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Appendix 4E

Full Year report

Name of Entity: Advanced Braking Technology

ABN: 66 099 107 623

Reporting period: Year ended 30 June 2024

Previous corresponding period: Year ended 30 June 2023

Results for announcement to the market

			30-Jun-24 \$A'000	30-Jun-23 \$A'000
Revenue from ordinary activities	Up	12.01%	16,455	14,690
Profit / (Loss) from ordinary activities after income tax attributable to members	Up	15.60%	1,704	1,474
Net Profit / (loss) for the period attributable to members	Up	15.60%	1,704	1,474
Dividends				
There is no proposal to pay dividends for the year ended 30 June 2024				

	30-Jun-24	30-Jun-23
Net tangible assets	cents	cents
Net tangible assets per share (cents)	1.93	1.41

This report is based on accounts which have been audited.

The commentary on the results for the period is contained in the release accompanying this statement.

ANNUAL REPORT 2024

ABN 66 099 107 623



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CORPORATE DIRECTORY

Directors

Dagmar Parsons
David Slack
Adam Levine
Les Guthrie

Company Secretary

Kaitlin Smith

Registered Office

73 Inspiration Drive
Wangara, WA 6065
Telephone: + 61 8 9302 1922
Telephone: 1800 317 543

Auditors

Moore Australia Audit (WA)
Level 15, Exchange Tower
2 The Esplanade
Perth, WA 6000

Country of Incorporation

Australia

Legal form of entity

Listed public company

Chief Executive Officer

Andrew Booth

Chief Financial Officer

Angela Godbeer

Bankers

National Australia Bank Ltd
12 / 100 St Georges Terrace
Perth, WA 6000

Share Registry

Computershare Investor Services Pty Ltd
Level 11, 172 St Georges Terrace
Perth, WA 6000
Telephone: + 61 8 9323 2000
Facsimile: + 61 8 9323 2033

ASX Home Branch

Australian Securities Exchange (ASX)
Level 40, Central Park
152-158 St George's Terrace
Perth, WA 6000

ASX Code

ABV – Ordinary shares



CHAIR'S REPORT

Dear Shareholder,

I am delighted to provide ABT's Annual Report for FY2024. This year, **we achieved new heights in performance and made further progress towards our ambitious strategic goals and targets.** We focused on our purpose and vision, with the Board and Leadership Team working in unison to guide our strategic direction and tactical roadmap. During the year Andrew Booth, our CEO and I met with many of our shareholders and the investment community around the country. We received rich and insightful feedback which provided valuable input in setting our strategic priorities.

OUR PRIORITIES

People and Culture

Our people are at the core of everything we do. Our team bring unique skills, perspectives, and experiences to the table and it is vital that we create a supportive environment where they feel valued, respected, and empowered to thrive.

By investing in our people through professional development opportunities and a focus on work-life balance, ABT has fostered a culture of growth and collaboration to ultimately benefit our people as well as the company as a whole. At ABT, we promote a positive and inclusive culture to attract and retain top talent, strong employee morale and enhance teamwork and communication. We value diversity, creativity and innovation and have aimed to create a work environment where employees feel motivated and inspired to do their best work. We also believe that strong organisational culture positively impacts our relationships with our customers, partners and all our stakeholders.

The ABT Board and Leadership remain aligned in creating a positive and inclusive culture which enhances employee satisfaction and productivity, which ultimately drives the success of our business.

Foundations for Scale

Enabling the foundations of ABT to support continuing growth and scale is a fundamental strategic charter for the ABT Board. I am delighted with the progress which Andrew and his team have delivered which includes but is not limited to:

- Successfully attracting top talent from the Mining and advanced manufacturing sectors here in Australia and overseas.
- Building a Learning and Development platform to lift the collective skills and development across the organisation.
- Developing an ABT Performance Management Framework to enhance motivation, reward and engagement of our team.

- Gaining and maintaining a range of ISO accreditations demonstrating to customers, partners, suppliers and stakeholders that ABT follows internationally recognised standards for quality, risk, environmental management and continuous improvement.
- Investing in a focused project management framework which brings together cross functional project teams.
- Driving an ABT supplier engagement strategy which leverages the scale which ABT has created over the past 3 years for our key suppliers and potential new supply partners. And importantly establishes a supply chain which will support a growth roadmap.
- Account planning based on strategic and tactical engagement strategies in order to optimise and activate a Bluechip customer base with international footprints.

In addition, I am proud of the progress made across a range of projects and initiatives which will underpin the projected growth such as actively expanding into South Africa supported by the new product development of a SIBS brake for the TOYOTA Hilux.

Dividend Policy

The Board has determined that, subject to satisfactory results for FY 25 and capital requirements, the company will consider paying dividends. To this effect, Advanced Braking Technology intends to put in place a Dividend Reinvestment Plan.

Environmental, Social, and Governance (ESG)

By adopting sustainable practices, ABT contributes to the broader goal of achieving a more environmentally and socially responsible mining industry. It is well known how important ESG is in the mining industry. As the demand for minerals continues to grow, mining companies are under pressure to improve their environmental performance, social responsibility, and corporate governance practices in both mature and developing markets. ABT understands this. We are developing a strategic framework which aims to solution for all aspects of ESG and to assist our customers in achieving their respective ESG targets. For example, **ABT's 100% Sealed Integrated Brakes (SIBs) contribute to a cleaner air environment** where air quality is critical and air filtration is a material cost of business. ABT SIBs enhance sustainable mining measures which reduce carbon emissions. ABT Failsafe brakes providing safe working conditions for employees and key operating service partners with spring actuated hydraulic release brake systems offering both primary and secondary activation methods to prevent unintended vehicle movement as a key operating risk in underground mining. ABT solutioning contributes to stronger governance in optimal asset management for our customers' mine operating models. ABT brakes offer our customers positive Total Cost of Ownership benefit over the useful life of the vehicle of circa 23% when compared to a standard brake. This demonstrates to our customers a positive return on investment in an ABT SIBS brake.

Innovation in Mine Safety Technology

Innovation and technology are key to driving our progress and continues to revolutionise the mining industry, leading to increased efficiency, safety, and sustainability. Innovation in Mine Safety Technology continues to attract subsequently strong investment and strategic focus across mine operations around the globe. As adherence to safety regulations increases, collision avoidance technology development is in strong demand. ABT's innovation roadmap identifies the importance of the complimentary interoperable relationship between failsafe brake systems and collision avoidance technology. We are actively exploring the ways in which ABT can participate in this space. We also continue to improve and leverage existing technology IP to expand our product range. The **TOYOTA Hilux SIBS** is a case in point as is the development of driveline solutions for ancillary vehicles.

I look to the year ahead with confidence as there has never been greater opportunity for our vehicle safety innovation. Combined with strategic leadership, quality of customer engagement, technology and innovation offers great optimism that we can deliver for all our stakeholders.

I want to thank our ABT leadership and the dedicated ABT team, our valued customers and our partners, who are bringing the ABT purpose and vision to life.

On behalf of the Board I would like to thank our shareholders for their ongoing support.



Dagmar Parsons
Chair



CHIEF EXECUTIVE OFFICER'S REPORT

What are your reflections on FY24?

In the past year, ABT has delivered solid results as the team have forged ahead with focussed execution of our strategic roadmap. I am pleased to report that we have achieved our strongest results yet across key metrics including Revenue, Margin, Profit and Productivity in FY24.

ABT's **Total Revenue of \$16.5M increased +12% on prior year.** This result reflects an unwavering focus on the execution of our customer engagement in our home market of Australia as well as ABT's key international markets. South Africa, Indonesia, Mongolia and Canadian Market continue to develop and present ABT with strong deal pipeline opportunity. This drives our install base of Failsafe Brake sales and offers ABT strong opportunity to grow penetration of the Underground Operator Market.

Spare Parts and Consumables is a profitable element of ABT total revenue in FY24. As a typical Original Equipment Manufacturer (OEM), ABT generates approximately 45% of sales from recurring sales of spare parts, which naturally increases as we grow our install base.

ABT has delivered a **Gross Margin of 51.4% which has increased from 50.2%.** The result is a direct outcome of focussed cost and supply chain management as well as product mix.

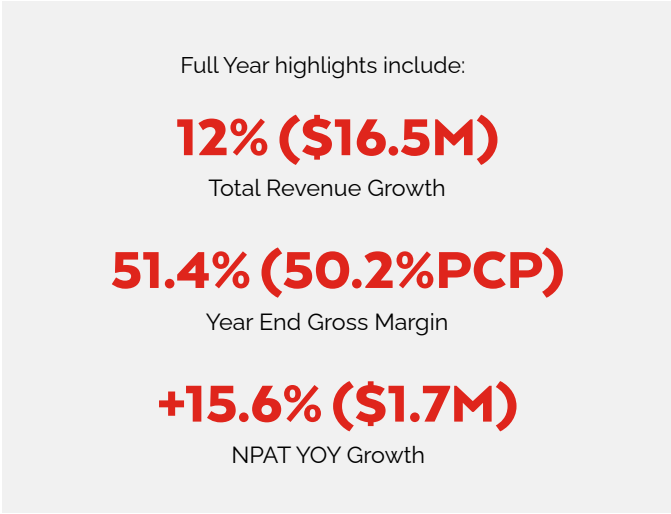
ABT has delivered sustained levels of profitability with **NPAT of 1.7M +15.6% on prior year.** Net Profit of 11.1% is an improvement on prior year results of 10.4% and sets new benchmarks in ABT's productivity, as we continue to foundation this business model for future, ongoing scale.

During the year we developed the **new Failsafe Sealed Integrated Brake Systems (SIBS)** for the popular TOYOTA Hilux light vehicle. The ABT SIBS Hilux will offer mine fleet operators similar benefits to our proven TOYOTA Land Cruiser SIBS. These benefits include ABT's market leading Failsafe technology, as well as cost of ownership benefit over the useful life of the vehicle when compared to a standard brake. This demonstrates a positive return on investment in an ABT SIBS brake.

The Hilux SIBS represents one of a number of key initiatives to diversify the vehicle applications of ABT SIBS Failsafe brake systems across both Light Vehicle and Heavy Vehicles in Mining operations.

How are you strengthening the ABT business for growth and scale?

Our Strategic Roadmap offers ABT a 5-year plan to grow via a focus on leveraging our core failsafe product IP as well as



capitalising on our perpetual R&D investment with commercialised innovation.

And as we execute this growth plan, the importance of strengthening the foundations of ABT to support continuing growth and scale is a key strategic charter for my team.

Investment in training and development of our people remains key. As this ensures that our people grow in line with the ABT business so that ABT can continue to attract and benefit from new talent endowed with knowledge and industry experience.

The ABT culture is a strong and positive one and at ABT we know that strong culture is as important as strong operating systems which when combined, create a powerful foundation for scale. Enhancing our systems development to improve productivity and streamline workflows leverages automation tools. By automating repetitive tasks, employees focus on important strategic activities, leading to increased efficiency and productivity. This continuous improvement is evident and at ABT, we consistently talk about how we are finding ways to be better everyday.

As an OEM of advanced manufactured products, we rely on strategic supplier relationships locally and offshore for specialised componentry. As we scale, ABT is strengthening our partnerships with suppliers both existing and new to ensure ample production capacity to meet the demands of the growing industrial safety market.

Why is ESG relevant to the ABT strategy?

Because it is critically important to our highly valued customer base. These world leading mine and mining services operators are continuing to invest and innovate to improve their environmental performance, social responsibility, and corporate governance practices in both mature and developing markets. ABT understands this and continues to develop and refine a strategic framework which aims to solution for all aspects of ESG. These are not necessarily new or novel product developments. As some of these have been intrinsic benefits included in our intellectual property all along.

Why ABT?

We are a homegrown Australian Engineering OEM with intellectual property that offers vehicle safety solutions to world's leading mine operators. This makes ABT a leading brand in Failsafe Brake Systems in the underground mining sector. ABT brakes have a proven reputation for unmatched safety, heightened productivity, zero emissions and durability in the most challenging operating environments in the world. With an estimated 20% market share globally, ABT has strong organic growth opportunities.

We are dedicated to improving Safety - Improving the safety of miners and the efficiency of mine operations. This includes:

- Prevention of Unintended Vehicle Movement.
- Managing Brake Fade and Brake Failure.
- Offering optimal durability – minimising service, maintenance and maximising the life of the brake
- And our 100% Sealed brakes contribute to a cleaner air environment – where air quality is paramount

What are your focus areas for FY25?

In the year ahead we will continue to focus on the diversification of vehicle applications for our ABT SIBS range and deliver innovation on both light vehicle and heavy vehicle applications. Consequently, **ABT is engaging with a number of Global Mine Operators to develop Failsafe Safety systems** for a range of new vehicle solutions and offers just one example of how ABT is deepening our engagement across our bluechip customer base. Supporting our customers with best practice aftersales, technical support remains a pivotal element of ABT's strong brand reputation in the mining sector.

As we activate more offshore opportunity in regions such as Africa, Asia and America's, ABT will continue to invest in these regions to drive important educational marketing to drive awareness of Failsafe braking in high risk operating environments.

As we drive market penetration across a broader array of markets, we will continue to attain conformance to local regulator safety standards specific to those markets.

Mine safety technology remains a key focus for ABT's product innovation. Collision avoidance and failsafe braking are a natural fit and we see this as a key pillar for ABT future development.

Continuous improvement in our systems and workflows remains a core element of enabling the level of scale we are targeting. Fostering a strong ABT team culture remains paramount to the ABT leadership charter. The ABT team completed FY24 with new records realised in Revenue, Profitability and Productivity and I am extremely proud of

these achievements. Equally, we are commencing FY25 with unprecedented levels of opportunity and unabated focus on continuous growth and I am confident of ABT achieving new heights in this exciting year ahead.

I want to take this opportunity to thank and congratulate our talented and dedicated ABT team, to thank our loyal customers, our partners, the ABT Board and all of our Shareholders for their trust, support and belief in the ABT Vision.



Andrew Booth
CEO

OPERATING AND FINANCIAL REPORT

BUSINESS OVERVIEW

Advanced Braking Technology Ltd ('ABT' or the 'Company') is an Australian company listed on the **Australian Securities Exchange (ASX:ABV)** that 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 the Company's reputation has grown, demand for ABT's brakes has expanded internationally with its braking solutions being used in all seven continents across the globe. Approximately 40% of revenue from continuing operations comes from overseas locations including **Canada, Europe, Asia-Pacific, South Africa** and **Chile** in which ABT has key distribution partners.

ABT has three strategic key supplier relationships, all located in Australia, which represent approximately 60% of ABT's supply chain inputs. This primarily Australian-based supply chain has continued to contribute to the Company's operational resilience to deliver ongoing sales growth and financial year results.

During FY24, ABT offered the following key products:

Brakesafe Wheel End SIBS Brakes - Sealed wet brakes with Spring Applied Hydraulic Release (SAHR) mechanism and optional interlocks, this integrated Park and Service Brake system eliminates the risk of unintended vehicle movement ensuring unparalleled safety for operators and site personnel.

Brakesafe Driveline SIBS Brakes - ABT Driveline Brakes act as a supplementary system for critical situations. In case of service brake failure, these brakes provide rapid intervention, preventing unintended vehicle movements and going beyond the standard OEM supplied park braking systems.

During FY24, the Company continued to deliver on our strategic roadmap.

These included:

- International expansion of our SIBs install base.
- Launch New SIBs for TOYOTA Hilux.
- Double digit % Growth in Revenue and NPAT.

- Record 'trail' revenue in Spare Parts and Consumables.
- Gross Margin performance reflects strong supply chain management.
- Enhanced productivity exhibited via Operating Leverage.
- Official Opening of ABT Inspiration HQ.
- ABT Exhibit at International Mining and Resources Conference IMARC October 2023.
- Full Time Sales Manager based in Johannesburg.

Financial Summary

The Company reported financial results for the year end 30 June 2024, with revenue from ordinary activities of **\$16.46m (FY23: \$14.69m)**, which represents a 12.0% increase on the prior year. The net profit for the year of **\$1.7m (FY23: \$1.47m)** was achieved through an increase in sales revenue and controlled expense.

The Company reports a balance sheet with cash and receivables of \$5.41m (FY23: \$3.99m). Net assets as of 30 June 2024 have increased 28% from FY23 to \$8.87m. Increases in inventory holdings and increases in the R&D tax incentive have been the main contributors to the increase in net assets. The Company increased inventory holdings to service open orders and hold safety stock levels akin to the sales increases. Increases in self-funded research and development have resulted in an increase in R&D tax receivables.

Cash balance of \$2.41m, is up from the \$2.05m at 30 June 2023. Trade and other payables remained constant at \$2.0m (FY23: \$2.0m). Trade receivables increased to \$3.0m (FY23: \$1.9m).

Revenue

Revenue from continuing operations in FY24 of \$15.29m (FY23: \$14.15m) was achieved primarily from sales of the Company's core BrakeSAFE Wheel End and BrakeSAFE Driveline products and associated spares and consumables predominately in the mining industry.

The gross margin for revenue from continuing operations for FY24 is 51.4% (FY23: 50.2%). The increased gross margin is a culmination of improved cost control measures, economies of scale and improved inventory management. ISO9001 accreditation provides process improvement implementations, increased productivity, efficiency and costs control measures.

The estimated research and development (R&D) tax incentive refund for the year of \$947k (FY23: \$480k) is higher than prior

year as the Company continues to invest in self-funded new product development which will deliver revenue diversification and scale opportunities.

During FY24, ABT received funds of \$27.5K for the Energy Efficient Grant ('Grant') by the Department of Industry, Science and Resources. The Grant was awarded to provide funding to increase the uptake of energy efficient technologies.

Expenses

Expenses for FY24 totaled \$7.3m (FY23: \$6.2m) representing a 19% increase on prior year. The increases in expenses are in line with the Company's strategic horizon to support a step change in growth. Total expenses are 48% of revenue from continuing operations (FY23: 44%) and aligned to the revenue growth achieved through the year.

Cash

The cash balance of \$2.41m (FY23: \$2.05m) has increased on prior year due to higher revenue, and the Company reports a positive operating cash flow of \$0.3m (FY23: \$0.9m). The Company continues to take a proactive approach to minimise disruption of delivery to customers by purchasing inventory in advance and holding higher stock levels than previously required. The Company has a solid sales pipeline on which to place orders, and as the Company looks to strengthen operations and build business resilience, the importance of supply chain risk management is more apparent than ever. This is a prudent and mandatory investment in securing the opportunity sales pipeline.



Strategy implementation and product development

ABT continues to focus on the ongoing execution of its strategic roadmap with sustained financial and operational performance during FY25.

The growth strategy will be implemented through:

- Organic growth via focused sales and marketing engagement with ABT's international customer base;
- Product innovation at pace and interoperable with technology advancement
- SIBS product development to support broader vehicle application
- Supply chain expansion to support step change growth and scale
- Continuous improvement focus on delivering customer, quality and cost enhancement
- Inorganic growth through implementing our Joint Ventures, Partnering and Acquisitions strategy

Diversification is a key strategic theme in FY24 through the following:

- Our product offering;
- Our customer base;
- The geographic locations in which our products are found; and
- Our network of partners: Suppliers, Installation and Service Providers, and International Distributors.

With a focus on leveraging our core Sealed Integrated Brake System SIBS intellectual property and existing product range as well as capitalising on our perpetual R&D investment, the Company is positioned to grow sales during FY25 to a broader range of customers and geographic regions. The diversification of vehicle variants to which these products can be fitted is based on market intelligence and understanding the fleet and asset management requirements of the customer, with a diligent focus on investment return benchmarks.

An example of this diversification is the launch of the Failsafe Sealed Integrated Brake System SIBS for the popular TOYOTA Hilux Light Vehicle. The ABT SIBS Hilux will offer Mine Fleet Operators similar benefits to our proven TOYOTA Landcruiser SIBS, including ABT's leading Failsafe technology, as well as Total Cost of Ownership benefit over the useful life of the vehicle of Circa 23% when compared to a standard brake. This demonstrates to our customers a positive return on investment in an ABT SIBS brake. The Hilux is a popular vehicle for mining applications in developing regions such as South Africa, Asia and South America where awareness in safety systems is growing.

ABT maintains a growing focus on the heavy vehicle market, which includes operators using heavy rigid road-trucks for mining as well as additional heavy ancillary mining equipment and we continue to engage with key mining operators to validate heavy vehicle brake solutions. This diverse fleet of vehicles ranges from heavy rigid trucks through to telehandlers, loaders and other ancillary fleet vehicles as safety, environmental concerns and reduce fleet operating costs remain a focus for mine operators. Smaller, faster, more fuel-efficient vehicles to deliver environmental & productivity gains is a consistent trend across the sector. ABT are engaged with a number of major mining operators both in Australia and Internationally to validate a range of heavy vehicle brake solutions.

Brake safety systems are highly complementary to collision avoidance technology in mining. Vehicle Collision Avoidance Technology is rapidly emerging across mining operations globally to address the risk of human injury and fatality from vehicle interactions. Each year, between 30-40% of mining industry deaths are attributable to failures of vehicle interaction controls and of these about half involve pedestrians (EMESRT) Collision Avoidance Level 9 intervenes and overrides the driver and when combined with Failsafe Braking, provides complementary safety intervention systems which save lives. ABT's strategic innovation focus in this **Collision Avoidance Systems (CAS)** space offers significant growth opportunity via increasing applications as a leading safety OEM brand in the mining market.



ABT'S 2029 STRATEGIC HORIZON



RISK MANAGEMENT

ABT Risk management drives the identification, management, and mitigation of risk, which in turn crates a risk aware corporate culture. Key risks are reviewed on a quarterly basis and reported to the Audit & Risk Committee, and to the Board.

The key risks to ABT's ability to successfully operate a global business, grow and remain cost competitive, and the strategies devised to mitigate these risks are summarised as follows:

Cyber Security and Information Technology Risk

Targeted cyber-attacks or unauthorised access to ABT's IT systems pose a number of risks to AB, including reputational damage, financial loss, operational disruption and reaches of regulatory compliance obligations.

In FY24 ABT invested in the implementation of the Australian Cyber Security Centre Essential 8 and achieved Level 1 status. ABT developed, and continues to update it's IT policies, procedures and practices including the use of company information, personal storage devices, IT systems and IT security. To mitigate risks, ABT maintains ongoing training and awareness for all staff.

The Board is briefed on cyber security on a regular basis.

Health & Safety Risk

ABT has a comprehensive Occupational Health & Safety management system in place, designed to ensure proactive health and safety risk identification, mitigation and management strategies are employed at all times. ABT remains committed to review and refine safety management practices already in use in the workplace.

People Risk

The ongoing global shortage of skilled labour continues to place pressure on our ability to attract, grow and retain critical and diverse talent across our workforce. In addition, there are also risks of disruptions due to industrial relations leading to financial loss. ABT aims to mitigate risks through remunerating competitively, identification of critical roles, and the implementation of succession and retention plans.

Innovation Risk

ABT takes pride in offering bespoke design and engineering solutions that meet customers' needs in terms of product capability and performance. Delivering innovative solutions is crucial to our ongoing success. By incorporating technology and innovation into our designs and products, ABT maintain its competitive edge and stands out from the competition. In our market key competitive elements include price, quality, delivery, technological innovation and engineering development. To safeguard our innovation advantage, we focus on attracting top talent, protecting our intellectual property and investing in future operations.

Strategic Risk

ABT consistently seeks business growth opportunities

and assesses strategic alternatives to ensure the long-term sustainability of producing high quality products for its customers.

Supply Chain Risk

ABT is reliant on a few strategic suppliers for key component parts. ABT has developed sound relationships with key suppliers to ensure ongoing supply in a timely manner. ABT continues to invest in supplier management to provide forecast that enable planning. ABT has invested in robust risk management strategies to implement contingency plans.

SUSTAINABILITY SNAPSHOT

ABT is dedicated to operating in a way that recognises and proactively addresses the issues most critical to the long term sustainability of its business, the environment and the communities where it sells products and operates. This commitment is rooted in ABT's core values which are fundamental to our business practices and culture.

Environmental

ABT is committed to the continued management of the environmental impact of our operations facility and our products to lower our carbon footprint.

- Investment in energy efficient premises and equipment to reduce waste and energy.
- Implementation of energy management systems to monitor and reduce energy consumptions.
- Implemented recycling programs for plastic, paper, electronics and other materials.
- Installed water saving fixtures and appliances.
- Provide training and resources to educate employees about sustainability practices.
- Encouraged employee-led sustainability initiatives.

Social

ABT is dedicated to the health and safety of our people, providing an inclusive workplace that offer many opportunities.

- Occupational Health and safety performance has continued to improve through education and training on safe work practices.
- ABT continues to offer training and development programs to all staff, assisting in their growth and development.
- ABT provides flexible work arrangements, including working from home arrangements where possible.

- Employee benefits including discounts with many retailers through our Employee Benefits Program.
- ABT's Employee Assistance Program provides employees and their families immediate confidential support services.
- ABT fosters a workplace that encourages diversity and inclusion, and appropriate behaviour at all times.
- Support fundraising efforts by matching employee's charitable donations.

Governance

ABT is committed to upholding the highest standards of corporate governance, which serve as the foundation for stakeholder's trust in our business.

- Significant upgrades to IT systems and mitigation of cyber security threats.
- Female leadership roles appointed in the business to achieve a more gender diverse organisation.

- ABT provides regular training on ethics and compliance for employees at all levels.
- ABT has established a comprehensive risk management framework to identify, assess and mitigate risks, with regular reviews held.
- ABT has updated governance policies and procedures to ensure alignment with best practices and regulatory requirements.

Growth and Outlook

The Company's agenda is underpinned by a strong focus on the safety needs of our customers operating in both developed and developing markets globally. This is founded upon a clear and aligned channel-to-market strategy supported by a fully integrated sales & marketing framework targeting heavy industrial, mining, mining services and international distribution. The Company also continues to focus on strategic growth opportunities and is currently assessing key initiatives to drive scale, revenue diversification and enhanced innovation for the business.



DIRECTORS' REPORT

The Directors of **Advanced Braking Technology Ltd ('Company' or 'ABT')** and its controlled entity **Advanced Braking Pty Ltd (the 'Group' or the 'Consolidated Group' or the 'Consolidated Entity')**, present the annual financial report for the financial year ended 30 June 2024. For the purposes of the Corporations

Act 2001, the Directors provide the report as follows:

The following persons were Directors of the Company during the financial year are as follows:

Name	Position	Appointment Date	Resignation Date
Dagmar Parsons	Chair	22-Apr-18	-
David Slack	Non-Executive Director	9-Sep-09	-
Adam Levine	Non-Executive Director	9-Apr-13	-
Les Guthrie	Non-Executive Director	1-Aug-23	-

Particulars of each director's experience and qualifications are set out later in this report.

Principal Activities

The principal activity of the Consolidated Group during the course of the year was the research, development, design, commercialisation and manufacture of the ABT Failsafe Brakes, ABT Failsafe Emergency Driveline Brakes and Terra Dura Brakes and associated braking systems.

Opening Results

The results of the Consolidated Group for the year ended 30 June 2024 were a net profit from continuing operations, after income tax, of \$1,704,000 (2023: net profit \$1,474,000). Revenues from continuing operations were \$15,287,000 (2023: \$14,150,000). Revenues from other activities were \$1,168,000 (2023: \$540,000).

Dividends

There have been no dividends paid or declared by the Company, focus on attracting top talent, protecting our intellectual property and investing in future operations.

SUMMARY OF MATERIAL TRANSACTIONS

Issue of Securities

In March 2024, the Company issued 321,426 of ordinary shares as part of the Employee Share Plan. Refer to Note 23 for further details.

Exercise of Options

In December 2023, the company issued 1,489,527 new ordinary shares in the Company on the exercise of 1,489,527 unlisted options exercisable at \$0.04 to our KMP, A Booth. Refer to Note 19 and 23 for further details.

In June 2024, the company issued 1,489,527 new ordinary shares in the Company on the exercise of 1,489,527 unlisted options exercisable at \$0.04 to our KMP, A Booth. Refer to Note 19 and 23 for further details.

Energy Efficient Grant

ABT was awarded the Energy Efficient Grant ('Grant') to the value of \$27.5K by the Department of Industry, Science and Resources. The Grant was awarded to provide funding to increase the uptake of energy efficient technologies improving energy efficiency practices and reduce greenhouse gas emissions. ABT fully received the remainder of the grant in FY24.

Research And Development Tax Incentive

ABT received \$671,255 as a refundable tax offset for eligible research and development expenditure relating to the development of its innovative braking solutions during FY23, following the lodgment of the Company's FY23 income tax return.

Significant Changes in the State of Affairs

Mr. Les Guthrie was appointed as Non -Executive Director effective 1 August 2023.

Events Subsequent to Balance Date

There are no further events subsequent to balance dates.

Future developments

With a focus on leveraging our core SIBS intellectual property and existing product range as well as capitalising on our

historical R&D, the Company is positioned to grow sales during FY24 to a broader range of customers and geographic regions. The diversification of vehicle variants to which these products can be fitted is based on market intelligence and understanding the fleet and asset management requirements of the customer, with a diligent focus on investment return benchmarks.

The Company will continue to develop its product offering through ongoing R&D to ensure it remains relevant long

into the future as automation and electrification of vehicles gains momentum around the world, and the environmental impacts from non-exhaust vehicle emissions, including brake dust particles, are better understood by government and consumers.

Environmental Regulation

The Consolidated Entity is not subject to any particular and significant environmental regulation under a law of the Commonwealth or of a State or Territory.

INFORMATION ON DIRECTORS

	Dagmar Parsons Non-Executive Chair	Appointed 22 April 2018
Experience and Expertise	Ms Parsons has more than 25 years of experience in the mining and resources industry across a range of functions, working in senior executive roles with Worley Parsons, AECOM and Downer. Ms Parsons has worked with major national and multinational entities to drive critical market success by providing strategic direction, visionary leadership and innovative thinking. As a Mechanical Engineer, Ms Parsons has developed an in-depth knowledge of engineering, manufacturing, and service industry environments in the Mining, Oil and Gas, Power and Infrastructure sectors. Ms Parsons has considerable experience in transforming and growing complex businesses across diverse corporate, operational and entrepreneurial roles in Australia, Asia and Europe. She has a strong appreciation of the role of good governance in setting, implementing and over-sighting strategic imperatives. Ms Parsons holds a Masters Degree in Mechanical Engineering and a Masters in Business Administration. She is also a graduate member of the Australian Institute of Company Directors.	
Qualifications	Dipl.-Ing. (TH), MBA, GAICD	
Directorship held in other listed entities	Non-Executive Director of Laserbond Ltd. (ASX: LBL) Period of Directorship January 2023 to current.	
Former directorship in last three years	Non-Executive Director of Greenvale Mining Ltd (ASX Code: GRV) Period of Directorship June 2021 to August 2022.	
Special responsibilities	Member of Audit & Risk Committee, Member of Remuneration & Nomination Committee.	
Interest in shares, options and performance rights	Shares – 840,000 Options – Nil Performance Rights - Nil	

	David Slack Non-Executive Director	Appointed 9 September 2009
Experience and Expertise	Mr Slack has been a substantial shareholder and NED of Advanced braking for the past 16 years. He is a non executive director of two other public companies, apart from Advanced Braking. He is an NED of Australian Wealth Advisor Group, an ASX listed company ((ASX: WAG) which is a financial planning and fund management group. He is a NED and Chairman of Transport Safety Systems Group, an Australian public unlisted company in the commercialisation phase of a new rail crossing technology. Mr Slack has had a successful 45 year career in Australian Fund Management as an Australia Equity manager for the Institutional and retail markets. He was instrumental in the formation of 3 successful investment management firms in Australia: County Natwest Investment Management, Portfolio Partners and Karara Capital.	
Qualifications	He has a Bachelor of Economics with Honours and is a fellow of FINSIA. He is also a member of the Australian Institute of Company Directors.	
Directorship held in other listed entities	Non-Executive Director of The Australian Wealth Advisors Group Limited (ASX: WAG) Period of Directorship April 2024 to current	
Former directorship in last three years	Nil	
Special responsibilities	Chair of Audit & Risk Committee, Member of Remuneration & Nomination Committee.	
Interest in shares, options and performance rights	Shares – 75,520,131 Options – Nil Performance Rights - Nil	

	Adam Levine Non-Executive Director	Appointed 9 April 2013
Experience and Expertise	Mr Levine, has over 25 years national and global experience in structuring and executing private equity investments and corporate finance transactions both as legal advisor and a principal investor. Mr Levine is the Executive Chair and Co-Founder of the Rockwell Group which undertakes principal investments into regulated financial and professional services businesses as well as global social ventures.	

Experience and Expertise	Mr Levine's extensive private equity experience and proactive investment practice have been the major contributory factor to the Rockwell Group's success with a portfolio IRR in excess of most leading national and global private equity funds. He brings a very analytical and inquiring mind when engaging with, challenging and supporting the key Executives of the companies he invest into. He currently sits on the boards of a number of global businesses including FMD Financial Pty Ltd, Tharr Group Pte, LOFB International LLC and a number of other private companies. Mr Levine is also the founder (with his wife) and Chair of the Rockwell Foundation, a private ancillary fund, which focuses on supporting opportunities for under privileged youth. He is also the mediate past Chairman of the Australian Jewish Museum Foundation Limited., and has been Chairman of YPO Melbourne and an active global member of YPO for over 10 years.
Qualifications	L.B (Hon), B.Ec (Acc)
Directorship held in other listed entities	Nil
Former directorship in last three years	Nil
Special responsibilities	Chair of the Remuneration & Nomination Committee, Member of Audit & Risk Committee.
Interest in shares, options and performance rights	Shares – 777,778 Options – Nil Performance Rights - Nil

	Les Guthrie Non-Executive Director	Appointed 1 August 2023
Experience and Expertise	Mr Guthrie is an engineer with 45 years' experience in the project delivery space. He has held corporate executive and project management roles, across the UK, Australia, North America, and Asia. It is a background steeped in the strategy, development and delivery of major capital programs spanning mining, infrastructure, and oil & gas. He is the Managing Director of Bedford Road Associates, where he has provided advice and delivery support to clients in Mongolia, South Korea, New Zealand as well as in Australia. Prior to establishing Bedford Road, Mr Guthrie was Vice President Projects for BHP Billiton. Previously, he held roles as Group Head of Capital Projects and President LNG for BG Group in UK, President of Aker Kvaerner Inc in the US, and the Management Director of Aker Kvaerner Australia. Mr Gurthrie was a founding contributor to the John Grill Center for Project Leadership at Sydney University and was previously engaged as a subject matter expert by EY Advisory.	
Qualifications	B.Sc (Engineering and Marketing)	
Directorship held in other listed entities	Non-executive Director of Neometals Ltd (ASX: NMT)	

Former directorship in last three years	Australian Mines Ltd Period of Directorship November 2019 to July 2023
	DRA Global Ltd (Chair of People, Culture and Remuneration Committee, and member of Sustainability, Safety, Health and Environmental Committee)
	Period of Directorship January 2020 to October 2023
Special responsibilities	Member of Audit & Risk Committee, Member of Remuneration & Nomination Committee.
Interest in shares, options and performance rights	Shares – Nil Options – Nil Performance Rights - Nil

INFORMATION ON OFFICERS



Andrew Booth
Chief Executive Officer

Mr Booth is an accomplished business leader, skilled and experienced in corporate development and strategy across a range of industry sectors and international markets across a broad array of industry sectors including manufacturing, logistics, private equity, finance and resources.

Mr Booth has lead growth and innovation, balanced with a risk and governance mindset. He has a reputation for demonstrating strong and collaborative relationship skills and is driven by entrepreneurial leadership where stakeholder and strategic partnerships are key.

Mr Booth is above all, passionate about Australia's unique intellectual property and immense opportunity in the region. Mr Booth has a Master's of Business Administration (MBA) from the Australian Graduate School of Management (AGSM) and is a Graduate of the Australian Institute of Company Directors (GAICD).



Angela Godbeer
Chief Financial Officer

Ms Godbeer has over 20 years of experience in financial management and strategic leadership roles across a number of industries, including Engineering, Manufacturing, Media and Financial Services in the United Kingdom and Australia.

Prior to joining ABT, Ms Godbeer extensive and diverse

background in finance leadership encompasses developing and implementing financial strategies, ERP implementation, project management, business improvement, change management and risk control.

Ms Godbeer is a Certified Practicing Accountant (CPA), an Associate of the Governance Institute of Australia (AGIA), a Chartered Management Accountant (ACMA) and a Chartered Global Management Accountant (CGMA).

INFORMATION ON COMPANY SECRETARY



Kaitlin Smith
Company Secretary

Ms Smith was appointed joint Company Secretary 19 July 2018 and Company Secretary on 10 August 2018. Ms Smith provides company secretarial and accounting services to various public and proprietary companies. She is a Chartered Accountant, a fellow member of the Governance Institute of Australia and holds a Bachelor of Commerce (Accounting).

The Company Secretary is accountable to the Board, through the Chair, on all matters to do with the effective functioning of the Board. All directors have direct access to the Company Secretary.

Corporate Governance Statement

The Board is committed to achieving and demonstrating the highest standards of corporate governance. The Board continues to refine and improve the governance framework

and practices in place to ensure they meet the interests of shareholders and our global stakeholders.

The Board has prepared the Corporate Governance Statement in accordance with ASX Corporate Governance Council's Principles and Recommendations, which is available on the Company's website at www.advancedbraking.com under

the Investors/Corporate Governance.

Meetings of Directors

The numbers of meetings of the Company's Board of Directors and of each Board committee held during the year ended 30 June 2024, and the numbers of meetings attended by each Director were:

Director	Directors' Meetings		Audit & Risk Committee		Remuneration & Nomination Committee	
	Held	Attended	Held	Attended	Held	Attended
Dagmar Parsons	11	11	5	5	1	1
David Slack	11	11	5	5	1	1
Adam Levine	11	10	5	4	1	1
Les Guthrie	10	10	4	3	1	1

REMUNERATION REPORT (AUDITED)

This remuneration report for the year ended 30 June 2024 outlines the remuneration arrangements of the Company and the Group in accordance with the requirements of the Corporations Act 2001 (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report details the remuneration arrangements for key management personnel (KMP) who are defined as those persons having

authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Parent Company.

Individual key management personnel disclosures

Details of KMP of the Parent and Group are set out below.

DIRECTORS			
Name	Position	Appointment Date	Resignation Date
Dagmar Parsons	Chair	22-Apr-18	-
David Slack	Non-Executive Director	9-Sep-09	-
Adam Levine	Non-Executive Director	9-Apr-13	-
Les Guthrie	Non-Executive Director	1-Aug-23	-

EXECUTIVES			
Name	Position	Appointment Date	Resignation Date
Andrew Booth	Chief Executive Officer	15-Mar-22	-
Angela Godbeer	Chief Financial Officer	2-May-22	-

BOARD OVERSIGHT OF REMUNERATION

Remuneration Committee

During the year, the Remuneration Committee met to make recommendations to the Board on remuneration policy and to recommend salary reviews and short and long-term incentives for the Company's executives.

Remuneration Policy

The remuneration policy of the Company is to pay executive directors and executives at market rates which are sourced from average wage and salary publications are subject to periodic reviews by external consultants and which may include a mix of short and long-term incentives linked to performance and aligned with market practice.

Company Performance	30-Jun-24	30-Jun-23	30-Jun-22	30-Jun-21	30-Jun-20
Total Revenue (\$'000)	16,627	14,690	11,741	10,448	9,079
Net Profit / (loss) (\$'000)	1,704	1,474	644	620	171
ABV Share Price	5.6 cents	3.8 cents	2.6 cents	3.5 cents	2.4 cents

In addition, Directors and employees may be issued shares and share options to encourage loyalty and to provide an incentive through the sharing of wealth created through equity growth which is linked to Company performance. The Remuneration Committee members believe the remuneration policy to be appropriate and effective and tailored to increase congruence between shareholders and Directors and executives.

The following table shows the gross revenue, net profit / loss and ABV share price of the Company at the end of each respective financial year.

NON-EXECUTIVE DIRECTOR REMUNERATION ARRANGEMENTS

Remuneration Policy

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The amount of aggregate remuneration sought to be approved by Shareholders and the fee structure is reviewed against fees paid to non-executive directors of comparable companies. The Company's Constitution and the ASX listing rules specify that the Non-Executive Directors' fee pool shall be determined from time to time by a general meeting. The latest determination was at the 2022 Annual General Meeting (AGM) held on November 2022 when Shareholders approved an aggregate fee pool of \$500,000 per year.

Structure

The remuneration of Non-Executive Directors consists of directors' fees. There are no schemes for retirement benefits for Non-Executive Directors other than statutory superannuation and Non-Executive Directors do not participate in any

incentive programs. Other than the Chair, each Non-Executive Director received a base fee of \$55,000 per annum plus the superannuation guarantee contribution. The Chair received a base fee of \$85,000 plus the superannuation guarantee contribution.

Voting and Comments from the Company's 2023 Annual General Meeting

At the Company's most recent Annual General Meeting held in November 2023, over 98.86% of eligible votes were cast for the adoption of the 30 June 2023 remuneration report. As no comments were received from shareholders who had voted against the resolution at that meeting, the Board does not propose any action with respect to its resolution at this time. The Board considers its remuneration policy to be appropriate and properly aligned with the current size and performance of the Group.

EXECUTIVE REMUNERATION ARRANGEMENTS

Remuneration level and mix

The Group aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group and aligned with market practice. ABT undertakes an annual remuneration review to determine the total remuneration positioning against the market.

Remuneration Structure

In the financial year ended 30 June 2024, the executive remuneration framework consisted of the following components:

- Fixed remuneration; and
- Variable remuneration

The table below illustrates the structure of Advanced Braking Technology Ltd's executive remuneration arrangements

Remuneration Component	Payment Vehicle	Purpose	Link to Performance
Fixed remuneration	Represented by total employment cost (TEC). Comprises base salary, plus superannuation contributions.	Set with reference to role, market and experience.	Based on annual appraisal and reference to market rates.
Short-term incentive component (STI)	Paid in cash and/or share based incentives for KMPs. A share-based scheme was put in place for KMP executives.	Rewards executives for their contribution to achievement of Group and business unit outcomes.	Linked to key performance indicators including group performance such as sales revenue, profit targets, and performance against budget and targets such as product commercialisation. All grants are at the discretion of the Board of Directors.
Long-term incentive component (LTI)	Paid in cash or share based incentives for KMPs. During the FY20 year, a new share-based scheme was put in place for KMP executives.	Rewards executives for their contribution to performance of Group.	Linked to Total Shareholder Return, sales budgets and profit targets. At judgement and discretion of the Board of Directors.

Directors' & Other Key Management's Interest in the Company

The following tables sets out each current Director's and other KMP's relevant interest in shares, options to acquire shares of the Company or a related body corporate as at 30 June 2024.

Equity Holdings and Transactions

The movement during the reporting period in the number of securities of Advanced Braking Technology Ltd held, directly, indirectly or beneficially, by each Director or Executive, including their related party entities, are as follows:

ORDINARY SHARES						
Directors	Balance at 1 July 2023	Granted as compensation during year	Exercise of options during year	Other movement during year	Held at date of resignation	Balance at 30 June 2024
Dagmar Parsons	840,000	-	-	-	-	840,000
David Slack ¹	75,156,743	-	-	363,388	-	75,520,131
Adam Levine	777,778	-	-	-	-	777,778
Les Guthrie	-	-	-	-	-	-
Sub-total	76,774,521	-	-	-	-	77,137,909
Executives						
Andrew Booth ^{2,3}	308,127	17,857	2,979,054	-	-	3,305,038
Angela Godbeer ³	-	17,857	-	-	-	17,857
Sub-total	308,127	35,714	2,979,054	-	-	3,322,895
Total	77,082,648	35,714	2,979,054	363,388	-	80,460,804

¹ D Slack acquired shares on market on December 2022 and March 2024.
² A Booth exercises his options in December 2023 and June 2024.
³ During the period, management granted employee shares to eligible employees. Refer to Note 23 for further details.



UNLISTED OPTIONS					
Directors	Balance at 1 July 2023	Granted during the period as compensation	Exercise of Options	Balance at 30 June 2024 (or date of resignation)	Vested and exercisable at 30 June 2024
Dagmar Parsons	-	-	-	-	-
David Slack	-	-	-	-	-
Adam Levine	-	-	-	-	-
Total	-	-	-	-	-
Executives					
Andrew Booth ¹	11,916,218	-	(2,979,054)	8,937,164	2,979,054
Angela Godbeer ¹	5,958,109	-	-	5,958,109	2,979,054
Total	17,874,327	-	(2,979,054)	14,895,273	5,958,108

¹ The unlisted options granted and issued during the period are unvested and subject to vesting conditions. Refer to Note 23 for further details.

Details of Remuneration of Directors and Executives

The details of the nature and amount of remuneration for each Director and Executive (Key Management Personnel) of the Company are:

Directors	Year	Short Term Benefits		Post Employment	Share Based Payments	Total	
		Salary & Fees \$000's	Bonus \$000's	Super \$000's	Options \$000's	Total Remuneration \$000's	Performance Related %
Adam Levine	2023	61	-	-	-	61	-
	2024	61	-	-	-	61	-
David Slack	2023	55	-	5	-	60	-
	2024	55	-	6	-	61	-
Dagmar Parsons	2023	85	-	9	-	94	-
	2024	85	-	9	-	94	-
Les Guthrie	2023	-	-	-	-	-	-
	2024	50	-	6	-	56	-
Total	2023	201	-	14	-	215	-
Total	2024	251	-	21	-	272	-

Executives	Year	Short Term Benefits		Post Employment	Share Based Payments	Total	
		Salary & Fees \$000's	Bonus \$000's	Super \$000's	Options \$000's	Total Remuneration \$000's	Performance Related %
Andrew Booth	2023	319	58	28	74	479	28%
	2024	387	44	25	51	507	17%
Angela Godbeer	2023	212	39	22	36	309	24%
	2024	247	29	26	30	330	16%
Total	2023	531	97	50	110	788	26%
Total	2024	634	73	51	80	837	16%
Total Consolidated	2023	732	97	64	110	1,003	21%
Total Consolidated	2024	885	73	72	80	1,109	13%

Cash Bonuses, Performance-related Bonuses and Share-based Payments

Details of STI's and LTI's are as follows:

Short Term Incentives

\$73K were accrued for STI during the financial year's 2024. (2023: \$97K)

Long Term Incentive Plan

On 27 November 2019, shareholders approved the adoption of the ABT Share Option Plan. The issue of unlisted options pursuant to the ABT Share Option plan are as follows:

Executives	Issue Date	Exercise Price	Number of KMP Options - Vesting 1 year from issue	Number of KMP Options - Vesting 2 years from issue	Number of KMP Options - Vesting 3 years from issue	Total KMP Options on Expiring 30 June 2024	Total KMP Options on Expiring 30 June 2025
Andrew Booth	8-Nov-21	\$0.04	1,489,527	1,489,527	2,979,055	2,979,054	2,979,055
Andrew Booth	1-Dec-22	\$0.06	1,489,527	1,489,527	2,979,055	-	5,958,109
Angela Godbeer	4-Jan-23	\$0.06	1,489,527	1,489,527	2,979,055	-	5,958,109
Total			8,937,162	8,937,162	17,874,329	2,979,054	14,895,273

The unlisted options vest over a 3 year period from issue date and are subject to vesting conditions.

On 8 November 2021, The Company issued Andrew Booth 5,958,109 unlisted options with the following vesting conditions:

- 1,489,527 unlisted options exercisable at \$0.06 and expiring 30 June 2024 with a vesting date being 8 November 2022.
- 1,489,527 unlisted options exercisable at \$0.06 and expiring 30 June 2024 with a vesting date being 8 November 2023.
- 2,979,054 unlisted options exercisable at \$0.06 and expiring 30 June 2025 with a vesting date being 8 November 2024.

On 1 December 2022, The Company issued Andrew Booth 5,958,109 unlisted options with the following vesting conditions:

- 1,489,527 unlisted options exercisable at \$0.06 and expiring 30 June 2025 with a vesting date being 31 December 2022.
- 1,489,527 unlisted options exercisable at \$0.06 and expiring 30 June 2025 with a vesting date being 31 December 2023.
- 2,979,054 unlisted options exercisable at \$0.06 and expiring 30 June 2025 with a vesting date being 31 December 2024.

On 4 January 2023, The Company issued Angela Godbeer 5,958,109 unlisted options with the following vesting conditions:

- 1,489,527 unlisted options exercisable at \$0.06 and expiring 30 June 2025 with a vesting date being 30 April 2023.
- 1,489,527 unlisted options exercisable at \$0.06 and expiring 30 June 2025 with a vesting date being 30 April 2024.
- 2,979,054 unlisted options exercisable at \$0.06 and expiring 30 June 2025 with a vesting date being 30 April 2025.

The unlisted options above were valued using Black Scholes, the inputs have been disclosed in Note 23.

No other performance incentive-based options were issued as remunerations to Directors or KMP during the period.

Other Equity Plans

Eligible employees are offered shares in the Company, at no cost to the employees, to the value of \$1,000 per annum under the terms of the Company's Employee Share Plan. There are no performance conditions, because the plan is designed to align the interests of participating employees with those of

shareholders. 2 Key Management Personnel, being A Booth and A Godbeer participated in the share plan in 2023 (2022: 1 KMP participated). Refer to Note 19 and 23.

Executive Contracts

The employment terms and conditions of all Executive KMP are formalised in contracts of employment.

The terms of the employment contracts with all Executives require both parties to provide three months of notice to terminate the contract.

Other Equity-related KMP Transactions

There have been no other transactions involving equity instruments apart from those described in the tables above relating to options and shareholdings.

Loans to KMP

No loans have been provided to Directors or Executive during the period.

Transactions With Key Management Personnel

Refer to Note 25 for details of transactions with Directors and key management personnel.

Indemnification and Insurance of Directors and Officers

During the course of the year the Company has paid a premium for Directors and Officers liability insurance. The insurance would cover costs and expenses incurred in defending legal proceedings arising out of their conduct while acting in the capacity of director or officer of the Company, other than conduct involving wilful breach of duty in relation to the Company.

Indemnification and Insurance of Auditors

The Company has not during, or since the end of the financial year, in respect of an auditor of the Consolidated Group, paid a premium to indemnify an auditor against a liability incurred as an auditor, including costs and expenses in successfully defending legal proceedings.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purposes of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-Audit Services

The Board of Directors, in accordance with advice from the Audit and Risk committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- All non-audit services are reviewed and approved to ensure they do not adversely affect the integrity and objectivity of the auditor; and

- The nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The following fees were paid or payable to the auditor for non-audit services provided during the year ended 30 June:

Auditor's Remuneration	Consolidated Group	
	2024	2023
Remuneration of the auditor:		
Moore Australia Audit (WA) Pty Ltd Audit or review of the financial statements	57	51
Moore Australia (WA) Pty Ltd Taxation services	10	19
	67	70

Auditor's Independence Declaration

The Auditor's independence declaration is included after this Directors' Report.

Rounding of Amounts

The Company is an entity to which ASIC Class Order 98/100 applies and accordingly, amounts in the financial statements and Directors' report have been rounded to the nearest thousand dollars.

Signed in accordance with a resolution of the Board of Directors.



Dagmar Parsons
Chair

Signed at Perth this 29th August 2024



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AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF ADVANCED BRAKING TECHNOLOGY LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2024, there have been:

- a) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit, and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.



Wen-Shien Chai
Partner – Audit and Assurance
Moore Australia Audit (WA)
Perth
29th August 2024



Moore Australia Audit (WA)
Chartered Accountants

Moore Australia Audit (WA) – ABN 16 874 357 907.
An independent member of Moore Global Network Limited - members in principal cities throughout the world.
Liability limited by a scheme approved under Professional Standards Legislation.

FINANCIAL STATEMENTS

Financial Statements

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Shareholding details

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2024

		Jun-24	Jun-23
Continuing Operations	Notes	\$'000	\$'000
Revenue	2	15,287	14,150
Cost of sales	3	(7,423)	(7,043)
Gross Profit		7,864	7,107
Revenue from other activities	2	1,168	540

Expenses			
Amortisation of Intellectual property		(64)	(64)
Audit and accounting fees		(76)	(69)
Bad and doubtful debts	3	-	20
Consulting fees	3	(427)	(551)
Consumables and minor equipment		(475)	(56)
Depreciation expense		(323)	(195)
Employee expenses		(4,498)	(3,626)
Finance expenses	3	(139)	(70)
Information technology expenses		(295)	(175)
Insurance		(308)	(276)
Inventory obsolescence expense	3	(46)	(203)
Legal fees		(30)	(41)
Marketing and advertising expenses		(53)	(95)
Patent expense		(54)	(32)
Property expenses		(87)	(163)
Telephone and other communication		(28)	(29)
Travel and accommodation		(308)	(260)
Other expenses	3	(117)	(288)
Total expenses		(7,328)	(6,173)

Profit / (loss) before income tax		1,704	1,474
Income tax	4	-	-
Profit / (loss) after income tax		1,704	1,474

Other comprehensive income / (loss)			
Items that may be reclassified subsequently to profit or loss		-	-
Total comprehensive profit / (loss) for the period		1,704	1,474

Earnings per share			
		Cents	Cents
Basic profit / (loss) per share (cents)	5	0.448	0.389
Diluted earnings per share (cents)	5	0.414	0.364

The above should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

for the year ended 30 June 2024

		Jun-24	Jun-23
		\$'000	\$'000
ASSETS			
Current Assets			
Cash and cash equivalents	7	2,408	2,048
Trade and other receivables	8	3,000	1,939
Inventories	10	3,614	3,425
Financial assets	12	45	-
Other assets	11	1,486	1,057
Total current assets		10,553	8,469
Non current Assets			
Property, plant and equipment	16	805	882
Right of use assets	13	1,055	1,128
Intangible assets	17	416	480
Total non-current assets		2,276	2,490
Total assets		12,829	10,959
LIABILITIES			
Current Liabilities			
Trade and other payables	9	1,957	2,027
Interest bearing liabilities	14	286	223
Lease liabilities	13	116	41
Provisions	15	542	571
Total current liabilities		2,901	2,862
Non Current liabilities			
Lease liabilities	13	1,029	1,116
Provisions	15	32	34
Total non-current liabilities		1,061	1,150
Total Liabilities		3,963	4,012
Net Assets		8,867	6,947
EQUITY			
Issued capital	19	55,970	55,833
Reserves	20	450	371
Accumulated losses	21	(47,553)	(49,257)
Total equity		8,867	6,947

The above should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2024

	Issued capital	Accumulated losses	Reserves	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2022	55,819	(50,731)	237	5,325
Other comprehensive income	-	1,474	-	1,474
Share-based payments	2214	-	134	148
Balance at 30 June 2023	55,833	(49,257)	371	6,947
Balance at 1 July 2023	55,833	(49,257)	371	6,947
Other comprehensive income	-	1,704	-	1,704
Options exercised	23119	-	-	119
Share-based payments	2318	-	79	97
Balance at 30 June 2024	55,970	(47,553)	450	8,867

The above should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2024

	Notes	Jun-24 \$'000	Jun-23 \$'000
Cash flows from operating activities			
Receipts from customers		15,178	15,175
Payments to suppliers and employees		(15,536)	(14,667)
Interest received		20	18
GST paid		(62)	(1)
Finance Cost		64	8
Proceeds from grants and research & development incentive		671	447
Net cash generated by / (used in) operating activities	7	335	980
Cash flows from investing activities			
Proceeds from disposal of non-current assets		160	-
Purchase of property, plant and equipment		(299)	(665)
Net cash generated by / (used in) investing activities		(139)	(665)
Cash flows from financing activities			
Proceeds from borrowings		315	246
Repayment of borrowings		(252)	(213)
Borrowing costs		(36)	(39)
Proceeds from issue of shares		137	-
Net cash generated by / (used in) financing activities		164	(6)
Net increase in cash held		360	310
Cash and cash equivalents at beginning of period		2,048	1,739
Cash and cash equivalents at end of period	7	2,408	2,048

The above should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

About these statements

Advanced Braking Technology Limited ("ABT" or the "Group") is a for-profit company limited by shares, incorporated and domiciled in Australia. Its shares are publicly traded on the Australian Stock Exchange ("ASX").

The nature of the operations and principal activities of the Group are described in the Directors Report.

The financial statements were authorised for issue in accordance with a resolution of the Directors on 29th August 2024. The Directors have the power to amend and reissue the financial report.

Currency

The financial statements are presented in Australian dollars, which is the functional and presentation currency of the Company.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

New standards and interpretations not yet adopted

A number of new accounting standards, amendments to standards and interpretations are not yet effective for 30 June 2024 reporting period and have not been early adopted in preparing these financial statements.

The Directors' assessment of these new accounting standards and interpretations is that they are not expected to have a material effect on the financial statements of the Group.

Basis of preparation

These general-purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the (IASB) International Accounting Standards Board.

Material accounting policies adopted have been consistently applied unless stated otherwise.

Except for cash flow information, the financials have been prepared on an accruals basis and based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Goods and services tax

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amounts of GST included. The net amount of GST recoverable from, or payable to, the Australian Taxation Office ("ATO") is included as a current asset or liability in the consolidated statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

Goods and services tax (cont'd)

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Group has retrospectively applied an accounting policy, made a retrospective restatement of items in the financial statements or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

Rounding of amounts

The parent entity has applied the relief available to it under ASIC Class Order 98/100 and accordingly, amounts in the financial statements and Directors' report have been rounded off to the nearest \$1,000.

Principles of consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (Advanced Braking Technology Ltd) and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 24.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases.

Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

Other accounting policies

Material and other accounting policies that summarise the measurement basis used and are relevant to understanding the financial statements are provided throughout the notes to the financial statements.

Fair Value

The financial assets and liabilities included in current asset and current liabilities in the Statement of financial position are carried at amounts approximate net fair values or recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

Going concern basis of preparation

The financial report has been prepared on the going concern basis that contemplates the continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business.

For the year ended 30 June 2024, the Group recorded a profit after tax of \$1.70m (2023: \$1.47m) and reported operating cash inflows of \$0.335m (2023: inflows \$0.980m). At balance date and as detailed in Note 14, the Company has current borrowings of \$0.286m (2023: \$0.223m).

Critical accounting judgements, estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Further information regarding the Group's significant judgements and key estimates and assumptions, being those where changes may materially affect financial results and the carrying amount of assets and liabilities to be reported in the next reporting period, are embedded within the following notes:

- Provision of Inventory obsolescence
- Key Estimates - Impairment
- Key Estimates - Share based payment transactions
- Key Estimates - Recoverability of Intangible Assets
- Key Estimates - Lease Term and Option to Extend
- Key Estimates - Depreciation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

1 SEGMENT REPORTING

The Group's principal activities are research and development, commercialisation, manufacture and installation of the BrakeSAFE wet sealed braking systems. The Group's activities are predominantly conducted in Australia and via distribution arrangements to other countries.

For management purposes, the Group is organised into one main operating segment. All the Group's activities are interrelated, and discrete financial information is reported to the Board (Chief Operating Decision Maker) as a single segment. The financial results from this segment are equivalent to the financial statements of the Group.

The performance of the operating segment is evaluated based on profit before tax and net finance costs (profit before interest and tax) and is measured in accordance with the Group's accounting policies. The Group's financing requirements, finance income, finance costs and taxes are managed on a group basis.

Revenue by geographical region

Revenue attributable to external customers is disclosed below, based on the location of the external customer.

	Jun-24	Jun-23
	\$'000	\$'000
Australia	9,513	9,624
Overseas / export	5,774	4,526
Total revenue from continuing operations	15,287	14,150

Assets by geographical region

The location of assets is disclosed below by geographical location of the assets:

	Jun-24	Jun-23
	\$'000	\$'000
Australia	12,829	10,959
Total assets	12,829	10,959

Intangible assets are treated as located in Australia.

2 REVENUE

The Group has adopted AASB 15 Revenue from Contracts with Customers from 1 July 2018.

Under AASB 15, revenues are generated by the Group through the design, development, manufacture and distribution of improved vehicle braking systems based on the Group's patented technology to customers worldwide.

For sales of products, revenue is recognised at a point in time when control of the products has transferred to the customer, which is usually when the products are delivered to the customers. Volume discounts could be provided with the sale of these items depending on the volume of aggregate sales made to eligible customers. Revenue from the rendering of services is recognised upon the delivery of the service to the customer.

A receivable will be recognised when the goods or services are delivered. The Group's right to consideration is deemed unconditional at this time as only the passage of time is required before payment of that consideration is due. There is no financing component because sales are made within standard credit terms as agreed with the customers. All sales revenues to external customers are recognised at a point in time.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

2 REVENUE (CONT'D)

	Jun-24	Jun-23
	\$'000	\$'000
Revenues from other activities		
- interest received	20	18
- net foreign exchange (loss) / gain	(5)	(7)
- profit / (loss) sale of fixed asset	(12)	-
- R&D tax incentive	1,139	519
- Government grant	25	7
- Other income	1	3
Total revenue from other activities	1,168	540

RECOGNITION AND MEASUREMENT

Government grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received, and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset.

R&D Tax incentives have been accounted for as government grants and are recognised on an accruals basis.

Other revenue

Interest revenue is recognised using the effective interest rate method.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

3 PROFIT / (LOSS) BEFORE INCOME TAX

Profit / (Loss) before income tax has been determined after deducting the following expenses:

	Jun-24	Jun-23
	\$'000	\$'000
Cost of sales	(7,423)	(7,043)
Bad and doubtful debts	-	(20)
Consulting fees		
- marketing	145	305
- secretrial	47	43
- tax	31	27
- training	54	68
- ISO	25	20
- recruitment	75	68
- market research	50	20
	427	551
Depreciation of non-current assets		
- plant and equipment	60	67
- motor vehicles	13	-
- office equipment and furniture	75	38
- leasehold improvements	42	59
- software	15	2
- right of use assets	118	29
	323	195
	Jun-24	Jun-23
	\$'000	\$'000
Finance expenses	139	70
Inventory obsolescence	46	203
Other expenses		
- due diligence	-	73
- shareholder and listing fee	60	58
- provisions	(64)	31
- office, insurance and admin	121	96
- office relocation	-	30
	117	288

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

4 INCOME TAX EXPENSE

	Jun-24	Jun-23
	\$'000	\$'000
a. The components of tax expense comprise:		
Current tax	-	-
Deferred tax	-	-
Recoupment of prior year tax losses not previously recognised	-	-
Income tax	-	-
b. The prima facie tax benefit on loss from ordinary activities before income tax is reconciled to the income tax as follows:		
Prima facie tax benefit on loss from ordinary activities before income tax at 25% (2023:25%)	426	368
Add tax effect of:		
- Non-allowable items	566	411
- Revenue losses and other deferred tax balances not recognised	(192)	187
- Recoupment of prior year losses not previously recognised	(35)	(836)
- R&D tax incentive / offset	(480)	(130)
- Non-assessable items	(285)	-
Income tax	-	-
c. Deferred tax recognised as 25% (2022:25%) ₁		
Deferred tax liabilities:		
Intangibles - IP	(104)	(120)
Prepayments	(110)	-
Right of use asset	(264)	(282)
Deferred tax assets:		
Carry forward revenue losses	-	54
Intangibles assets	74	69
Interest bearing liabilities	286	279
Net deferred tax	(118)	-
d. Unrecognised deferred tax assets: ₁		
Carry forward revenue losses	1,315	1,058
Carry forward capital losses	91	76
Capital raising costs	2	2
Provisions and accruals	55	334
Intangible assets	4	17
Other	61	55
	1,528	1,542

Note 1 - the corporate tax rate for eligible companies was reduced from 30% to 25% by 30 June 2022 providing certain turnover thresholds and other criteria are met. Deferred tax assets and liabilities are required to be measured at the tax rate that is expected to apply in the future income year when the asset is realised or the liability is settled. The Directors have determined that the deferred tax balances be measured at the tax rates stated.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

4 INCOME TAX EXPENSE (CONT'D)

G. Income Tax

The income tax expense / (revenue) for the year comprises current income tax expense / (income) and deferred tax expense / (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities / (assets) are measured at the amounts expected to be paid to / (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses. Current and deferred income tax expense / (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled, and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

5 EARNINGS PER SHARE (EPS)

RECOGNITION AND MEASUREMENT

Basic earnings per share ("EPS") is calculated by dividing the net profit or loss attributable to members of the parent entity for the reporting period, after excluding any costs of servicing equity (other than ordinary shares and converting preference shares classified as ordinary shares for EPS calculation purposes), by the weighted average number of ordinary shares of the Company, adjusted for any bonus issue.

Diluted EPS is calculated by dividing the basic EPS earnings, adjusted by the after tax effect of financing costs associated with dilutive potential ordinary shares and the effect on revenues and expenses of conversion to ordinary shares associated with dilutive potential ordinary shares, by the weighted average number of ordinary shares and dilutive potential ordinary shares adjusted for any bonus issue.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

5 EARNINGS PER SHARE (EPS)

	Jun-24	Jun-23
Basic earnings per share	\$'000	\$'000
Profit/(loss) attributable to ordinary equity holders of the parent:	1,704	1,474

	Jun-24	Jun-23
	Number	Number
Weighted average number of ordinary shares used in calculation of basic EPS	380,410,791	379,261,218
Weighted average number of ordinary shares adjusted for the effect of dilution	30,872,884	25,388,159

Basic profit / (loss) per share (cents)	0.448	0.389
Diluted profit / (loss) per share (cents)	0.414	0.364

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

6 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Overview

The Company and its subsidiary ("Group") have exposure to the risks below from financial instruments:

- (i) Market risk
- (ii) Liquity risk
- (iii) Credit risk

The Board of Directors have overall responsibility for the establishment and oversight of the Group's risk management framework. The Audit & Risk Committee, established by the Directors, is responsible for development and monitoring of risk management strategy, policy and key risk parameters. The Group's principal financial instruments comprise cash, interest bearing deposits, lease and a trade finance facility. The purpose of these financial instruments is to finance the growth of the Group and to provide working capital for the Group's operations.

The Group has various other financial instruments including trade debtors and trade creditors which arise directly out of its operations and through the negotiation of trading terms with customers and suppliers. During the period under review, the Group has not traded in financial instruments. However, it is Group policy to hedge foreign currency against fluctuations where appropriate, which may result in exchange losses.

The main risks arising from the Group's financial instruments are market risk, including interest rate risk, liquidity risk, credit risk and foreign currency risk. The Directors review and agree policy for managing each of these risks and they are summarised as follows:

- (i) **Market risk**
Interest rate risk

The Group is exposed to interest rate risk on its outstanding borrowings and short-term cash deposits from the possibility that changes in interest rates will affect future cash flows or the fair value of fixed interest rate financial instruments. Interest rate risk is managed as part of the portfolio risk management strategy.

The Group's exposure to market interest rates relates primarily to the Group's cash and term deposits with financial institutions. Borrowings obtained at fixed rates expose the consolidated entity to fair value risk, our interest rate for insurance premium for FY24 is 4.59%. Refer to Note 13 for futher details.

The sensitivity analysis below is based on the interest rate risk exposure in existence at the balance sheet date. The 3.6% (2023: 0.25%) interest rate sensitivity is based on reasonable possible changes, over a financial year, using an observed range of historical Australian Reserve Bank rate movement over the last two years.

	Jun-24	Jun-23
Possible movements before tax:	\$'000	\$'000
3.6% (2023: 0.25%) per annum	87	5
-3.6% (2023: -0.25%) per annum	(87)	(5)

Foreign Currency Risk

The Company currently has minimal foreign exchange exposure with regards to both the receivables and payables and currently has no offshore assets.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

6 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

As at 30 June 2024, the Company does not have any forward foreign exchange contracts in place. As at 30 June 2024 the Group had the following exposure to foreign currency:

	Jun-24	Jun-23
	\$'000	\$'000
Payables	(13)	(1)
Financial Liabilities	(13)	(1)

The following sensitivity analysis is based on the foreign currency risk exposure in existence at the balance sheet date. The 7.39 % (2023: 11%) sensitivity is based on reasonable possible changes, over a financial year, using an observed range of actual historical rates in foreign exchange movements over the last two years.

In the year to 30 June 2024, if the Australian Dollar had moved, as illustrated in the table below, with all other variables held constant, the results before tax relating to financial assets and would have been affected as shown below:

	Jun-24	Jun-23
Possible movements before tax:	\$'000	\$'000
+ 7.39% (2023: +11%) per annum	(1)	(0)
-7.39% (2023: -11%) per annum	1	0

- (ii) **Liquidity risk**

The Group's objective is to fund new product development and commercialisation through shareholder equity, government grants, R&D tax incentives and bank funding where available.

The Group manages liquidity risk by monitoring of regular cash flow forecasts, which reflect management's expectations in respect of future turnover, development of new markets and products, capital investment and the settlement of financial assets and liabilities, taking into the Group's short and long-term obligations, cash position and forecast liability position to maintain appropriate liquidity levels.

Advanced Braking Pty Ltd has a trade finance facility agreement with NAB which it may borrow up to \$15m. The amount borrowed at any time varies depending on working capital requirements and is repayable up to 120 days from drawn date. Borrowings are secured by a general security agreement over the assets of Advanced Braking Pty Ltd and are guaranteed by Advanced Braking Technology Ltd.

At 30 June 2024, the Group has a total of \$2.41m of cash at its disposal (2023: \$2.05m). The remaining contractual maturities of the Group's financial assets and liabilities are:

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

6 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)				
2023	1 year or less	1 - 5 years	Over 5 years	Total
Cash and equivalents	2,048	-	-	2,048
Trade receivables	1,939	-	-	1,939
Accrued income (R&D tax incentives)	480	-	-	480
Total Financial Assets	4,467	-	-	4,467
Trade payables and other liabilities	2,027	-	-	2,027
Lease liabilities	42	291	824	1,157
Insurance premium funding	223	-	-	223
Total Financial Liabilities	2,292	291	824	3,407
Net exposure as at 30 June 2023	2,175	(291)	(824)	1,060
2024				
Cash and equivalents	2,408	-	-	2,408
Trade receivables	3,000	-	-	3,000
Accrued income (R&D tax incentives)	948	-	-	948
Total Financial Assets	6,356	-	-	6,356
Trade payables and other liabilities	1,957	-	-	1,957
Lease liabilities	116	527	502	1,145
Insurance premium funding	286	-	-	286
Total Financial Liabilities	2,359	527	502	3,388
Net exposure as at 30 June 2024	3,997	(527)	(502)	2,968

(iii) Credit risk

The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for and mentioned within Note 8. The class of assets described as "trade and other receivables" is considered to be the main source of credit risk related to the Group.

On a geographical basis, the Group has significant credit risk exposures in Australia given the substantial operations in that region. The Group's exposure to credit risk for receivables at the end of the reporting period in that regions is as follows:

	Jun-24	Jun-23
CONSOLIDATED	\$'000	\$'000
Australia	3,000	1,939

There has been no change in the estimation techniques used or significant assumptions made during the current reporting period.

To manage credit risk, the Group has procedures covering the application for credit approvals, proactive monitoring of exposures against set approvals. As part of these processes, the credit exposures with all counterparties are regularly monitored and assessed on a timely basis.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery; for example, when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off are subject to enforcement activities.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

6 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)		
The Group applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, of which the identified losses was immaterial. On the above basis, a provision for expected credit losses as at 30 June 2024 is \$20k. (2023:\$20K)		
	Jun-24	Jun-23
7 CASH AND CASH EQUIVALENTS	\$'000	\$'000
Cash at bank	2,408	2,048

RECOGNITION AND MEASUREMENT

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments, net of any bank overdrafts. Bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

The carrying values approximate their fair value as they are short term in nature or are receivable on demand.

The effective interest rate on short-term bank deposits was 4.72% (2023: 0.18%) and can mature with 30 days of notice.

Reconciliation of cash

Cash at the end of the financial year as shown in the Cash Flows Statement is reconciled to items in the Balance Sheet as follows:

Cash at bank	2,408	2,048
Reconciliation of cash flow from operations with profit / (loss) after income tax		
	Jun-24	Jun-23
	\$'000	\$'000
Profit / (Loss) from ordinary activities after income tax	1,704	1,474
(Profit) / loss on disposal of property, plant and equipment	12	(43)
Share-based payment expense	79	148
<i>Non-cash flows in loss from ordinary activities</i>		
Depreciation and impairment	323	195
Amortisation of IP	64	64
Other	-	43
<i>Changes in assets and liabilities</i>		
(Increase) / decrease in trade and other receivable	(1,085)	(32)
(Increase) / decrease in inventories	(190)	(1,181)
(Increase) / decrease in other current assets	(471)	(201)
Increase / (decrease) in trade and other payables	(110)	432
Increase / (decrease) in provisions	9	81
Cash inflows / (outflows) from operations	335	980

(b) Non-cash finance and investing activities

2024

In March 2024, in pursuant to the Employee Share Plan, 321,426 ordinary shares were granted to eligible employees. Refer to Note 23 for further details.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

7 CASH AND CASH EQUIVALENTS (CONTD)

2023

During the year to 30 June 2023, the Group issued a total of 17,874,327 unlisted options.Refer to Note 23 for further details.

During the financial year the Company leased a building for its office which is under agreement. As a result, a right-of-use asset of \$1.1m was recognised at the commencement date of the lease.

In May 2023, in pursant to the Employee Share Plan, 318,178 shares were granted to eligible employees. Refer to Note 23 for further details.

8 TRADE & OTHER RECEIVABLES

	Jun-24	Jun-23
Current	\$'000	\$'000
Trade debtors	3,020	1,959
Allowance for credit loss	(20)	(20)
Total current	3,000	1,939

RECOGNITION AND MEASUREMENT

Trade and other receivables are recognised on initial recognition at fair value. Subsequent to intial recognition, trade receivables are measured using effective interest rate method, less an allowance for uncollectible amounts.

The collectability of trade and other receivables is assessed continuously. At the reporting date, specific allowances are made for any expected credit losses based on a review of all outstanding amounts at reporting period-end. Individual receivables are written off when management deems them unrecoverable. The net carrying amount of trade and other receivables approximates their fair values.

As at 30 June 2024, trade receivables of \$3.0m (2023: \$1.94m) were past due but not impaired. The majority of these receivables were less than 60 days overdue.

	Jun-24	Jun-23
9 TRADE & OTHER PAYABLES	\$'000	\$'000
Trade creditors	1,855	1,830
Other payables	(35)	(129)
Accrued expenses	137	326
	1,957	2,027

RECOGNITION AND MEASUREMENT

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

For trade and other payables, the fair value is approximate to their carrying value amount, due to their short-term nature.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

	Jun-24	Jun-23
10 INVENTORIES	\$'000	\$'000
Finished Goods	-	-
Components and WIP	3,683	3,697
Less: provision for obsolescence	(69)	(272)
	3,614	3,425

RECOGNITION AND MEASUREMENT

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Such costs are assigned to inventory on hand by the method most appropriate to each particular class of inventory, with the majority being valued on a weighted average basis.

Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Provision of inventory obsolescence

Provisions can be recognised for all components of inventories, including raw materials, work in progress and finished goods.

Key estimate - Recoverability of inventory

The Group considers a number of factors when determining the appropriate level of inventory provisioning, including regulatory approvals and future demand for Group's products.

	Jun-24	Jun-23
11 OTHER CURRENT ASSETS	\$'000	\$'000
Prepayments	475	472
Refundable deposits paid	63	105
Other receivables - R&D tax incentive	948	480
	1,486	1,057

	Jun-24	Jun-23
12 FINANCIAL ASSETS	\$'000	\$'000
Term Deposits	45	-

The Group has \$45,000 term deposit as collateral for financing facilities.

13 LEASES

RECOGNITION AND MEASUREMENT

The Group has signed a lease on property on 8 March 2023. The lease will run for an initial 5 year period, with a reasonable certainty to renew for a further 5 year. Management is reasonably certain the option will be exercised. The initial lease term contains a 4 month rent free period but will be liable for outgoings from the start of the lease.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

13 LEASES (CONT'D)**Key estimate - Lease Term and Option to Extend**

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The decision on whether or not the options to extend are reasonably going to be exercised is a key management judgement that the entity will make. The Group determines the likeliness to exercise looking at the various factors such as which assets are strategic and which are key to future strategy of the entity.

	Jun-24	Jun-23
Leases recognised in the balance sheet	\$'000	\$'000
Leased building	1,416	1,371
Accumulated depreciation	(361)	(243)
	1,055	1,128

	Jun-24	Jun-23
Leases recognised in the profit and loss	\$'000	\$'000
Depreciation charge related to right-of-use assets	118	29
Interest expense on lease liabilities (under finance cost)	94	24
	212	53

	Jun-24	Jun-23
Total cash outflows for leases	\$'000	\$'000
- Operating cash outflow (finance costs)	94	24
	94	24

	Jun-24	Jun-23
Lease Liability	\$'000	\$'000
Current	116	41
Non Current	1,029	1,116
Total	1,145	1,157

14 INTEREST BEARING LIABILITIES

	Jun-24	Jun-23
Current	\$'000	\$'000
Insurance premium funding	286	223
Total current	286	223

The insurance premium funding is an unsecured finance arrangement for the Company's annual insurance premiums with Momentum Premium. The amount outstanding for the remaining period, being 10 months is \$286,000. The interest rate is a flat rate of 4.59% pa. (FY23: 4.45%)

15 PROVISIONS

	Jun-24	Jun-23
Current	\$'000	\$'000
Employee entitlements	472	430
Warranty	71	141
Total current	543	571

Non-current		
Employee entitlements	31	9
Make good	1	25
Total non-current	32	34

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

15 PROVISIONS (CONT'D)

	Warranties	Employee entitlements	Make good	Total
Consolidated group	\$000	\$000	\$000	\$000
As at 1 July 2022	110	181	-	291
Additional provisions	31	439	25	495
Amounts utilised	-	(160)	-	(160)
Unused amounts reversed	-	(21)	-	(21)
Balance as at June 2023	141	439	25	605

	Warranties	Employee entitlements	Make good	Total
Consolidated group	\$000	\$000	\$000	\$000
As at 1 July 2023	141	439	25	605
Additional provisions	-	240	-	240
Amounts utilised	-	(177)	-	(177)
Unused amounts reversed	(70)	-	(24)	(94)
Balance as at June 2024	71	502	1	574

RECOGNITION AND MEASUREMENT**Lease make good provision**

A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

Warranty provision

The Group provides for a provision for warranties for general repairs for 1 year after its products are sold. The provision for warranties represents the liability for potential warranty claims against the Group. If a product fails during the period there is a risk that the product may have to be replaced under warranty, free of charge.

Employee entitlement provisions**Short-term employee benefits**

Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amount expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Group's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

15 PROVISIONS (CONT'D)

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service.

Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any re-measurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

16 PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements	Plant & Equipment	Motor Vehicles	Office Equipment & Furniture	Software	Total
COST						
At 1 July 2022	97	890	44	131	80	1,242
Additions	365	149	1	115	35	665
Write off	(97)	-	-	(40)	-	(137)
Disposals	-	-	-	(5)	-	(5)
At 30 June 2023	365	1,039	45	201	115	1,765
Additions	62	81	99	55	9	306
Disposals	-	(235)	-	(13)	-	(248)
At 30 June 2024	427	885	144	243	124	1,822
Depreciation and Impairment						
At 1 July 2022	(45)	(604)	(44)	(86)	(80)	(859)
Write off	55	-	-	42	-	97
Disposals	-	-	-	2	-	2
Depreciation expense	(16)	(68)	-	(38)	(2)	(124)
At 30 June 2023	(6)	(672)	(44)	(79)	(82)	(884)
Write off	-	-	-	-	-	-
Disposals	-	64	-	7	-	71
Depreciation expense	(42)	(60)	(13)	(75)	(15)	(205)
At 30 June 2024	(48)	(668)	(57)	(147)	(97)	(1,018)
Net book value						
At 30 June 2023	359	367	1	122	33	882
At 30 June 2024	379	217	86	96	27	805
Cost						
At 30 June 2023	427	885	143	243	124	1,822
Accumulated depreciation	(48)	(668)	(57)	(147)	(97)	(1,017)
Carrying amount at 30 June 2024	379	217	86	96	27	805

RECOGNITION AND MEASUREMENT

Plant and equipment is measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment.

In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

Key estimate - Impairment of plant and equipment

The carrying amount of plant and equipment is reviewed periodically by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit and loss. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

16 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, is depreciated on a straight-line basis over the estimated useful life as follows.

Plant and equipment	2-10 years	Office	2-10 years
Motor vehicles	3-15 years	Software	3-5 years
		Leasehold improvements	1-10 years

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

There were no indicators of impairment or reversal of impairment in the year ended 30 June 2024, with remaining assets expected to be recovered in full from future business activities.

17 INTANGIBLE ASSETS

RECOGNITION AND MEASUREMENT

Intangible assets are recognised at cost, amortised over the average life of the patents granted for each technology asset on a straight-line basis. The estimated useful life and amortisation method is reviewed annually.

Intangible assets refers to Wet Brake technology assigned from Safe Effect Technologies International Ltd on 27 June 2006 which currently run through to December 2030.

	Jun-24	Jun-23
INTANGIBLE ASSETS	\$'000	\$'000
Wet Brake technology	2,984	2,984
Less : Accumulated amortisation	(2,568)	(2,504)
Carrying amount at the end of year	416	480

	Jun-24	Jun-23
MOVEMENTS	\$'000	\$'000
Opening balance	480	543
Amortisation expense	(64)	(64)
Carrying amount at the end of year	416	480

Research and Development

Expenditure during the research phase of a project is recognised as an expense when incurred.

Development costs are capitalised only when technical feasibility studies identify that the project is expected to deliver future economic benefits and these benefits can be measured reliably. Development costs have a finite life and are amortised on a systematic basis based on the future economic benefits over the useful life of the project.

An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure incurred during its development.

Capitalised development costs will be amortised over their expected useful lives once commercial sales commence.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

18 CAPITAL MANAGEMENT

Management controls the capital of the Group in order to maintain a good debt to equity ratio, provide the Shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets. Advanced Braking Pty Ltd has a finance agreement with NAB under which it may borrow up to \$1.5m secured against debtors. The amount which may be drawn down at any time and payable in 120 days from drawn date. Refer to Note 6 for further details.

There are no externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to Shareholders, share issues and convertible note issues.

Management aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

Gearing ratio

The gearing ratio is calculated as net debt divided by total capital. Net debt is defined as interest bearing liabilities less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

	Jun-24	Jun-23
	\$'000	\$'000
Gearing ratio	31.5%	10.6%

The Group's capital risk management focus has beacome the management of its current work ng capital position to meet anticipated operating requirements.

The working capital positions of the Group at 30 June were as follows:

	Jun-24	Jun-23
	\$'000	\$'000
Current assets	6,939	5,044
Less current liabilities	(2,901)	(2,821)
Working Capital position	4,038	2,223

19 ISSUED CAPITAL

Ordinary Shares	Number	\$000's
At 1 July 2022	379,148,766	55,819
Employee share plan ₁	318,178	14
At 30 June 2023	379,466,944	55,833
At 1 July 2023	379,466,944	55,833
Empllovee share plan,	321,426	18
Options exercised ₂	2,979,054	119
At 30 June 2024	382,767,424	55,970

1 Eligible employees are offered shares in the Company to the value of \$1,000 per annum under the terms of the Company's Employee Share Plan. Refer to Note 23.

2 A Booth exercised his options in December 2023 and June 2024. Refer to Note 23.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

19 ISSUED CAPITAL (CONT'D)				
	Number of Options at at 30 June 2023	Granted	Exercised/ Lapsed/ Forfeited	Number of Options at at 30 June 2024
Unlisted Options				
Employee ₁	5,958,109	-	(5,958,109)	-
A Booth ₂	11,916,218	-	(2,979,054)	8,937,164
A Godbeer	5,958,109	-	-	5,958,109
	23,832,436	-	(8,937,163)	14,895,273

- 1 Employee Options lapsed due to resignation.
2 A Booth exercised his options in December 2023 and June 2024

20 RESERVE	Jun-24 \$'000	Jun-23 \$'000
Option reserve	64	64
Share based payment reserve	386	307
Total reserves at the end of the financial period / year	450	371

21 ACCUMULATED LOSSES	Jun-24 \$'000	Jun-23 \$'000
Accumulated losses at the beginning of the financial period / year	(49,257)	(50,731)
Net profit attributable to members of the parent entity	1,704	1,474
Accumulated losses at the end of the financial period / year	(47,553)	(49,257)

22 KEY MANGEMENT PERSONNEL COMPENSATION	Jun-24 \$'000	Jun-23 \$'000
Short-term employee benefits	1,054	755
Post-employment benefits	72	67
Share-based payments	79	110
Total KMP compensation	1,205	932

Short-term employee benefits

These amounts include fees and benefits paid to the Non-Executive Chair and Non-Executive Directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to Executive Directors and other KMP.

Post-employment benefits

These amounts are the superannuation contributions made during the year.

23 SHARE-BASED PAYMENT EXPENSE	Jun-24 \$'000	Jun-23 \$'000
Share based payment expense	97	148

RECOGNITION AND MEASUREMENT

The Group operates an employee share/option ownership plan. Share-based payments to employees and Directors are measured at the fair value of the instruments issued and amortised over the vesting periods.

Share-based payments to non employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

23 SHARE-BASED PAYMENT EXPENSE (CONT'D)

Key estimates - share based payment

The fair value of options is determined using the Black-Scholes pricing model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on historic volatility adjusted for changes expected due to publicly available information, if any), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds).

The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

Employee share plan

The Group provides benefits to its employees in the form of share based payments in which employees render services for ordinary shares in the Group. Under the plan, each eligible employee is offered fully paid ordinary shares to a maximum value of \$1,000 per annum.

For the year ended 30 June 2024, 321,426 ordinary shares (2023: 318,178) were issued on 28 March 2024 at a market value at the date of issue of \$18,000 (2023: \$14,000).

Options

On 27 November 2019, shareholders approved the adoption of the ABT Share Option Plan. The terms of the options are set out in the Directors' report. During the year ended 30 June 2024, there were no new issues of options. The share based payment expenses excluding Employee Share Plan recognised for the year ended 30 June 2024 was \$79,000 (2023: \$134,000)

There were no cancellations or modifications to options in the 2024 or 2023 financial years. Share-based payment plans are explained below:

On 1 October 2021, the Company granted 5,958,109 unlisted options to employee and key management personnel, Mr Andrew Booth pursuant to the Company's share option plan approved by shareholders at the Company's AGM held 27 November 2019. The unlisted options were subsequently issued on 8 November 2021. The terms of the options are:

Number	Exercise price	Vesting conditions	Expiry date
1,489,527	\$0.04	1 Year Vesting and ongoing employment	30-Jun-24
1,489,527	\$0.04	2 Year Vesting and ongoing employment	30-Jun-24
2,979,055	\$0.04	3 Year Vesting and ongoing employment	30-Jun-25

On 1 December 2022, the Company granted 5,958,109 unlisted options to employee and key management personnel, Mr Andrew Booth pursuant to the Company's share option plan approved by shareholders at the Company's AGM held 16 November 2022. The unlisted options were subsequently issued on 9 January 2023. The terms of the options are:

Number	Exercise price	Vesting conditions	Expiry date
1,489,527	\$0.06	1 Month Vesting and ongoing employment	30-Jun-25
1,489,527	\$0.06	2 Year Vesting and ongoing employment	30-Jun-25
2,979,055	\$0.06	3 Year Vesting and ongoing employment	30-Jun-25

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

23 SHARE-BASED PAYMENT EXPENSE (CONT'D)

On 4 January 2023, the Company granted 5,958,109 unlisted options to employee and key management personnel, Ms A Godbeer pursuant to the Company's share option plan approved by shareholders at the Company's AGM held 16 November 2022. The unlisted options were subsequently issued on 9 January 2023.

The terms of the options are:

Number	Exercise price	Vesting conditions	Expiry date
1,489,527	\$0.06	4 Month Vesting and ongoing employment	30-Jun-25
1,489,527	\$0.06	1.5 Year Vesting and ongoing employment	30-Jun-25
2,979,055	\$0.06	2.5 Year Vesting and ongoing employment	30-Jun-25

The fair value of the equity settled share options granted are estimated at the date of grant using a Black-Scholes model taking into account the terms and conditions upon which the options were granted.

Andrew Booth	KMP Options	KMP Options	KMP Options
	Tranche 1	Tranche 2	Tranche 3
Fair value at grant date	\$0.01	\$0.01	\$0.01
Share price at grant date	\$0.04	\$0.04	\$0.04
Exercise price	\$0.06	\$0.06	\$0.06
Expected volatility	72.00%	72.00%	72.00%
Expected life	1 month	1 year	2 years
Expected dividends	Nil	Nil	Nil
Risk-free interest rate	0.03%	0.03%	0.03%
Number of options issued	1,489,527	1,489,527	2,979,055
Valuation	\$20,539	\$20,539	\$41,078

Angela Godbeer	KMP Options	KMP Options	KMP Options
	Tranche 1	Tranche 2	Tranche 3
Fair value at grant date	\$0.01	\$0.01	\$0.01
Share price at grant date	\$0.04	\$0.04	\$0.04
Exercise price	\$0.06	\$0.06	\$0.06
Expected volatility	72.00%	72.00%	72.00%
Expected life	4 months	1 year	2 years
Expected dividends	Nil	Nil	Nil
Risk-free interest rate	0.03%	0.03%	0.03%
Number of options issued	1,489,527	1,489,527	2,979,055
Valuation	\$20,166	\$20,166	\$40,332

24 CONTROLLED ENTITIES

Advanced Braking Pty Ltd ACN 088 129 917 (Incorporated in WA)		
Class and number of shares: ordinary	200,002	200,002

On 28 May 2002, the parent entity acquired 100% of Advanced Braking Pty Ltd for a purchase consideration of \$200,002. The principal activity of the Company is brake research, design, engineering and commercialisation, and sales of brakes and brake parts.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

25 PARENT INFORMATION

The following information has been extracted from the books and records of the parent company and has been prepared in accordance with Accounting Standards.

	Jun-24	Jun-23
	\$'000	\$'000
STATEMENT OF FINANCIAL POSITION		
ASSETS		
Current assets	107	41
Non-current assets	6,853	6,790
TOTAL ASSETS	6,960	6,831
LIABILITIES		
Current liabilities	97	52
TOTAL LIABILITIES	97	52
EQUITY		
Issued capital	55,970	55,833
Reserves	450	371
Accumulated losses	(49,556)	(49,425)
TOTAL EQUITY	6,864	6,779

	Jun-24	Jun-23
	\$'000	\$'000
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		
Total profit/(loss) after tax	(131)	(325)
Total Comprehensive Income/(loss)	(131)	(325)

Guarantees

At 30 June 2024, Advanced Braking Technology Ltd provides a guarantee and indemnity in relation to the obligations of Advanced Braking Pty Ltd in favour of NAB in connection with an trade finance facility which was established during the 2024 financial year.

Advanced Braking Technology Ltd has provided guarantees to a number of suppliers of Advanced Braking Pty Ltd in connection with the subsidiary negotiating finance under lease agreements, the R&D rebate loan and in relation to the Perth leased premises. The Directors have also resolved that the Company will continue to provide financial support to its subsidiaries for as long as it is required.

Contractual commitments

As at 30 June 2024, Advanced Braking Technology Ltd had not entered into any contractual commitments for the acquisition of property, plant and equipment (2023: Nil).

26 RELATED PARTY TRANSACTION

Intercompany transactions

Transactions between related parties are on normal commercial terms and conditions except for intercompany loans which are provided at no interest and are treated by the Parent Entity as an investment in the subsidiary. Related party transactions are eliminated on consolidation.

Transactions with directors and key management personnel

During the reporting period the Company made payments totalling \$61,106 to Rockwell Group Holdings Pty Ltd for director's fees for Adam Levine for FY24. Rockwell Group Holdings Pty Ltd is a related party of Director, Adam Levine of which he is a director and shareholder.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2024

26 RELATED PARTY TRANSACTION (CONT'D)

Transactions with directors and key management personnel

In December 2023, the company issued 1,489,527 new ordinary shares in the Company on the exercise of 1,489,527 unlisted options exercisable at \$0.04 to our KMP, A Booth. Refer to Note 19 and 23 for further details.

In June 2024, the company issued 1,489,527 new ordinary shares in the Company on the exercise of 1,489,527 unlisted options exercisable at \$0.04 to our KMP, A Booth. Refer to Note 19 and 23 for further details.

27 AUDITOR'S REMUNERATION

	Jun-24	Jun-23
Remuneration of the auditor of the consolidated group for:	\$'000	\$'000
Audit or review of the financial statements	57	51
Other services	10	19
	67	69

28 CONTINGENT LIABILITIES

There are no contingent liabilities.

29 EVENTS SUBSEQUENT TO BALANCE DATE

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

for the year ended 30 June 2024

Name of entity	Type of entity	% of share capital	Country of incorporation	Residency
Advanced Braking Technology Limited	Body Corporate	100%	Australia	Australia
Advanced Braking Pty Ltd	Body Corporate	100%	Australia	Australia

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 31 to 61, are in accordance with the Corporations Act 2001:
- a) Comply with Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and

b) Give a true and fair view of the financial position as at 30 June 2024 and of the performance for the year ended on that date of the Consolidated Group.

c) The information disclosed in the consolidated entity disclosure statement within the annual report is true and correct.
2. The Chief Executive Officer and Chief Finance Officer have each given the declarations required by s295A of the Corporations Act 2001.
3. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed by authority for and on behalf of the Directors by:


Dagmar Parsons
Chair
29th August 2024



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Independent Audit Report
To the members of Advanced Braking Technology Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Advanced Braking Technology Limited (the Company) and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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An independent member of Moore Global Network Limited - members in principal cities throughout the world.
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Key audit matter	How the matter was addressed in our audit
Valuation of Failsafe (WET) Brake Technology	
Refer to Note 17 Intangible Assets	
The carrying value of the Group's Failsafe Brake Technology as at 30 June 2024 was \$415,628 and the related amortisation charge for the year ended 30 June 2024 was \$63,942. The carrying value and amortisation rate are reviewed annually by management with reference to the current and forecast trading performance, relevant technological factors and other operational indicators. This involves a significant amount of management judgement. This is a key area of audit focus because the carrying value is material and the value is subject to significant management judgement and estimates.	Our audit procedures included, amongst others: - Assessed the reasonableness of management's assertions and estimates regarding estimated useful life of the asset with reference to its patent information currently registered with local and foreign intellectual property government agencies. - Held discussions with management that the amortisation period (useful life) at the end of the financial year remained appropriate and that there were no conditions which would adversely affect the valuation of the intangible assets. - Tested the amortisation expense recorded and ensured consistency with the accounting policy. - Assessed whether any impairment triggers were evident during the period and against the Group's financial performance and position during the year including review of budgets and market capitalisation. - Considered whether the relevant disclosures in the financial statements were appropriate and adequate.
Existence and Valuation of Inventories	
Refer to Note 10 Inventories	
The carrying value of inventory as at 30 June 2024 was \$3.61 million. Inventories are valued at the lower of cost and net realisable value (NRV). A provision for obsolete and slow-moving inventory (\$68,601) is raised by management, the assessment of which is subject to significant management judgement. Obsolete and slow-moving inventory could result in an overstatement of the carrying value of inventories as the recorded cost may be higher than the net realisable value. Given inventories are the Group's single largest asset (after cash), inventory existence and valuation have been identified as a key audit matter.	Our audit procedures included, amongst others: - Tested the relevant internal control procedures relating to the existence and valuation of inventory, including attendance at the physical inventory count near period-end and undertaking our own test counts. - Tested a sample of inventory items and comparing our count results with those of the Group's representative and investigating any variances. - Performed test of details on historical costs, including testing the mathematical accuracy of the final inventory listing. - Held discussions with management to understand and corroborate assumptions applied in ensuring slow moving, old and certain obsolete inventory lines have been appropriately valued or adequately provided for or impaired. - Tested a sample of inventory items to subsequent sales to ensure that they were recorded at the lower of cost and net realisable value. - Reviewed gross margins for any unusual patterns compared to prior periods.

Key audit matter	How the matter was addressed in our audit
Valuation of Trade Receivables	
Refer to Note 8 Trade Receivables	
Trade debtors are net of allowance for credit loss amounted to \$3 million as at 30 June 2024. The Group assesses periodically and at each year end the expected credit loss associated with its receivables. When there is expected credit loss impairment, the amount and timing of future cash flows are estimated based on historical, current and forward-looking loss experience for assets with similar credit risk characteristics. Valuation of trade receivables is a key area of audit focus due to the size of the account balances and the judgements required in determining their carrying value including expected credit loss, and hence is a key audit matter.	Our audit procedures included, amongst others: - Review of the level of export trade credit insurance cover for relevant debtors, subsequent receipt collections from debtors and ageing analysis post year end. - Review of expected credit loss workings and assessments prepared by management in relation to trade receivables, including an analysis of the credit risk characteristics attributed to significant trade debtors as part of our assessment of the adequacy of impairment provisions. - Discussion with management and the directors as to the existence of any arrears/disputes with debtors and the impact these factors have had on the assessment of impairment provisions by management. - Review of disclosures made in the notes to the financial statements

Other information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*, the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and for such internal control as the directors determine is necessary to enable the preparation of the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error, and the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.



Auditor’s Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor’s report.

Report on The Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report as included in pages 21 to 28 of the directors’ report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Advanced Braking Technology Limited, for the year ended 30 June 2024 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.


Wen-Shien Chai
Partner – Audit and Assurance
Moore Australia Audit (WA)
Perth

29th August 2024


Moore Australia Audit (WA)
Chartered Accountants

SHAREHOLDER INFORMATION

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below.

Statement of issued capital at 26 July 2024

- A. Distribution of fully paid ordinary shares
- B. There are 580 Shareholders with less than a marketable parcel.

- C. There are no restrictions on voting rights attached to the ordinary shares on issue. On a show of hands, every member present in person shall have one vote and upon a poll, every member present in person or by proxy shall have one vote for every share held.

DISTRIBUTION OF FULLY PAID ORDINARY SHARES					
Size of Holding			Number of Shareholders	Shares Held	% Units
1	-	1,000	206	132,079	0.03
1,001	-	5,000	286	770,382	0.20
5,001	-	10,000	151	1,161,854	0.30
10,001	-	100,000	485	18,823,835	4.92
100,001	and	Over	250	361,879,274	94.55
Total			1,368	379,466,944	100.00

2. Substantial Shareholders

The Company has the following substantial Shareholder at 26 July 2024:

Mr Keith Knowles	33.36%	127,701,545 ordinary shares
Mr David Slack	19.73%	75,210,131 ordinary shares

3. Share Options on issue at 26 July 2024

The Company has the following unquoted equity securities on issue:

	Number of Options	Number of Holders
Unlisted Share Options	14,895,273	2

4. On-market buy-back.

There is no current on-market buy-back.

5. Quotation

Ordinary shares in Advanced Braking Technology Ltd are listed on the Australian Securities Exchange (ASX:ABV).

6. Largest Fully Paid Ordinary Shareholders

The names of the twenty largest Shareholders at 26 July 2024, who hold 68.88% of the fully paid ordinary shares in the Company, are:

Rank	Name	Number of shares	% of Issued shares
1	Parks Australia Pty Ltd	68,656,628	17.94
2	Mr Keith Knowles	54,665,950	14.28
3	Dasi Investments Pty Ltd	52,496,634	13.72
4	Windpac Pty Ltd <David Earl Slack S/F A/C>	18,981,633	4.96
5	Dmx Capital Partners Limited	12,000,000	3.14
6	Rp Invest Pty Ltd <Palmer Family Retire A/C>	8,600,000	2.25
7	Mr Peter Rodney Bower	8,141,590	2.13
8	Mr Craig Graeme Chapman <Nampac Discretionary A/C>	6,237,556	1.63
9	Mr Keith Knowles	4,378,967	1.14
10	Mr David Earl Slack	4,041,864	1.06
11	Mr Andrew George Booth	3,264,454	0.85
12	National Nominees Limited	3,000,000	0.78
13	Mrs Teresa Elizeabeth Williams	2,883,200	0.75
14	Mrs Jennifer Anne Hurley + Mr Justin John Hurley <No 2 A/C>	2,557,059	0.67
15	Onkaparinga Holdings Pty Ltd <T & K Himstedt Family A/C>	2,500,000	0.65
16	Myall Resources Pty Ltd <Myall Group Super Fund A/C>	2,450,000	0.64
17	M/S Tracey-Ann Palmer	2,414,490	0.63
18	Bnp Paribas Nominees Pty Ltd <Hub24 Custodial Serv Ltd>	2,214,696	0.58
19	Mr Venugopalan Thekkiniyil	2,095,794	0.55
20	Mr Graeme John Medhurst	2,025,000	0.53
Total		263,605,515	68.88



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www.advancedbrakingtechnology.com