERRA DURA[®]



- Several domestic and global Terra Dura[®] **trials** successfully concluded.
- In trials under extreme mining conditions, however, difficulties with the **polymer housing design** were experienced.
- Currently available technology not able to produce parts meeting ABT's strict **quality expectations**.
- A product **re-design** focusing on alternative housing material has been initiated.
- Launch date to be confirmed with finalisation of **project scope**.
- **Market demand** for Terra Dura[®] remains unchanged and substantial.
- International **patentability** confirmed.



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FINANCIALS START FY19

- **Solid start** to FY19.
- October sales of just over \$800k the **2nd largest** monthly revenue in CY19.
- October year-to-date Total Revenue up **9% over PY.**
- Continued **strong demand** for trusted and proven Failsafe brakes.
- Broad range of mining customers.
New users for both Failsafe and Failsafe Emergency variants.

FINANCIALS

OUTLOOK AND MEASURES

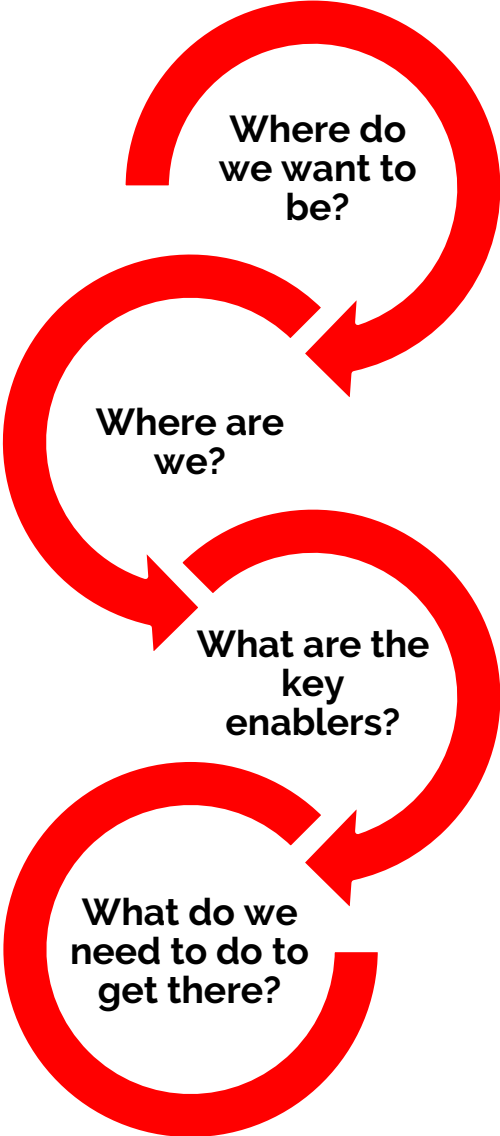


- **Overhead** cost reductions for the balance of FY19.
- Consolidation of **application projects** portfolio is likely to result in savings.
- Near-term focus on the proven **Failsafe** range.
- **Measures** to further expand Failsafe customer base aimed at delivering strong sales through the end of FY19.
- Monthly Total Revenue required to achieve **break-even**, prior to current cost reduction measures, approximately \$1.1m.
- Achievement of break-even targeted during 2H **FY20**.

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OUR JOURNEY THE NEXT 18 MONTHS



Our Transformation and Vision



Lessons Learned



Strategic Pillars



Key Initiatives

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OUR TRANSFORMATION AND VISION

IP-BACKED PRODUCTS FOR GLOBAL APPLICATIONS

From ...	To ...
A single product line	Multiple product lines
Niche market (underground mining)	Mass market (harsh environments)
An order taker	Innovative solution provider
A domestic focus	A global leader
Focus on direct selling	Highly scalable , international distribution partners
Concentrated customer and market portfolio	A balanced portfolio of products, customers, geographies, and applications
Engineering driven product development	New product introductions providing solutions for customers and an attractive RoI
Supply side constraints	Scalable and robust supply chain
Loss generating	Profit generating

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REAR VIEW MIRROR PROGRESS AND ACHIEVEMENTS



SUPPLY CHAIN

Release of overseas **low-cost source** for casting parts and machining operations. **Supply chain function** established. Cost reduction activities for Failsafe brakes.

TERRA DURA[®]

Value concept and price point verified. Advanced discussions with substantial new overseas customers. Significant interest across domestic **blue-ship miners**.

ORGANISATIONAL CAPABILITIES

New Product Introduction process introduced. Role for **COO** identified. **Perth** headquarters strengthened with move of finance function.

SALES & MARKETING

Sales and marketing structures strengthened. New **processes and tools** deployed (CRM, strategic selling, channel engagement). **Branding** refreshed, product renaming.

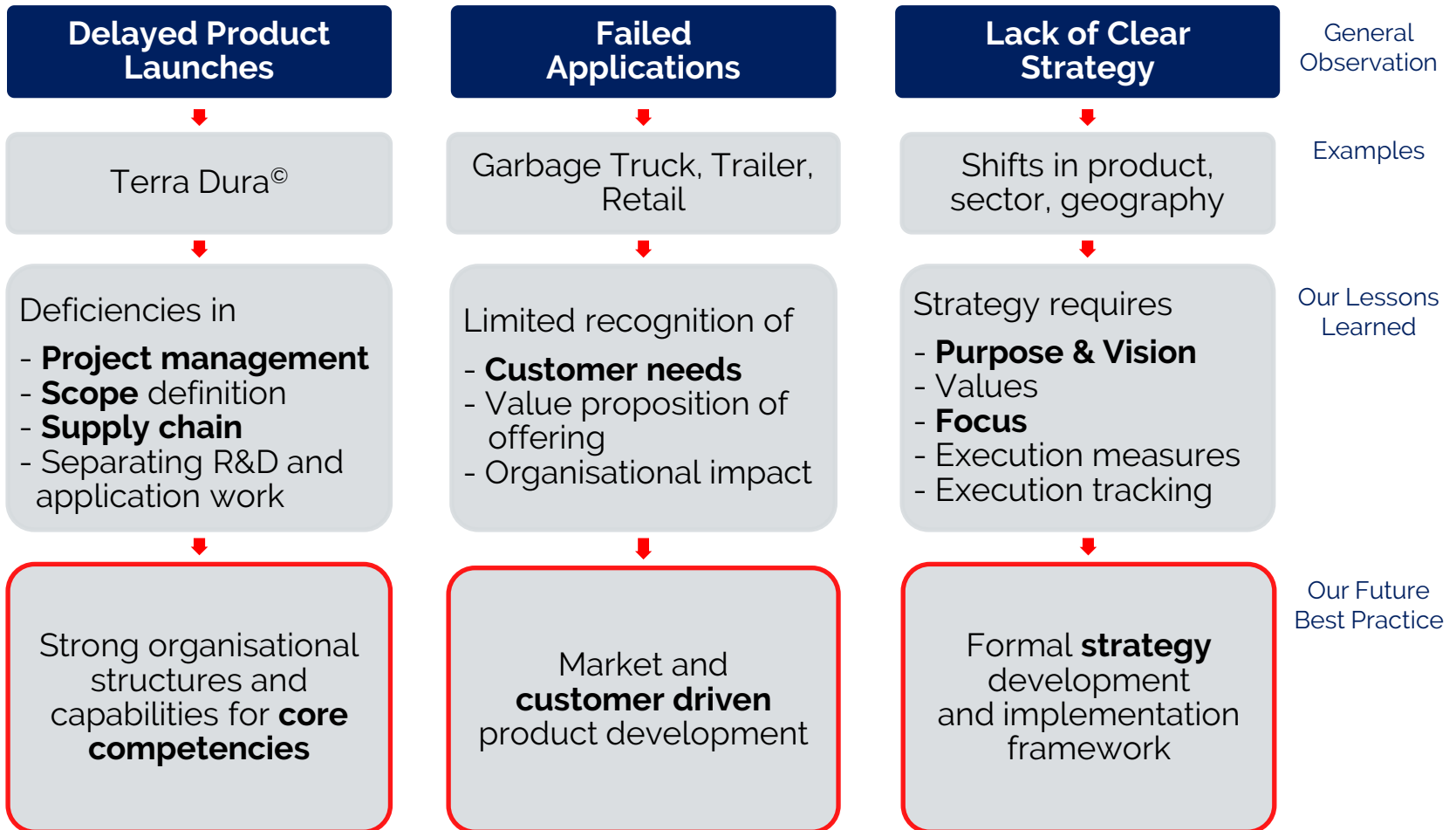
BUSINESS MODEL & STRATEGY

Focus **growth markets** identified and corresponding go-to-market strategy defined. **Five-year plan** established. Implementation framework (BSC) deployed.

TECHNOLOGY

International **patentability** of Terra Dura[®] confirmed with report (IPRP) received from Australian Patent Office. Terra Dura[®] passes cold climate and dust ingress tests.

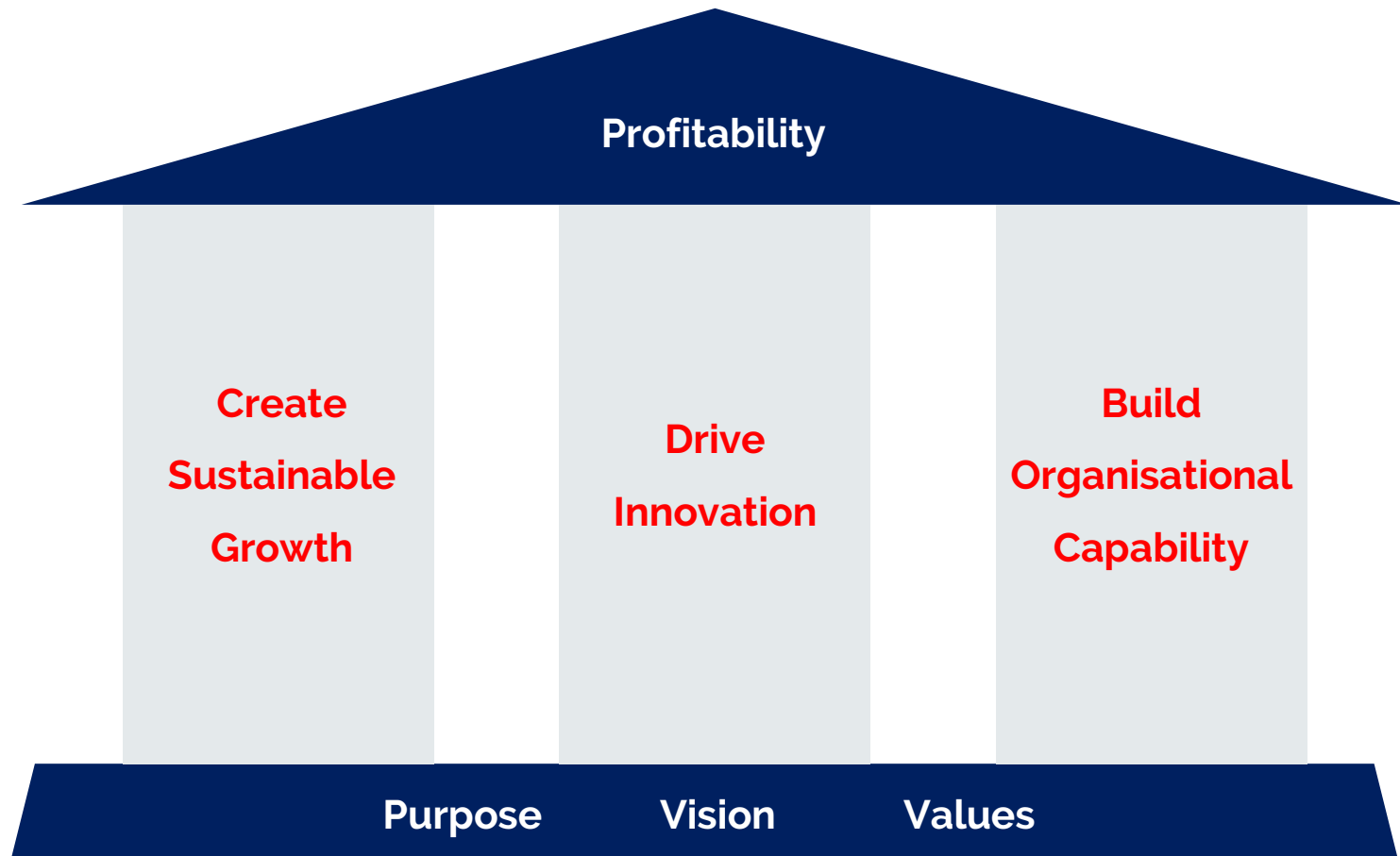
REAR VIEW MIRROR LESSONS LEARNED



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STRATEGIC PILLARS OUR PATH TO PROFITABILITY



KEY INITIATIVES

CREATE SUSTAINABLE GROWTH



Create options for genuinely new business



Develop new opportunities



Extend the core



Failsafe Brakes

Terra Dura Re-design
On-road Driveline
'Bolt-on' products
Adjacent markets

Related Diversification:
M&A
JV
Licensing



- Immediate promotion and push
- Service kits
- Add markets, customers

- Target markets identified
- Go-to-market defined
- Product scope definition

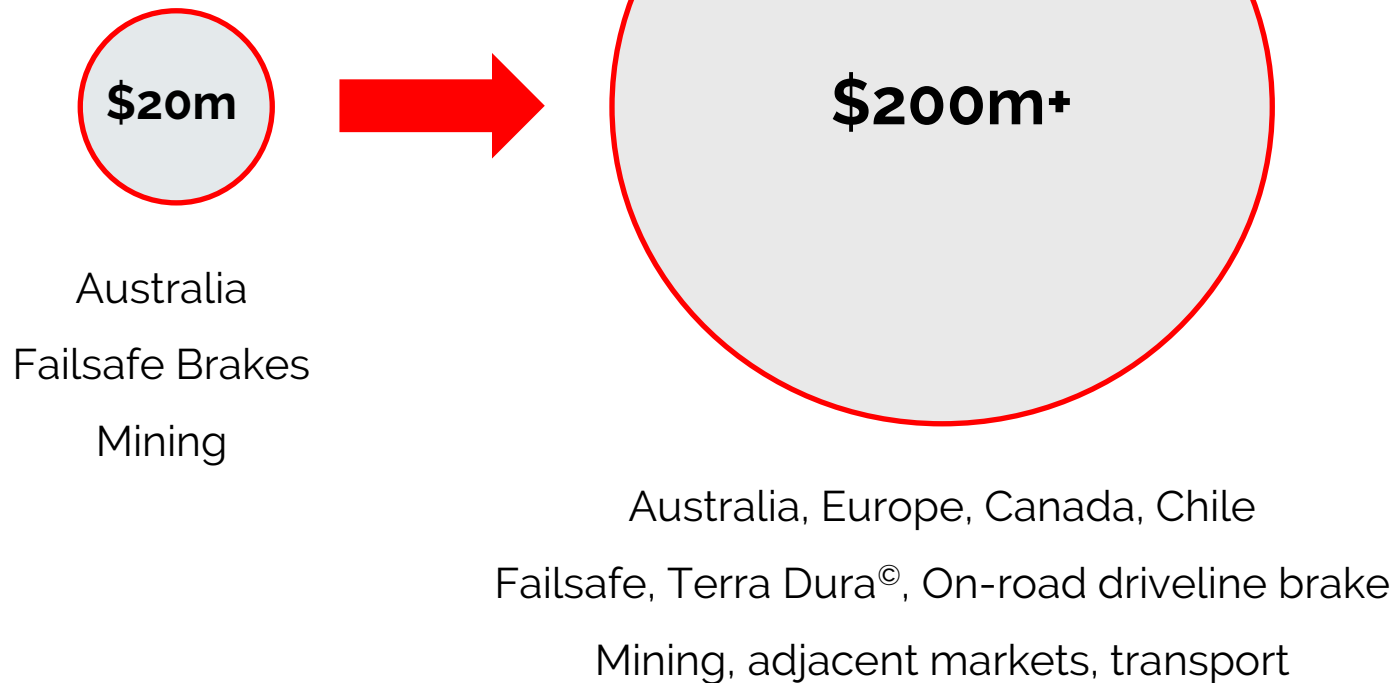
- Steering Committee established
- Framework and partnering criteria defined

Organic sectoral and geographical growth

Inorganic sectoral and geographical growth

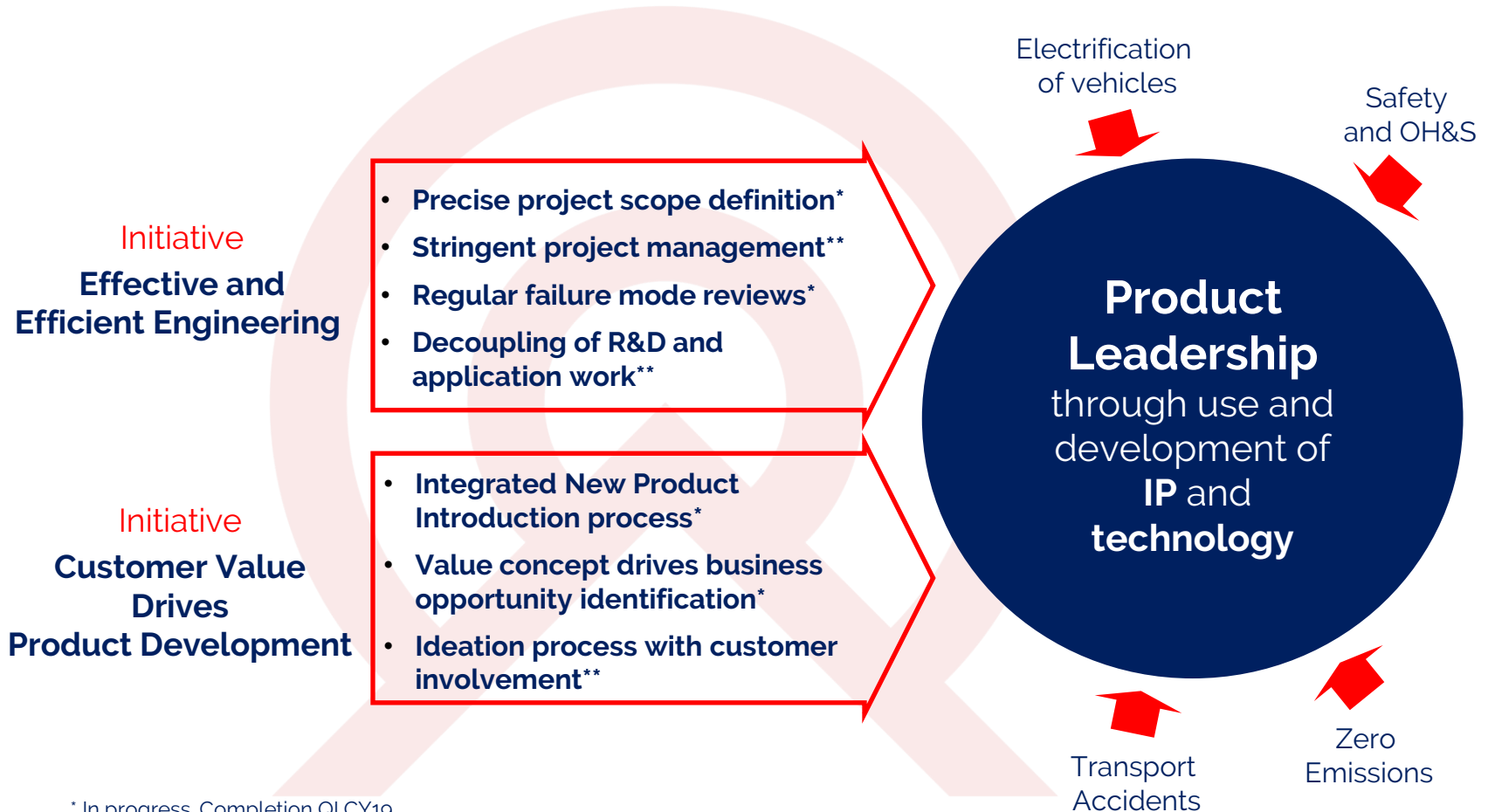
STRATEGIC PILLAR CREATE SUSTAINABLE GROWTH

New markets and extended product lines increase ABT's **addressable market***



* Addressable market of \$200m+ refers to mining. Large opportunity for on-road driveline brake in addition.

KEY INITIATIVES DRIVE INNOVATION

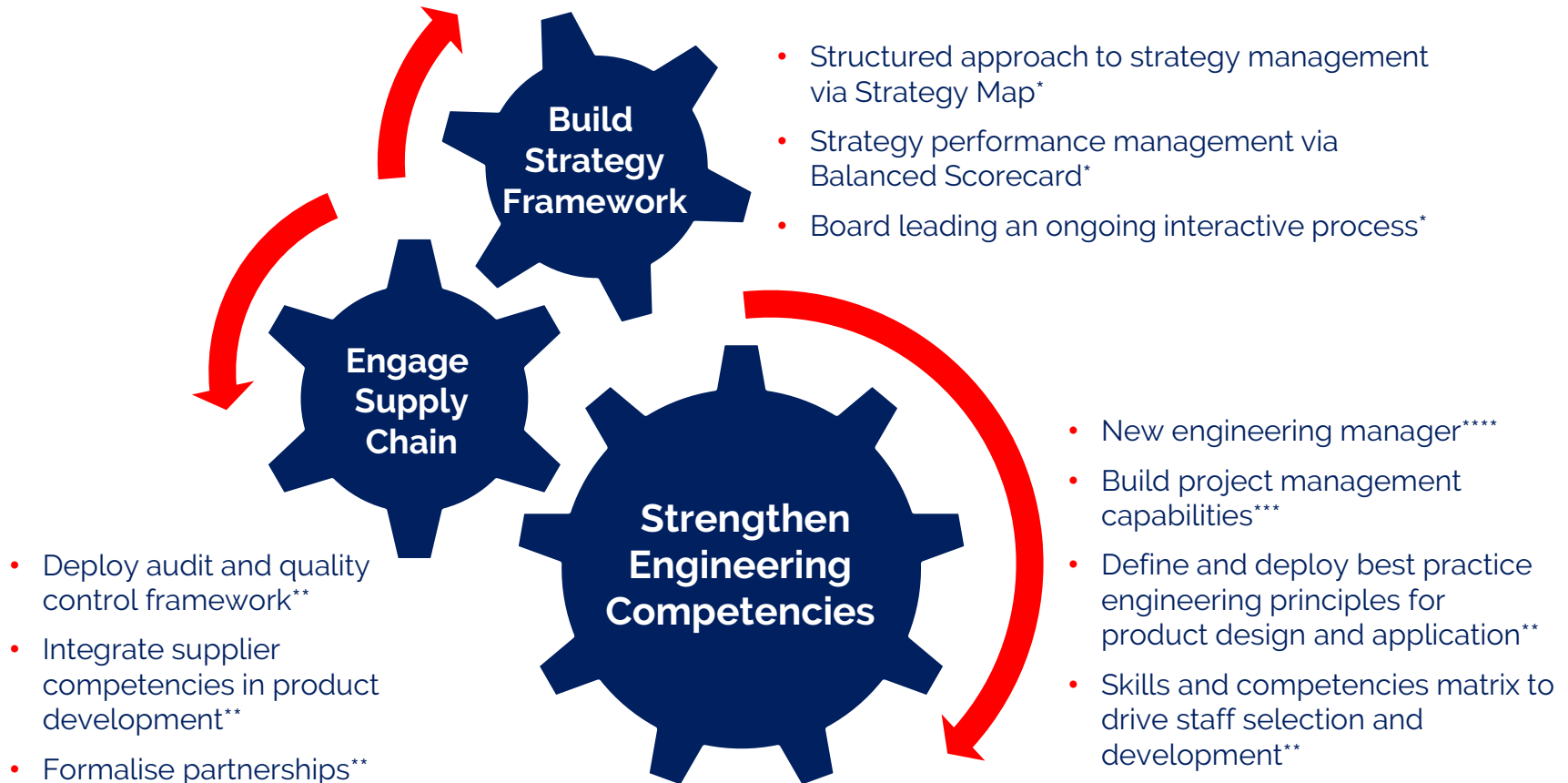


* In progress. Completion Q1 CY19.

** Kick-off January. Completion Q11 CY19.

KEY INITIATIVES

BUILD ORGANISATIONAL CAPABILITY



* Implemented and ongoing. ** Q1 CY19. *** Q11 CY19. **** December 2018

ADVANCED BRAKING TECHNOLOGY SUMMARY





THANK YOU QUESTIONS & ANSWERS