

ASX RELEASE

3 July 2020

ASX code: ABV

ABT licences a braking solution for the Thales Australia Hawkei PMV-L project

- **ABT enters into a Technology Licence Agreement with VEEM Ltd to provide a braking solution for the Hawkei PMV-L project**
- **Demonstrates ABT's engineering capability to meet stringent defence standards**
- **Provides ABT with the ability to engage with other international specialised fleet providers with our customised design solutions**

Advanced Braking Technology Limited (ASX: ABV) ('ABT' or 'the Company') is pleased to advise that it has entered into a Technology Licence Agreement with VEEM Ltd (ASX: VEE) ('VEEM') for VEEM to manufacture and supply ABT's specialised park brake mechanism for Thales' Hawkei Protected Mobility Vehicle – Light project.

The Customer, Thales Australia Limited ('Thales') is part of the Thales Group, the world leading aerospace, defence, transport and security technology company headquartered in Paris, France. Thales Group is listed on Euronext, Paris (Code:HO). VEEM (Licensee) is a long time manufacturer and supplier to the defence industry and operates a world-class manufacturing and fabrication facility in Canning Vale, Western Australia.

Background

In May 2019, ABT was selected to provide brake related design, prototype development and testing services to Thales, who have been contracted by the Commonwealth of Australia to supply 1,100 Hawkei PMV-L vehicles as part of the LAND 121 project. For further details please refer to the ASX announcement dated 13 May 2019.

This initial contract with Thales represented the first phase of a two phase process, whereby upon the successful design and testing of a prototype (Phase 1), ABT would be invited to participate in the tender for the manufacture and supply of 1,100 specialised hill-hold park brake mechanisms that will be fitted to each Hawkei vehicle (Phase 2).

Following the successful design and testing of a prototype, ABT has been working closely with Thales to determine how the Company was best placed to participate in the manufacture and supply phase. It was agreed that ABT would participate through a Technology Licence Agreement that protects its Intellectual Property and provides the best risk and return outcome.

ABT's design solution provided to Thales includes Intellectual Property previously developed by the Company, which is being utilised in the proven and trusted Failsafe brake that has been used extensively within both the Australian and international mining sectors over many years.

Technology Licence Agreement with VEEM

Details of the agreement are as follows:

Licensor:	Advanced Braking Pty Ltd
Licensee:	VEEM Ltd
Term:	The earlier of 29 April 2022 or the date VEEM sells 1,100 Products
Services:	Licence the manufacture and supply of 1,100 park brake mechanisms for the Hawkei Light Protected Mobility Vehicle ('Products')
Value:	approximately \$630,000 in licence and engineering support fees and product revenue for the supply of specified components for 1,100 brake mechanisms
Customer:	Thales Australia Limited

In addition, ABT will supply spare parts and consumables for the life of product.

The contract value to ABT across both the Phase 1 (completed) and Phase 2 contracts, total approximately \$760,000 (excluding the supply of spare parts and consumables).

The signing of this contract achieves a strategic objective of further diversifying our customer base and the industries in which we provide innovative braking solutions. Importantly, ABT will now have a competitive advantage to offer our customised design solution services to other international specialised fleet providers. This allows ABT to be recognised as an Original Equipment Manufacturer ('OEM') product designer, which will open up further growth opportunities. International specialised fleets include vehicles used in military applications, humanitarian support and emergency services.

Thales Australia CEO Chris Jenkins commented *"This is a great example of Australian design and engineering excellence from an SME adding capability to what is already a world class Australian designed and manufactured military vehicle. The collaborative approach taken by both ABT and the Thales Protected Vehicle team to design and develop a braking solution for use on the Hawkei is a great credit to both organisations"*.

ABT CEO, Mr John Annand further commented, *"ABT greatly values the opportunity to be working with both Thales and VEEM to assist in delivering the world class Hawkei vehicle to the Commonwealth of Australia. The collaboration between ABT and Thales during the design and development phase has achieved an outstanding result and demonstrates that ABT has the engineering capability to meet the stringent defence standards required for a project of this nature. ABT looks forward to continuing the relationships developed with both Thales and VEEM well into the future."*

This release is authorised by the Board of Directors.

- ENDS-

For further information, please contact:

Mr. John Annand
Chief Executive Officer
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.

About VEEM

VEEM is a designer and manufacturer of disruptive, high-technology marine propulsion and stabilization systems for the global luxury motor yacht, fast ferry, commercial workboat and defence industries. VEEM is also a long-term manufacturer and supplier of precision equipment to the defence industry.

Proudly headquartered in Perth, Western Australia, VEEM operates from a 14,700sqm purpose-built fabrication and manufacturing facility, including Australia's largest non-ferrous foundry. VEEM employs approximately 180 staff in Australia, including graduates and apprentices, and maintains a highly skilled research and development team in-house. Celebrating its 50th anniversary in business in 2018, VEEM listed on the Australian Securities Exchange in 2016. www.veem.com.au