APPENDIX 4E

COMPANY DETAILS

Name of entity:	Advanced Braking Technology Ltd
ABN:	66 099 107 623
Reporting period:	For the year ended 30 June 2026
Previous period:	For the year ended 30 June 2025

RESULTS FOR ANNOUNCEMENT TO THE MARKET

				$'000
Revenues from ordinary activities	up	22.7%	to	23,480
Profit from ordinary activities after tax attributable to the owners of Advanced Braking Technology Ltd	up	16.6%	to	2,075
Profit for the year attributable to the owners of Advanced Braking Technology Ltd	up	16.6%	to	2,075

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The profit for the Group after providing for income tax amounted to $2,075,000 (30 June 2025: $1,780,000).

NET TANGIBLE ASSETS

	Reporting period	Previous period
	Cents	Cents
Net tangible assets per ordinary security	3.30	2.33

Loss of control over entities

Not applicable.

DIVIDENDS

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

ABT

ADVANCED BRAKING TECHNOLOGY

T 1800 317 543
E info@advancedbraking.com

73 Inspiration Drive,
Wangara 6065,
Western Australia

advancedbraking.com

SCAN THE QR CODE
TO LEARN MORE ABOUT
ADVANCED BRAKING
TECHNOLOGY

ABT

VEHICLE SAFETY INNOVATION

2026 Annual Report

ADVANCED BRAKING TECHNOLOGY LTD

ABN 66 099 107 623

OUR PURPOSE

We deliver innovative safety-critical technologies that protect people, safeguard assets and improve performance.

OUR SHAREHOLDER VALUE PROPOSITION

MARKET-LEADING SAFETY-CRITICAL BRAKING SOLUTIONS

Proven technologies, defendable intellectual property and a trusted reputation with blue-chip mining customers.

EXPOSURE TO LARGE AND GROWING GLOBAL MARKETS

Demand supported by long-term investment in mining, driven by the need for safer, more productive and sustainable operations.

CUSTOMER-LED INNOVATION

Investing in new and next-generation technologies that solve customer challenges and support long-term growth.

MULTIPLE GROWTH DRIVERS

Expanding global market presence, growing recurring aftermarket revenue, commercialising technologies and pursuing adjacent market opportunities.

INCREASING RECURRING REVENUE

Growing lifecycle revenue through an expanding installed base, strengthening customer relationships and earnings quality.

STRONG FINANCIAL PLATFORM

Supported by an experienced and disciplined leadership team executing a clear long-term strategy to deliver sustainable earnings growth.

ABOUT THIS REPORT

This Annual Report provides an overview of Advanced Braking Technology Ltd's operations and performance for the 2026 financial year (FY26), covering the period from 1 July 2025 to 30 June 2026.

Further information

We welcome questions or feedback about the Company. Please contact us at:

info.perth@advancedbraking.com

Unless otherwise stated:

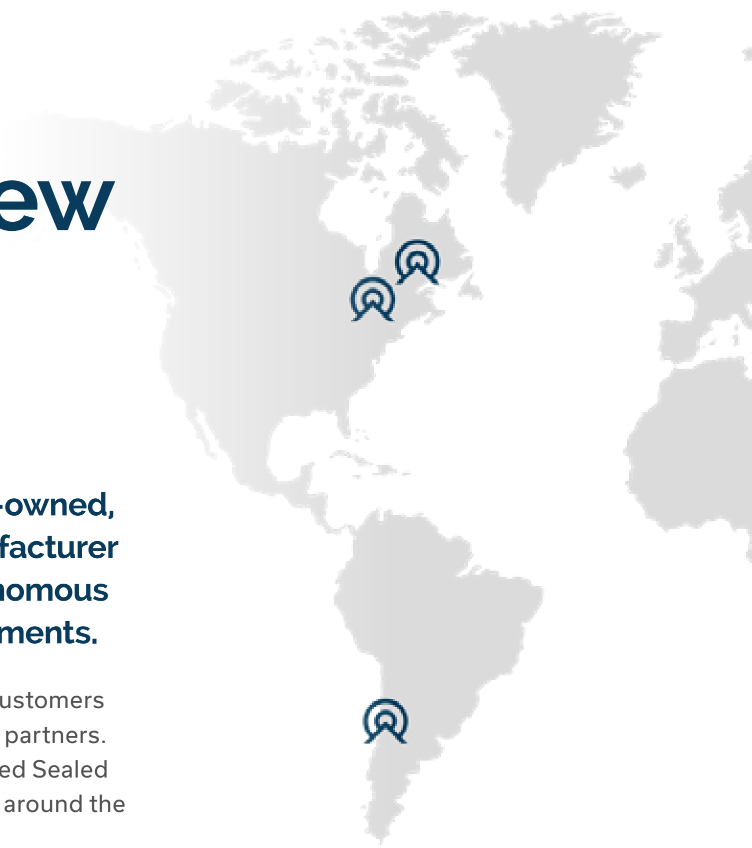
References to 'Advanced Braking Technology', 'ABT', 'the Group', 'the Company', 'we', 'us' or 'our' refer to Advanced Braking Technology Ltd.

References to a 'year' relate to the financial year ended 30 June.

All dollar figures are expressed in Australian dollars ($).

CONTENTS

Company Overview



ABOUT ABT

Advanced Braking Technology is an Australian-owned, multi-award-winning original equipment manufacturer specialising in safety-critical braking and autonomous technologies for demanding operating environments.

From its headquarters in Perth, Western Australia, ABT supplies customers through an expanding global network of distributors and strategic partners. The Company's flagship BrakeSAFE™ range, built on ABT's patented Sealed Integrated Braking System (SIBS®), is trusted in mining operations around the world for its safety, reliability and performance.

Building on its proven braking technologies, ABT continues to expand its portfolio through autonomous technologies, including BRAKEiQ™ and SIBSiQ™, supporting the increasing adoption of collision avoidance and automation technologies across existing and adjacent markets.

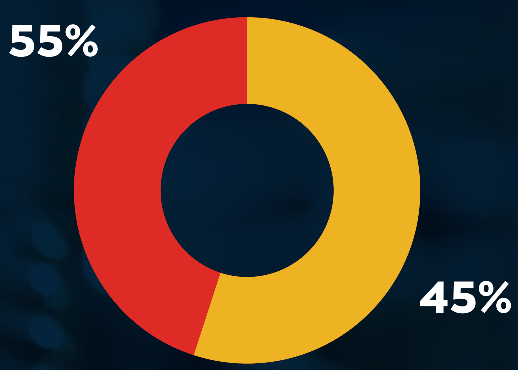
QUALITY PRODUCT REVENUE PROFILE (FY26)

Recurring sales and blue-chip customer base

SALES IN 22 COUNTRIES GLOBALLY

International 53%
Domestic 47%

RECURRING AFTERMARKET SALES



New Brake Sales 55%
Aftermarket 45%

HEAD OFFICE
Perth, Western Australia

CURRENT MARKETS
Principally surface and underground mining companies globally

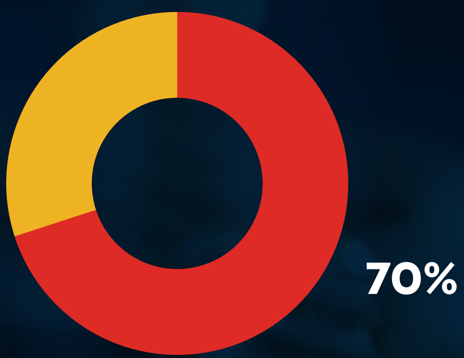
CORE TECHNOLOGIES
BrakeSAFE™, BRAKEiQ™ and SIBSiQ™

BUSINESS MODEL
OEM with growing recurring aftermarket revenue

COMPETITIVE ADVANTAGE
Patented Sealed Integrated Braking System (SIBS®)

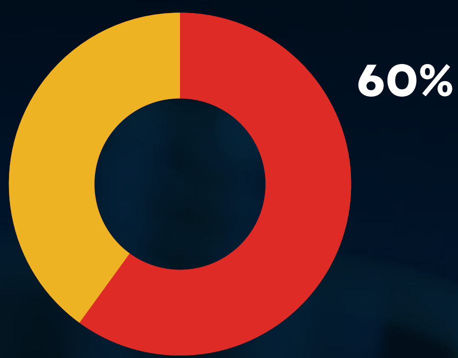
FOCUS
Customer-led innovation for safer, more reliable and sustainable operations

UNIQUE IP



Revenue protected by patented or proprietary technology ~70%

SALES TO TOP 20 GLOBAL MINING COMPANIES



Based on mid 2026 market capitalisation rankings

ABT

TECHNOLOGY PORTFOLIO

ABT's technology portfolio combines proven fail-safe braking systems with vehicle intervention technologies designed to improve safety, reliability and sustainability across demanding operating environments.

BRAKESAFE™

PROVEN FAIL-SAFE BRAKING TECHNOLOGY

Built on ABT's patented Sealed Integrated Braking System (SIBS®), BrakeSAFE™ provides integrated park and service braking for demanding operating environments. The platform is recognised for its safety, reliability and performance and forms the foundation of ABT's technology portfolio.

Key Features

- Patented Sealed Integrated Braking System (SIBS®)
- Sealed wet brake design for durability and reliability
- Integrated park and service braking capability
- Designed to reduce the risk of unintended vehicle movement

BRAKESAFE WHEEL END SIBS

Wheel-End Solutions (at Wheel Hub)

- Developed for Toyota LandCruiser and Hilux platforms
- Spring Applied Hydraulic Release (SAHR) technology
- Optional integrated safety interlocks

BRAKESAFE DRIVELINE SIBS

Driveline Solutions (Upstream From Wheel Hub)

- Supplementary braking beyond standard OEM park brake systems
- Available across light, medium and heavy vehicle applications
- Designed to provide supplementary braking capability in the event of service brake failure

NEXT-GENERATION INTEGRATED BRAKING AND VEHICLE INTERVENTION

SIBSiQ™ extends ABT's proven SIBS® platform by combining fail-safe braking performance with integrated vehicle intervention capability. The technology is being developed to support the increasing adoption of collision avoidance and automation technologies across mining and industrial vehicle fleets.

Key Features

- Extends proven SIBS® technology
- Integrates fail-safe braking with vehicle intervention capability
- Supports autonomous and semi-autonomous applications
- Designed for next-generation safety systems

VEHICLE INTERVENTION TECHNOLOGY

BRAKEiQ™ is a vehicle intervention controller designed to integrate with Proximity Detection Systems (PDS) and Collision Avoidance Systems (CAS). It automatically slows and brings vehicles to a controlled stop when a collision risk is detected and operator intervention does not occur.

Key Features

- Integrates with leading PDS and CAS platforms
- Automatic vehicle intervention
- Plug-and-play solution for existing vehicle fleets
- Designed with ISO 21815-2 and global initiative Earth Moving Equipment Safety Round Table (EMESRT) Level 9 principles in mind

Customer Benefits

- Enhances operator and workplace safety
- Reduces the risk of unintended vehicle movement
- Improves vehicle reliability and operational uptime
- Lowers maintenance requirements and operating costs
- Supports customer safety, productivity and sustainability objectives
- Enables the adoption of collision avoidance and automation technologies

SUSTAINABLE BRAKING SOLUTIONS

ABT supports customers' sustainability objectives by developing technologies that improve operational efficiency and extend product life.

BrakeSAFE™ can reduce vehicle emissions by up to 25%, while the Company's growing aftermarket and Refurbishment Program help maximise the service life of braking systems and reduce unnecessary replacement.

REDUCING VEHICLE EMISSIONS BY UP TO

↓25%

ABT

LEVERAGING CORE TECHNOLOGY AND R&D

Advanced braking systems and technology for an increasing range of vehicle specifications and makes / models.

	BrakeSAFE™ Wheel End SIBS	BrakeSAFE™ Driveline SIBS	Collision Avoidance Systems for SIBS
TOYOTA Landcruiser			
TOYOTA Hilux			
FORD Ranger			
Ancillary Machinery			
Light Truck			
Medium Truck			
Heavy/Medium Truck			
Heavy Truck			

CURRENT

IN DEVELOPMENT

COLLISION AVOIDANCE LEVEL 9 (CAS9) AND AUTONOMOUS BRAKING

THE GLOBAL STANDARD FOR INTERVENTION

CAS9 is the highest safety tier defined by the EMESRT global safety initiative. It marks the transition from systems that merely warn to systems that act.

The Challenge (Current Problem)	The CAS9 / BRAKEiQ™ Solution
High Fatality Rates: 30–40% of mining deaths involve vehicle interaction.	**Active Intervention:** Moves from passive alerts to active, life-saving braking.
Human Limitations: Fatigue, distraction, and "alarm fatigue."	**Autonomous Safety:** Overrides human error when a collision is imminent.
Regulatory Risk: Non-compliance with strict new safety mandates.	**Future-Proofing:** Meets the highest global standards (Level 9) today.
Warranty Concerns: Modifying hydraulics can void machine warranties.	**Non-Invasive Actuation:** BRAKEiQ™ simulates manual braking, keeping warranties intact.

ABT

FY26 Highlights

FINANCIAL HIGHLIGHTS

RECORDED FY REVENUE GROWTH

↑23%

Revenue increased to $23.5m (FY25: $19.1m), driven by demand for SIBS® FailSafe safety systems, international expansion and growth in aftermarket revenue.

INCREASED EARNINGS

↑38%

Underlying EBITDA increased to $2.2m (FY25: $1.6m), reflecting higher revenue and improving margins.

IMPROVED GROSS MARGINS

49%

Gross margin improved from 48.0% to 49.3%, reflecting pricing discipline, product mix improvement and growing contributions from aftermarket revenue.

UNDERLYING OPERATING PERFORMANCE

↑63%

Underlying operating profit rose from $1.1m to $1.7m, an improvement of $669k, driven by stronger core operating performance.

STRONG CASH GENERATION

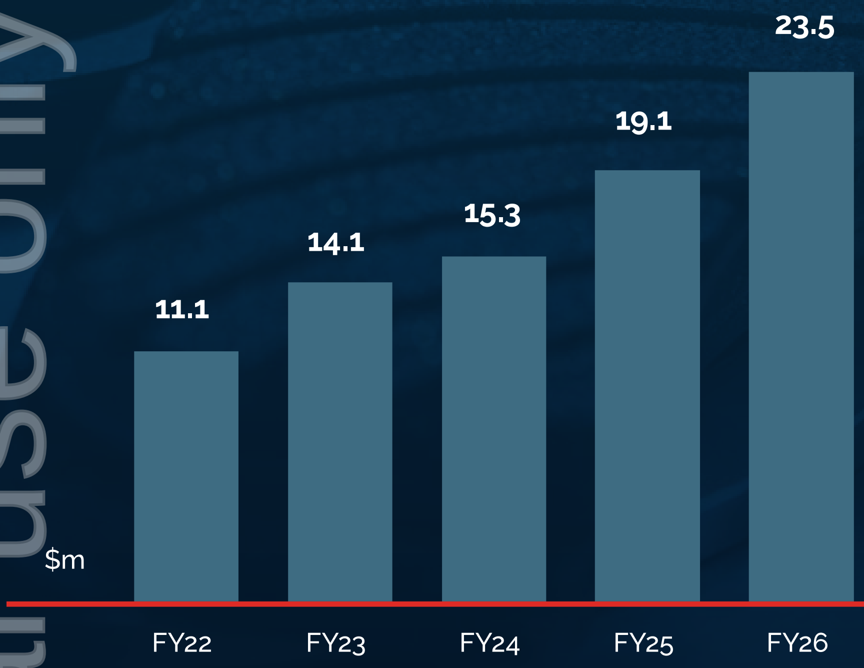
↑96%

Cash and cash equivalents of $5.6m (FY25: $2.9m).

ROBUST BALANCE SHEET

The balance sheet remained in a strong position to support ABT's growth strategy, product development initiatives and continued international expansion.

RECORD YEAR-ON-YEAR REVENUE GROWTH



20.6%

FOUR-YEAR CAGR

FY26 REVENUE PROFILE

New brake sales 55%
(up 19.5% on FY25)

Spares & consumables 45%
(up 26.2% on FY25)

FY26 KEY FINANCIAL METRICS

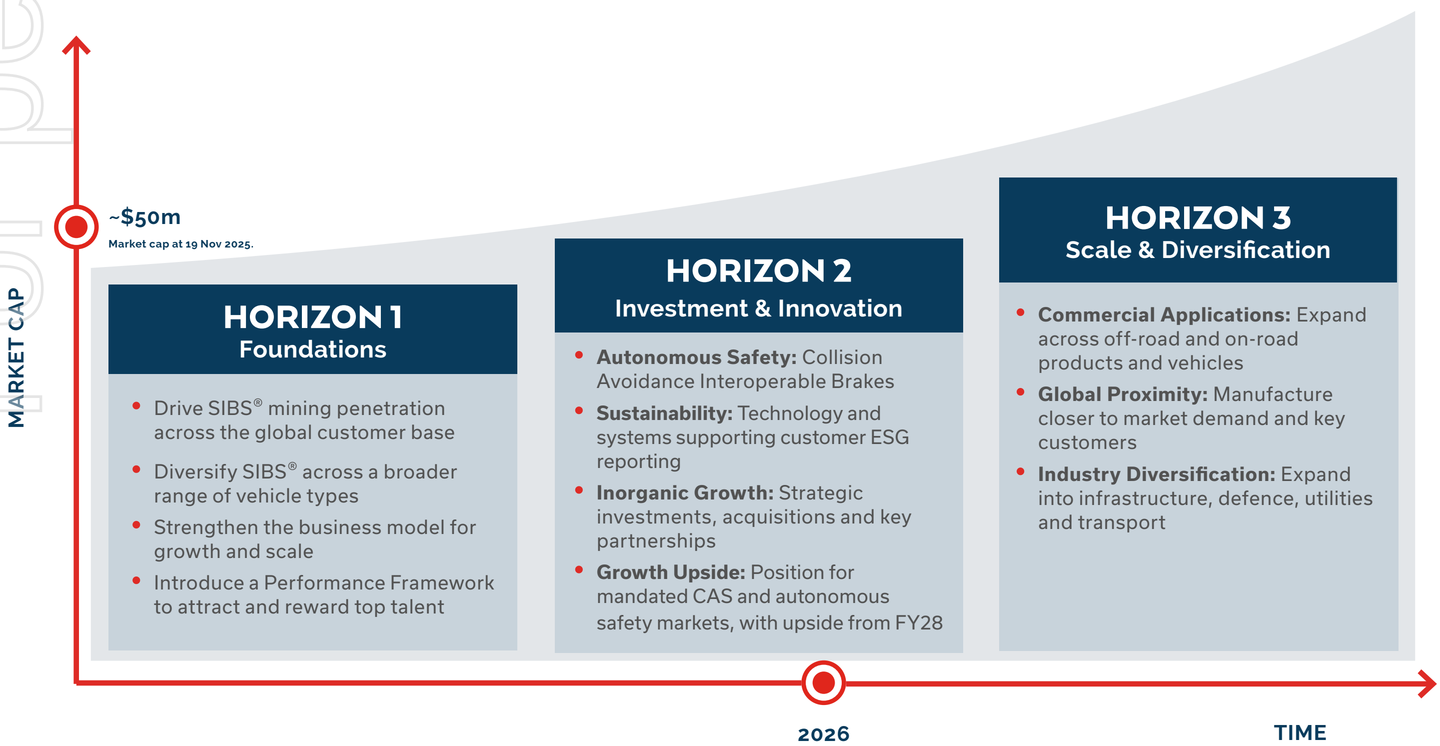
Key Financial Metrics	FY26	FY25	Change
	$A'000	$A'000	%
Revenue from ordinary activities	23,480	19,131	22.7
Expenses	(21,804)	(18,095)	20.5
Reported net profit before tax (NPBT)	1,765	1,780	(0.8)
Reported net profit after tax (NPAT)	2,075	1,780	16.6
Underlying operating performance	1,723	1,054	63.0
NPAT attributable to members	2,075	1,780	16.6
Basic earnings per share (cents)	0.533	0.463	15.1
Cash and cash equivalents	5,625	2,875	95.7

ABT

STRATEGIC HIGHLIGHTS

Strategic Initiatives	FY26 Achievements
Expanded and Diversified Global Reach	• Market penetration through increasing customer demand for SIBS® FailSafe solutions in North America, Africa, Asia and the Middle East. Geographic expansion with new customer adoption of SIBS® FailSafe solutions in Ghana and Zimbabwe. • Deployed SIBS® FailSafe solutions for JCB Telehandlers at Rio Tinto's Oyu Tolgoi copper and gold operation in Mongolia. • Strong domestic demand, highlighted by a mandate for SIBS® FailSafe braking solutions at MMG's Dugald River underground zinc mine in Queensland and Gold Fields' operation in Western Australia.
Strengthening Customer Engagement and Recurring Revenue	• Increased recurring aftermarket revenue through spare parts, consumables and service support. • Successfully launched ABT's Refurbishment Program. The Program generates high-quality recurring revenue while helping customers extend equipment life, reduce operating costs and improve sustainability.
Advancing Innovation	• Strengthened ABT's innovation pipeline through the development of BRAKEiQ™ and SIBSiQ™. • Advanced development of SIBSiQ™, extending ABT's proven BrakeSAFE™ platform to support the increasing adoption of autonomous and collision avoidance technologies. • Subsequent to 30 June 2026, BRAKEiQ™ BRAKEiQ™ has achieved the relevant ISO/MOSH TRL4 certification, representing a major step toward CAS Level 9 certification. • Expanded capability across engineering, value engineering, procurement, supply chain management and strategic account management, strengthening cross-functional collaboration while reinforcing ABT's OneTeam culture. • Enhanced supply chain resilience through supplier diversification, procurement initiatives and disciplined cost optimisation.

GROWTH STRATEGY



FY27 PRIORITIES

ABT's strategy is focused on delivering sustainable long-term growth through disciplined execution across five pillars.

DEEPEN MARKET PRESENCE	Consolidate our position in established mining markets while selectively expanding in priority international regions where ABT's safety-critical technologies can address clear customer needs.
GROW LIFECYCLE REVENUE	Increase the contribution from aftermarket parts, consumables, service support and the Refurbishment Program to strengthen customer relationships and increase our recurring earnings base.
COMMERCIALISE NEXT-GENERATION TECHNOLOGIES	Accelerate the commercial deployment of BRAKEiQ™ following the achievement of CAS9 certification and continue advancing SIBSiQ™ through customer adoption and commercial development, while prioritising technologies with the strongest commercial opportunities.
SCALE THE OPERATING PLATFORM	Improve supply resilience, cost competitiveness and organisational capability to support further growth.
PURSUE STRATEGIC GROWTH OPPORTUNITIES	Assess complementary opportunities that broaden ABT's offering, enhance its market position and create sustainable value for shareholders.

ABT

Chair's Address

Dagmar Parsons

NON-EXECUTIVE CHAIR

Dear Shareholders,

On behalf of the Board, I am pleased to present Advanced Braking Technology's Annual Report for the 2026 fiscal year (FY26).

> **It has been a strong year for ABT. The Company delivered record revenue while continuing to execute its strategy. During the year, ABT expanded its international presence, grew higher-quality recurring revenue, advanced its autonomous technology portfolio and strengthened the operating platform for sustainable long-term growth. The Board is pleased with the disciplined execution demonstrated across the business. This performance reflects the capability of the ABT team and the strength of its OneTeam culture.**

SAFETY AND CULTURE

The Board actively endorses ABT's safety culture, which is fundamental to the Company's long-term success, and is encouraged by the commitment of all employees to maintaining safe and responsible work practices.

For FY26, the Company recorded a Lost Time Injury Frequency Rate (LTIFR) of 19.4 and a Total Recordable Injury Frequency Rate (TRIFR) of 19.4, compared with 0.0 for both measures in FY25. The FY26 rates resulted from one lost time injury recorded near the end of June 2026. No other recordable injuries occurred during the financial year.

DELIVERING SUSTAINABLE GROWTH

During FY26, ABT strengthened its position across key international mining regions while building deeper customer relationships through its expanding aftermarket offering, including the successful introduction of the Refurbishment Program. These initiatives improve the resilience of the business, grow recurring revenue and contribute to a more predictable earnings profile.

The Board is equally encouraged by the progress made in advancing the Company's innovation pipeline. Building on its proven braking systems, ABT continues to expand its portfolio through technologies that support the mining industry's increasing adoption of safety and technology-related innovation. These developments align closely with customer priorities to improve mine safety, productivity and readiness for increasingly automated operating environments.

BUILDING FURTHER CAPABILITY

Sustained growth depends on having the right people, systems, governance and operating capability to support an increasingly global business.

During FY26, the Company invested in further capability across engineering, value engineering, procurement, supply chain management and strategic account management. The Company also strengthened supplier relationships, diversified key elements of its supply chain and improved procurement capability. These actions enhanced operational resilience, supported margin discipline and provided a stronger platform for future growth.

The Board welcomed the establishment of the Innovation Committee in the fourth quarter, providing additional oversight of the Company's product development portfolio to ensure future investment remains aligned with customer needs and strategic priorities.

CLEAR PRIORITIES FOR THE YEAR AHEAD

ABT enters FY27 from a position of strength. While global economic conditions, geopolitical uncertainty and customer implementation timelines are expected to influence operating conditions in the short term, the long-term drivers supporting investment in mine safety, automation and productivity remain compelling.

Our priorities for FY27 are clear. We will continue to deepen our market presence, grow higher-quality recurring revenue and accelerate the commercialisation of our next-generation technologies, including BRAKEiQ™ and SIBSiQ™.

Equally important is continuing to strengthen the foundations of the business. We will build organisational capability, enhance supply chain resilience and pursue complementary growth opportunities that strengthen our competitive position and support the creation of sustainable long-term value for shareholders.

ACKNOWLEDGEMENTS

On behalf of the Board, I would like to thank Andrew Booth and Angela Godbeer, and the entire ABT team, for their commitment, professionalism and hard work throughout FY26. The Board greatly values ABT's OneTeam culture, which underpins the collaboration, accountability and shared commitment that continue to drive the Company's success.

I also thank my fellow Directors for their valuable contribution, guidance and support during the year.

Finally, I thank our shareholders for their continued confidence in ABT. We appreciate your ongoing support as we continue building on the strength of the business for the years ahead.

Ms Dagmar Parsons
ABT Non-executive Chair

MD & CEO Review of Operations

Andrew Booth

MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER

FY26 OPERATING ENVIRONMENT

FY26 was a defining year for Advanced Braking Technology. We once again delivered a solid financial performance, strengthened our strategic position in key markets and continued building the operating platform to support the Company's next phase of growth.

Our portfolio is increasingly aligned with the priorities of modern mining operations, where safety, productivity and automation are central to investment decisions. ABT is positioned ahead of the autonomous adoption curve, reflected in our established SIBS® platform, growing installed base and the advancement of BRAKEiQ™ and SIBSiQ™ through our product pipeline. This enables the Company to support mining customers as they progressively adopt autonomous and collision avoidance technologies, supported by our products and expertise.

Structural drivers, including electrification, infrastructure development and continued demand for gold, copper and critical minerals, supported increased investment in underground mining during FY26, notwithstanding a dynamic global operating environment. These trends reinforced the long-term opportunity for ABT's safety-critical braking systems across established and emerging underground mining markets.

SOLID FINANCIAL PERFORMANCE

During FY26, ABT delivered record revenue of $23.5 million (FY25: $19.1 million), representing growth of 22.7%. Product sales increased by 21.1% to $22.7 million (FY25: $18.7 million).

Gross profit increased to $11.6 million (FY25: $9.2 million), with gross margin improving to 49.3% (FY25: 48.0%). Underlying EBITDA increased 37.5% to $2.2 million (FY25: $1.6 million) and underlying EBIT increased 63.0% to $1.8 million (FY25: $1.1 million).

The Company maintained a strong balance sheet throughout the year, with cash and cash equivalents of $5.6 million at 30 June 2026 (FY25: $2.9 million), providing the flexibility to pursue strategic priorities while applying disciplined capital management.

DELIVERING OUR STRATEGY

During FY26, we continued executing our growth strategy across three key priorities: expanding our global reach, strengthening customer engagement and recurring revenue, and accelerating innovation.

Expanding and Diversifying our Global Reach

International markets remained a key driver of growth during FY26, supported by increasing customer adoption across North America, Africa, Asia and the Middle East. Geographical expansion in Ghana and Zimbabwe was also a highlight.

Deployments including Rio Tinto's Oyu Tolgoi operation in Mongolia reinforced ABT's reputation as a trusted provider of safety-critical braking solutions to blue-chip mining customers.

Domestically, demand remained strong, highlighted by the mandate for our FailSafe braking system at MMG's Dugald River underground zinc mine in Queensland and The Gold Fields operation in Western Australia.

Together, our broader geographic footprint and expanding customer base strengthen our market position and create new opportunities for sustainable earnings growth.

Strengthening Customer Engagement and Recurring Revenue

As our installed base expands, we are increasingly able to support customers throughout the full lifecycle of our products through spare parts, consumables and service support.

The successful rollout of our new Refurbishment Program was a particular highlight during FY26. The Program helps customers extend equipment life, reduce operating costs and improve sustainability outcomes while maintaining the performance of their braking systems.

A greater contribution from recurring revenue deepens customer relationships, improves earnings quality and provides a more predictable earnings base as our installed base continues to grow.

Advancing Innovation

BrakeSAFE™ remains the cornerstone of our product portfolio. Built on our patented Sealed Integrated Braking System (SIBS®) platform, it has established ABT as a leading supplier of safety-critical braking systems for underground mining operations around the world.

As mining operations increasingly adopt collision avoidance and autonomous technologies, we are expanding our product portfolio through BRAKEiQ™ and SIBSiQ™.

BRAKEiQ™ is ABT's first autonomous vehicle intervention platform. It is designed to integrate seamlessly with leading Collision Avoidance Systems (CAS), providing a practical plug-and-play solution for existing heavy vehicle fleets. Following the acquisition of exclusive global rights in FY25, BRAKEiQ™ continued progressing toward CAS9 certification with the University of Pretoria (UOP), the internationally recognised benchmark for collision avoidance technology, during FY26.

Subsequent to year end, BRAKEiQ™ successfully completed MOSH TRL4 ISO 21815 specification in a major step toward CAS Level 9 certification, an important milestone that supports the commercialisation of BRAKEiQ™ and further establishes ABT's leadership in autonomous braking solutions.

SIBSiQ™ extends the capability of our proven Sealed Integrated Braking System (SIBS®) platform by incorporating CAS9 capability into the next generation of our fail-safe braking systems. Built on the reliability of our established SIBS® technology, SIBSiQ™ is designed to support customers as mining operations continue increasing adoption of automation and integrated safety systems.

Together, BRAKEiQ™ and SIBSiQ™ demonstrate how ABT is evolving from a braking technology provider into a broader provider of integrated safety and autonomy solutions.

BUILDING CAPABILITY FOR GROWTH

Preparing the business for scalable growth remained an important priority throughout FY26.

We expanded expertise across engineering, value engineering, procurement, supply chain management and strategic account management, enhancing collaboration across the business while reinforcing our OneTeam culture.

Closer alignment between our engineering, operations and sales teams has sharpened the Voice of the Customer throughout ABT's product development process, ensuring future technologies remain focused on our customers' safety and operational challenges.

This disciplined approach has strengthened our development pipeline, with new and next-generation technologies progressing through structured field trials and customer adoption.


SANO
Got Mining Challenges?
Let's Talk.
Get a Custom Hat!

It provides a clearer pathway for prioritising investment, validating customer value and advancing the most commercially attractive opportunities.

SUPPLY CHAIN OPTIMISATION

Supply chain optimisation remained a key focus throughout FY26. Supplier diversification, procurement initiatives and disciplined cost optimisation reduced potential supply risk while improving operational efficiency. Collectively, these initiatives are building the operating platform required to support the Company's next stage of growth.

FY27 PRIORITIES

In FY27, our focus will be on converting the strategic progress made during FY26 into disciplined execution across five priority areas:

- Deepen market presence: consolidate our position in established mining markets while selectively expanding in priority international regions where ABT's safety-critical technologies can address clear customer needs.
- Grow lifecycle revenue: increase the contribution from aftermarket parts, consumables, service support and the Refurbishment Program to deepen customer relationships and build a more predictable earnings base.
- Commercialise next-generation technologies: accelerate the commercial deployment of BRAKEiQ™ following the achievement of CAS9 certification and continue advancing SIBSiQ™ through customer adoption and commercial development, while prioritising technologies with the strongest commercial opportunities.
- Scale the operating platform: improve supply resilience, cost competitiveness and organisational capability so the business can support growth.
- Pursue strategic growth opportunities: assess complementary opportunities that broaden ABT's offering, enhance its market position and create sustainable value for shareholders.

OUTLOOK

ABT enters FY27 as a stronger business than it was twelve months ago. We have expanded our market presence, grown recurring revenue and continued investing in the technologies and operating capability that support our growth strategy.

While global economic conditions, geopolitical developments, supply chain complexity and customer implementation timelines are expected to remain important considerations during FY27, the long-term drivers supporting mine safety, automation and productivity remain compelling and continue to underpin demand for the technologies we provide.

Our focus remains on disciplined execution as we commercialise next-generation technologies, grow our aftermarket business, expand our market presence and deliver long-term value for shareholders.

OUR PEOPLE

I would like to sincerely thank the entire ABT team for their commitment, resilience and teamwork throughout FY26.

The achievements outlined in this review reflect the dedication, professionalism and collaboration of everyone across the business. Our OneTeam culture remains one of ABT's greatest strengths, underpinning our success as we deliver for our customers, partners and shareholders in FY27.

I would also like to thank my fellow Board members for their support and stewardship throughout the year. Their experience and oversight have been invaluable in guiding our strategy.

Finally, I would like to thank our shareholders for their continued confidence in ABT. Your ongoing support is greatly appreciated as we continue building a stronger, more competitive business for the future.

Mr Andrew Booth
Managing Director and Chief Executive Officer

Board of Directors

Mark Pitts
COMPANY SECRETARY

Angela Godbeer
CHIEF FINANCIAL OFFICER

David Slack
NON-EXECUTIVE DIRECTOR

Dagmar Parsons
NON-EXECUTIVE CHAIR

"The Board greatly values ABT's OneTeam culture, which underpins the collaboration, accountability and shared commitment that continue to drive the Company's success."

Dagmar Parsons,
Non-executive Chair

Andrew Booth

MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER

Les Guthrie

NON-EXECUTIVE DIRECTOR

"FY26 was a defining year for Advanced Braking Technology."

Andrew Booth,
Managing Director and Chief Executive Officer

Corporate Governance

Strong corporate governance is fundamental to ABT's long-term success and supports the Company's commitment to creating sustainable value for shareholders. The Board is committed to maintaining high standards of governance, ethical conduct and accountability, ensuring the Company is managed responsibly and in the best interests of shareholders and other stakeholders.

ABT's governance framework supports effective decision-making, strategic oversight and risk management, while promoting a culture of integrity, transparency and continuous improvement. The framework is designed to support the execution of the Company's strategy, safeguard assets, manage risk and ensure compliance with applicable laws, regulations and the ASX Listing Rules.

Further information, including Board and Committee Charters, is available at:

www.advancedbraking.com/corporate-governance

GOVERNANCE FRAMEWORK

The Board is responsible for the overall governance and strategic direction of the Company. Its responsibilities include:

- Approving the Company's strategy and monitoring its execution.
- Overseeing financial performance, capital allocation and major investments.
- Monitoring the effectiveness of the Company's risk management and internal control framework.
- Promoting a culture of safety, ethical behaviour and compliance.
- Overseeing succession planning, executive performance and remuneration.
- Supporting sustainable long-term value creation for shareholders.

Day-to-day management is delegated to the Managing Director and Chief Executive Officer and Executive Leadership Team, operating within authorities approved by the Board.

BOARD COMMITTEES

To assist in fulfilling its responsibilities, the Board has established the following committees:

- Audit & Risk Committee – Oversees financial reporting, risk management, internal controls and the external audit process.
- Remuneration & Nomination Committee – Oversees Board composition, succession planning, executive remuneration and talent development.

Each committee operates under a Board-approved Charter available on the Company's website.

ETHICAL BUSINESS PRACTICES

ABT is committed to conducting business ethically, responsibly and in accordance with applicable laws and regulations. Key governance policies include:

- Code of Conduct
- Risk Management Framework
- Continuous Disclosure Policy
- Securities Trading Policy
- Diversity Policy
- Whistleblower Policy
- Anti-Bribery and Corruption Policy

Copies of these policies are available at:

www.advancedbraking.com/corporate-governance

RISK MANAGEMENT

The Board oversees ABT's risk management framework and ensures appropriate systems are in place to identify, assess and manage risks that may affect the Company's ability to achieve its strategic objectives.

Supported by the Audit & Risk Committee and Executive Leadership Team, the Board regularly reviews the Company's risk profile and the effectiveness of its risk management and internal control framework. The principal risks currently facing the business are summarised below.

ABT

Principal Risks and Mitigation

Risk	Potential Impact	Mitigation Strategies
Cyber Security & Information Technology	Cyber attacks, ransomware, unauthorised access, system outages or data breaches could disrupt operations, compromise sensitive information, result in financial loss, damage reputation and lead to regulatory non-compliance.	Managed security services, multi-factor authentication, regular vulnerability assessments, cyber awareness training, incident response planning, disaster recovery testing, Board oversight and cyber insurance.
Artificial Intelligence (AI) & Data Governance	Inappropriate use of AI tools could result in inaccurate decision-making, confidential information leakage, intellectual property risks, bias, regulatory breaches and reputational damage. Rapid adoption of AI may also outpace governance frameworks and employee capability.	Implement an AI governance framework, approved AI usage policy, staff training, data classification controls, human review of AI-generated outputs, vendor due diligence and ongoing monitoring of emerging regulatory requirements.
Health & Safety	Workplace incidents, injuries or failures in safety processes could result in employee harm, operational disruption, regulatory penalties and reputational damage.	Comprehensive WHS Management System, regular audits, training programs, incident reporting and investigation processes, leadership accountability and continuous improvement initiatives.
People & Culture	Difficulty attracting, retaining and developing key talent may constrain growth, increase costs and impact operational performance. Loss of critical personnel may create capability gaps and business continuity risks.	Competitive remuneration and incentive programs, succession planning, leadership development, employee engagement initiatives, workforce planning and targeted retention strategies.
Innovation & Product Development	Failure to innovate, protect intellectual property or respond to market changes may reduce competitiveness, limit growth opportunities and impact long-term value creation.	Continued investment in R&D, intellectual property protection, customer engagement, strategic partnerships, product roadmap governance and ongoing market analysis.
Strategic Execution & Growth	Poor execution of strategic initiatives, acquisitions, integrations or capital allocation decisions could result in cost overruns and reduced shareholder returns.	Structured project governance, Board oversight, clearly defined milestones, regular performance monitoring, post-implementation reviews and disciplined capital allocation processes.
Supply Chain & Procurement	Supplier disruption, logistics constraints, geopolitical events or increased input costs may impact production, customer deliveries and profitability.	Strategic supplier relationships, dual sourcing where feasible, inventory optimisation, supplier performance monitoring, contingency planning and contract management.
Climate Change & Sustainability	Physical and transition climate risks may increase operating costs, impact supply chains, influence customer purchasing decisions and create additional compliance obligations.	Climate risk monitoring, sustainability initiatives, energy efficiency programs, incorporation of climate considerations into strategic planning and preparation for sustainability reporting requirements.
Regulatory & Compliance	Failure to comply with ASX, Corporations Act, taxation, employment, privacy, environmental, cyber security or sustainability obligations could result in financial penalties, litigation and reputational damage.	Compliance frameworks, legal and regulatory monitoring, internal controls, staff training, external adviser support and periodic compliance reviews.

Risk	Potential Impact	Mitigation Strategies
Financial Risk	Exposure to liquidity constraints, foreign exchange movements, interest rate fluctuations, credit losses or funding limitations could impact financial performance and strategic flexibility.	Cash flow forecasting, treasury oversight, regular covenant monitoring, credit management processes, FX risk monitoring and maintaining appropriate funding facilities.
Business Continuity & Operational Resilience	Significant disruption from technology failures, natural disasters, pandemics, supplier failures or other unforeseen events could impact operations and customer service.	Business continuity planning, disaster recovery testing, succession plans, operational redundancy and crisis management procedures.
Reputation & Stakeholder Trust	Negative publicity, governance failures, product quality issues, cyber incidents or poor stakeholder engagement may damage brand value and impact customer, employee and investor confidence.	Strong governance frameworks, transparent stakeholder communication, quality management systems, crisis communication planning and ongoing monitoring of stakeholder sentiment.

FURTHER INFORMATION

ABT's governance practices are guided by the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition).

The Corporate Governance Statement, ASX Appendix 4G, Board and Committee Charters and governance policies are available at:

www.advancedbraking.com/corporate-governance

Sustainability Snapshot

Advanced Braking Technology (ABT) is committed to creating long-term value through responsible business practices that support sustainable growth, operational excellence, and strong governance. Sustainability considerations are embedded across our business and inform how we manage our people, operations, technology, risks, and stakeholder relationships.

Throughout FY26, ABT continued to strengthen its Environmental, Social and Governance (ESG) practices through investments in employee development, cyber security, operational efficiency, digital transformation, and governance frameworks. As technology continues to evolve, including the increasing use of artificial intelligence (AI), ABT recognises the importance of maintaining appropriate oversight, ethical standards, and controls to ensure technology is used responsibly and securely.

ENVIRONMENTAL

ABT seeks to minimise the environmental impact of its operations through responsible resource management, continuous improvement initiatives, and consideration of environmental factors in operational and strategic decision-making.

Key Initiatives

- Continued investment in energy-efficient facilities, equipment, and manufacturing processes to reduce energy consumption and improve operational efficiency.
- Monitoring and management of energy usage to identify opportunities for further reductions in resource consumption.
- Recycling programs covering paper, cardboard, metals, electronic waste, and production-related materials where practical.
- Water conservation initiatives through efficient facility management and responsible water use practices.
- Promotion of environmentally responsible workplace behaviours through employee awareness and education initiatives.
- Consideration of environmental impacts within procurement, product development, packaging, and operational planning decisions.
- Compliance with applicable environmental legislation, regulations, and reporting requirements.
- Integration of environmental risks and opportunities into the Company's broader risk management framework.

SOCIAL

ABT believes its people are fundamental to its success. We are committed to fostering a safe, inclusive, and high-performing workplace that promotes wellbeing, professional growth, and employee engagement.

Key Initiatives

- Ongoing focus on workplace health and safety through training, risk assessments, audits, and proactive incident prevention initiatives.
- Continued investment in technical, professional, and leadership development programs to support employee growth and succession planning.
- Enhancement of leadership capability across the organisation through structured development and performance programs.
- Flexible work arrangements that support work-life balance and individual employee needs.
- Access to a confidential Employee Assistance Program (EAP) for employees and their immediate families.
- Operation of employee reward and recognition programs, including employee share ownership initiatives that promote alignment between employees and shareholders.
- Promotion of diversity, inclusion, equal opportunity, and respectful workplace behaviours through policies, training, and leadership accountability.
- Ongoing improvements to performance management processes to support employee development, engagement, and career progression.
- Support for community initiatives and charitable activities that contribute positively to the communities in which we operate.

GOVERNANCE

Strong governance underpins ABT's long-term success and supports the trust placed in the Company by shareholders, employees, customers, suppliers, and other stakeholders. ABT is committed to maintaining high standards of transparency, accountability, ethical conduct, and regulatory compliance.

As digital technologies continue to evolve, governance extends beyond traditional financial and operational oversight to include cyber security, data protection, and the responsible use of emerging technologies such as artificial intelligence.

Key Initiatives

- Ongoing enhancement of cyber security capabilities through security monitoring, risk assessments, employee awareness training, and investment in technology controls.
- Strengthening of technology governance through the implementation of managed security services, external specialist advice, and improved cyber resilience practices.
- Adoption of governance processes to support the responsible, secure, and ethical use of artificial intelligence technologies across the organisation.
- Assessment of AI-related risks, including data privacy, intellectual property, confidentiality, cybersecurity, and decision-making integrity, as part of the Company's risk management framework.
- Development of employee awareness and guidance regarding the appropriate use of AI tools to support productivity while protecting confidential and commercially sensitive information.
- Regular review and enhancement of governance policies relating to privacy, information security, code of conduct, whistleblower protection, anti-bribery and corruption, and modern slavery.
- Maintenance of robust financial controls and assurance processes through internal reviews and independent external audit activities.
- Continued investment in finance, technology, and business systems to strengthen reporting, governance, transparency, and decision-making.
- Regular reporting of key strategic, operational, technology, and compliance risks to executive management, the Audit and Risk Committee, and the Board.
- Ongoing focus on board and leadership diversity, succession planning, and effective oversight of sustainability-related risks and opportunities.
- Board oversight of ESG initiatives and emerging regulatory requirements to support sustainable long-term value creation.

LOOKING AHEAD

ABT recognises the increasing importance of sustainability, technology governance, and stakeholder expectations. During FY27, the Company intends to continue strengthening its ESG framework, enhancing sustainability-related data collection and reporting capabilities, and further developing governance practices relating to cyber security, digital transformation, and the responsible use of artificial intelligence.

Through these initiatives, ABT aims to support sustainable business growth, maintain stakeholder trust, and create long-term value for shareholders and the broader community.

Directors' Report

"It has been a strong year for ABT. The Company delivered record financial performance, while continuing to execute its strategy."

Dagmar Parsons,
Non-executive Chair

DIRECTORS' REPORT

The Directors present their report on Advanced Braking Technology Limited (Advanced Braking or the Company) and its controlled entities (the "Group") for the year ended 30 June 2026.

PRINCIPAL ACTIVITES

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

REVIEW OF OPERATIONS, FINANCIAL RESULTS, EXPLANATION OF RESULTS AND OUTLOOK

Please refer to the Financial Highlights on page 14 and the Managing Directors Review of Operations report on page 20, both of which form part of this Directors Report.

INFORMATION ON DIRECTORS AND OFFICERS

The names and details of the Group's Directors in office during the year until the date of this report are as follows. Directors were in office for this entire year unless otherwise stated.

Ms 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 the Audit & Risk Committee • Member of the Remuneration & Nomination Committee
Interest in shares, options and performance rights	**Shares** – 840,000 **Options** – Nil **Performance Rights** - Nil

Mr David Slack

NON-EXECUTIVE DIRECTOR, APPOINTED 9 SEPTEMBER 2009

Experience and expertise	Mr Slack has been a substantial shareholder and Non-Executive Director (NED) of Advanced Braking Technology for the past 17 years. He is a NED of two other public companies, apart from Advanced Braking Technology. Mr Slack is a NED of Australian Wealth Advisor Group, an ASX listed company (ASX: WAG) which is a financial planning and fund management group. Mr Slack is a NED, Chairman and substantial shareholder of Transport Safety Systems Group Limited (TSSG), an Australian public unlisted company in the commercialisation phase of a new solar and wireless rail crossing technology, particularly applicable for remote/ regional areas. He is also a NED of RAXS Ltd, an operating joint venture with a CIMIC Group company, UGL Transport Pty Ltd and TSSG Ltd established in December 2025. Mr Slack's private company, DASI Investments Pty Ltd is a substantial shareholder in a family broad acre agricultural cropping business, Slack Holdings, based in the Moree district of NSW. Mr Slack has had over 45 years experience as an investment analyst and Australian Equities fund manager in the institutional and retail markets of Australia. He has been involved as a founding director/ managing director and head of large or small cap equities for 3 successful fund managing companies being, County NatWest Investment Management Aust, Portfolio Partners and Karara Capital. He was a substantial shareholder in Portfolio Partners and Karara Capital. This long experience of investing in publicly listed companies has informed an analytical approach to business strategy, risk, management and governance.
Qualifications	Mr Slack 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 the Audit & Risk Committee • Member of the Remuneration & Nomination Committee
Interest in shares, options and performance rights	**Shares:** 78,379,591 **Options:** Nil **Performance Rights:** Nil

Mr Andrew Booth

MANAGING DIRECTOR AND CEO, APPOINTED CEO 15 MARCH 2022, APPOINTED MANAGING DIRECTOR 9 SEPTEMBER 2025

Experience and expertise	Mr Booth joined ABT in 2020 and was appointed to the Board in 2025 in recognition of his contribution to the Company's growth, strategic direction and transformation. During his tenure, ABT has evolved from a specialist brake manufacturer into a broader mining technology company, expanding its international presence, strengthening governance, accelerating technology commercialisation and pursuing strategic growth opportunities. Mr Booth has extensive experience in corporate development, strategy, governance and transformational leadership across banking and finance, advisory, private equity, agriculture, FMCG and logistics sectors throughout the Asia Pacific region. Prior to joining ABT, Mr Booth led the transformation and growth of several businesses, including delivering a successful trade sale exit for a Western Australian logistics company on behalf of investors. He was previously based in Hong Kong with ANZ Banking Group, where he held regional strategy and governance responsibilities spanning 34 countries and supported investment, trade and business development initiatives across the Asia Pacific region.
Qualifications	Mr Booth has a Bachelor of Commerce from Curtin University, a Master of Business Administration from Australian Graduate School of Management and is a Graduate of Australian Institute of Company Directors and is an Asialink Leadership Alumni.
Directorship held in other listed entities	Nil
Former directorship in last three years	Nil
Special responsibilities	Managing Director and Chief Executive Officer
Interest in shares, options and performance rights	**Shares:** 12,253,566 **Options:** Nil **Performance Rights:** 8,216,005

Mr 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. Mr Guthrie 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 Guthrie 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) **Period of Directorship**: September 2018 to present
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 the Audit and Risk Committee • Chair of the Remuneration & Nomination Committee
Interest in shares, options and performance rights	**Shares:** 120,000 **Options:** Nil **Performance Rights:** Nil

Mr Adam Levine

NON-EXECUTIVE DIRECTOR , APPOINTED 9 APRIL 2013, RESIGNED 18 AUGUST 2025

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.

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.

Mr Levine 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.

Ms Angela Godbeer

CHIEF FINANCIAL OFFICER, APPOINTED 2 MAY 2022

Ms Godbeer is an accomplished finance and strategy executive with over 20 years of experience in financial management, strategic leadership, and corporate governance. Her career spans a diverse range of industries including Engineering, Manufacturing, Media, and Financial Services across both the United Kingdom and Australia.

Ms Godbeer has a strong track record of driving organisational performance through sound financial oversight, strategic planning, and operational transformation. Prior to joining ABT, she held senior finance leadership roles where she was instrumental in the development and execution of financial strategies that supported growth, profitability, and long-term sustainability.

Ms Godbeer's expertise includes enterprise resource planning (ERP) system implementations, cross-functional project management, business process re-engineering, change management, and enterprise risk control. She is recognised for her ability to lead complex transformation initiatives, enhance financial transparency, and deliver commercial insights that inform executive decision-making.

Ms Godbeer holds multiple professional designations: she 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). She brings a strong governance lens to her work and is committed to ethical leadership, stakeholder engagement, and building high-performing teams.

INFORMATION ON COMPANY SECRETARY

Mr Mark Pitts

COMPANY SECRETARY, APPOINTED 31 JANUARY 2025

Mr Pitts has over 35 years' experience in business administration and corporate compliance. Having started his career with KPMG, Mr Pitts has worked at senior management level in a variety of commercial and consulting roles including mining services, healthcare and property development. Mr Pitts has been directly involved with, and consulted to a number of public companies holding senior financial management positions. Mr Pitts is a Principal in the Company Secretarial division of Automic Finance. Mr Pitts is a Fellow of the Institute of Chartered Accountants and a graduate member of the Australian Institute of Company Directors. He has more than 35 years' experience in statutory reporting and business administration.

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:

www.advancedbraking.com/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 2026, and the numbers of meetings attended by each Director were:

	Directors' Meetings		Audit & Risk Committee		Remuneration & Nomination Committee	
Director	Held	Attended	Held	Attended	Held	Attended
D Parsons	16	16	3	3	6	6
D Slack	16	16	3	3	6	6
L Guthrie	16	15	3	3	6	6
A Levine[1]	2	0	N/A	N/A	N/A	N/A
A Booth[2]	13	13	N/A	N/A	N/A	N/A

[1]A Levine resigned on 18th August 2025.

[2]A Booth was appointed as Managing Director on 9 September 2025.

DIVIDENDS

There have been no dividends paid or declared by the Company.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

In the opinion of Directors there were no matters that significantly affected the affairs of the Group during the financial year, other than those matters referred to in the Review of Operations, Financial Results and Explanation of Results and Outlook above.

EVENTS SUBSEQUENT TO BALANCE DATE

No matters or circumstances have arisen since 30 June 2026 that has significantly affected or may significantly affect the Group's operations, the results of those operations or the or the Groups state of affairs in future financial years.

FUTURE DEVELOPMENTS

The Group is well positioned to grow sales by consolidating our position in established markets, increasing our after market business and pursuing complimentary opportunities.

ENVIRONMENTAL REGULATION

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

"I would like to thank our shareholders for their continued confidence in ABT. Your ongoing support has been invaluable as we build a stronger, more competitive business for the future."

Andrew Booth,
Managing Director and Chief Executive Officer

Remuneration Report

"The Board greatly values ABT's OneTeam culture, which underpins the collaboration, accountability and shared commitment that continue to drive the Company's success."

Dagmar Parsons,
Non-executive Chair

REMUNERATION REPORT (AUDITED)

This remuneration report for the year ended 30 June 2026 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**
D Parsons	Non-Executive Chair	22-Apr-18	-
D Slack	Non-Executive Director	9-Sep-09	-
A Levine	Non-Executive Director	9-Apr-13	18-Aug-25
L Guthrie	Non-Executive Director	1-Aug-23	-
A Booth	Managing Director	9-Sep-25	-

Executives			
Name	**Position**	**Appointment Date**	**Resignation Date**
A Booth	Chief Executive Officer	15-Mar-22	-
A 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. 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 and ABV share price of the Company at the end of each respective financial year.

Company Performance	30-Jun-26	30-Jun-25	30-Jun-24	30-Jun-23	30-Jun-22
Total Revenue ($'000)	23,480	19,148	16,627	14,690	11,741
Net profit ($'000)	2,075	1,780	1,704	1,474	644
ABV Share price	11.0 cents	7.9 cents	5.6 cents	3.8 cents	2.6 cents

UNDERLYING OPERATING PERFORMANCE AFTER TAXATION (NON-IFRS)

The Group's underlying operating result after taxation (Non-IFRS) is tabled below and adjusts for particular once-off and non-recurring items which are not comparable period on period.

Description	Current Year ($000)	Prior Year ($000)
Profit after income tax benefit for the year	2,075	1,780
Less: R&D Tax Incentive income	(42)	(726)
Less / (add): One-off tax-related income	(310)	–
Underlying operating result	1,723	1,054

Underlying operating profit rose from $1,054k to $1,723k, an improvement of $669k (63%), which was driven by stronger core operating performance.

For the year ended 30 June 2026, the Group's aggregated revenue exceeded $20 million and accordingly the Group's Research and Development incentives are non-refundable, rather than refundable, as was the position for the year ended 30 June 2025. Accordingly, Research and Development incentives of the Group are recognised as an offset to income tax obligations, rather than as other income.

The underlying result should be read together with the statutory financial statements.

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 solely of directors' fees. Non-Executive Directors do not participate in any incentive or performance-based remuneration plans and are not entitled to retirement benefits other than statutory superannuation.

Following a review of Board remuneration, the fees payable to Non-Executive Directors were revised effective 1 April 2026. The annual fees, inclusive of superannuation, are as follows:

- **Dagmar Parsons (Non-Executive Chair):** $130,000 per annum
- **David Slack (Non-Executive Director):** $65,000 per annum
- **Les Guthrie (Non-Executive Director):** $65,000 per annum

Prior to 1 April 2026, Non-Executive Directors received a remuneration of $61,325, inclusive of superannuation, while the Non-Executive Chair received a remuneration of $94,776 inclusive of superannuation.

The revised fees are intended to ensure Director remuneration remains appropriate having regard to market practice, the responsibilities of the roles, and the size and complexity of the Group's operations.

Short term incentives accrued for 2026 is $99,125 (2025: Nil)

Voting and Comments from the Company's 2025 Annual General Meeting

At the Company's most recent Annual General Meeting held in November 2025, a majority of eligible votes were cast for the adoption of the 30 June 2025 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 2026, the executive remuneration framework consisted of the following components:

- Base pay and STI (cash bonus)
- Share-based payments
- Other remuneration such as superannuation and long service leave.

The combination of these comprises the executives' total 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	Total Employment Cost (TEC), comprising base salary and statutory superannuation contributions.	Provides competitive remuneration aligned with the responsibilities, skills, experience and market value of the role.	Reviewed regularly having regard to individual performance, market remuneration benchmarks and changes in responsibilities.
Short-term incentive component (STI)	During FY2026, the Group introduced a discretionary STI framework for Key Management Personnel (KMP) and executives.	Rewards executives for their contribution to the achievement of the Group's annual strategic and financial objectives.	Linked to the achievement of key performance measures, including gross profit and net profit before tax. Any STI award is subject to Board assessment and discretion.
Long-term incentive component (LTI)	During FY2025, the Group introduced a Performance Rights Plan for KMP and executives. Performance rights are subject to specified vesting conditions.	Aligns executive interests with those of shareholders, promotes sustainable long-term performance and supports employee retention.	Vesting is subject to performance conditions, including Total Shareholder Return (TSR) and Earnings per Share (EPS) growth targets. The Board retains discretion in assessing performance outcomes and vesting of awards.

EXECUTIVE EMPLOYMENT CONTRACTS

The Company's executive KMP are engaged under service agreements that are ongoing and have no fixed end date. However, these contracts may be terminated by notice from either party with a 3 months' notice period, except in certain circumstances such as misconduct where no notice period applies. In the event of termination, statutory entitlement applies.

Superannuation is capped as per annual legislative rates. For financial year 2026, superannuation for the KMP executives was capped at $30,000.

Mr Andrew Booth

Mr Booth was appointed Managing Director on 9 September 2025 and continues to serve as Chief Executive Officer, a position he has held since 15 March 2022. During the year, Mr Booth received annual fixed remuneration of $415,000, excluding superannuation.

To align executive remuneration with shareholder interests, support long-term value creation and encourage retention, the Company granted Mr Booth share options and performance rights in the prior year FY2025. The vesting of these equity awards is subject to performance conditions and service requirements over a three-year period. The key terms and conditions of the share options and performance rights are outlined below.

Ms Angela Godbeer

Ms Godbeer was appointed Chief Financial Officer on 2 May 2022 and received annual fixed remuneration of $315,000, excluding superannuation, during the year.

To align remuneration outcomes with shareholder interests, support long-term value creation and encourage employee retention, the Company granted Ms Godbeer share options and performance rights in the prior year FY2025. The vesting of these equity awards is subject to performance conditions and continued service requirements over a three-year period. The key terms and conditions of the share options and performance rights are outlined below.

DIRECTORS' & OTHER KEY MANAGEMENT'S INTEREST IN THE COMPANY

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:

	Short-Term Benefits		Post-Employment	Long-Term Benefits	Share-Based Payments		Total	Performance
FY25 — Non-Executive Directors	Directors' Fees ($)	Cash Bonus / STI ($)	Super ($)	LSL ($)	Performance Rights ($)	Options ($)	Total ($)	Perf. Related %
D Parsons (Chair)	85,001	–	9,775	–	–	–	94,776	–
D Slack	55,000	–	6,325	–	–	–	61,325	–
L Guthrie	55,000	–	6,325	–	–	–	61,325	–
A Levine	61,412	–	–	–	–	–	61,412	–
Total NEDs	**256,413**	**–**	**22,425**	**–**	**–**	**–**	**278,838**	**–**

	Short-Term Benefits		Post-Employment	Long-Term Benefits	Share-Based Payments		Total	Performance
FY25 — Executives	Executives' Fees ($)	Cash Bonus / STI ($)	Super ($)	LSL ($)	Performance Rights ($)	Options ($)	Total ($)	Perf. Related %
A Booth	385,883	–	30,000	–	66,962	11,104	493,949	16%
A Godbeer	271,667	–	30,000	–	34,398	14,404	350,469	14%
Total Executive KMP	**657,550**	**–**	**60,000**	**–**	**101,360**	**25,508**	**844,418**	**15%**
Grand Total	**913,963**	**–**	**82,425**	**–**	**101,360**	**25,508**	**1,123,256**	**–**

	Short-Term Benefits		Post-Employment	Long-term Benefits	Share-Based Payments		Total	Performance
FY26 — Non-Executive Directors	Directors' Fees ($)	Cash Bonus / STI ($)	Super ($)	LSL ($)	Performance Rights ($)	Options ($)	Total ($)	Perf. Related %
D Parsons (Chair)	96,250	–	11,550	–	–	–	107,801	–
D Slack	57,500	–	6,900	–	–	–	64,400	–
L Guthrie	57,500	–	6,900	–	–	–	64,400	–
A Levine[1]	8,893	–	–	–	–	–	8,893	–
Total NEDs	**220,143**	**–**	**25,350**	**–**	**–**	**–**	**245,493**	**–**

[1] A Levine (resigned 18 August 2025)

	Short-Term Benefits		Post-Employment	Long-term Benefits	Share-Based Payments		Total	Performance
FY26 — Executives	Executives' Fees ($)	Cash Bonus / STI ($)	Super ($)	LSL ($)	Performance Rights ($)	Loan-funded Shares ($)	Total ($)	Perf. Related %
A Booth (MD & CEO)	415,000	51,875	30,000	15,401	122,758	97,241	732,275	37%
A Godbeer (CFO)	315,000	47,250	30,000	8,744	72,190	85,109	558,293	37%
Total Executive KMP	**730,000**	**99,125**	**60,000**	**24,145**	**194,948**	**182,350**	**1,290,568**	**37%**
Grand Total	**950,143**	**99,125**	**85,350**	**24,145**	**194,948**	**182,350**	**1,536,061**	

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 2026.

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

Name	Balance 1 Jul 2025	Granted	On-Market Purchases	Other	Balance 30 Jun 2026	Held at Cessation
Non-Executive Directors						
D Parsons	840,000	–	–	–	840,000	–
D Slack	78,379,591	–	–	–	78,379,591	–
L Guthrie	120,000	–	–	–	120,000	–
A Levine[1]	777,778	–	–	–	–	777,778
Subtotal — Non-Executive Directors	**80,117,369**	–	–	–	**79,339,591**	**777,778**
Executives						
A Booth[2]	12,253,566	–	–	–	12,253,566	–
A Godbeer	3,940,330	–	–	–	3,940,330	–
Subtotal — Executives	**16,193,896**	–	–	–	**16,193,896**	–
Total	**96,311,265**	–	–	–	**95,533,487**	**777,778**

[1] A Levine (resigned 18 August 2025)
[2] A Booth was appointed Managing Director effective 9 September 2025.

CASH BONUSES, PERFORMANCE-RELATED BONUSES AND SHARE-BASED PAYMENTS

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

Short-Term Incentives

The Company has implemented minimum performance conditions for senior executive participation in the FY26 Short-Term Incentive (STI) plan. For an STI to be payable, at least one of the following performance thresholds must be met:

- **Gross Profit Margin (GPM)**
- **Net Profit Before Tax (NPBT)**

Each financial year, these minimum GPM and NPBT thresholds will be reviewed and reset. Executives are eligible to receive an STI if at least one of the two targets is achieved.

In addition to financial thresholds, executives must also meet individual Key Performance Requirements (KPRs), which are established and agreed with the Chief Executive Officer (CEO), and for the CEO, with the Remuneration Committee, at the beginning of each financial year. These KPRs are designed to be measurable, achievable with some stretch, and aligned with strategic objectives. All STI payments will be made in cash.

For FY26, STI outcomes were determined by the Board having regard to achievement against approved financial and individual performance measures. The Board retained absolute discretion in determining final STI outcomes.

Short term incentives accrued for 2026 $99,125 for (2025: Nil paid in 2025).

LONG-TERM INCENTIVE PLAN

Unlisted Options

As at 30 June 2026, there were no unexercised or outstanding options held by any KMP.

Shares Issued on Exercise of Options

During the year ended 30 June 2026, no options were exercised (2025: 14,895,273 options exercised). All KMP unlisted options on issue at 30 June 2024 were fully exercised during FY25, leaving nil options on issue at the start of FY26.

Performance Rights

During the 2025 year, the Board endorsed the use of Performance Rights as the preferred LTI instrument for senior executives, in place of Options. Performance Rights are considered more appropriate due to their reduced dilutive impact on the Company's equity and their suitability in a volatile share price environment.

The Performance Rights will be subject to two key performance hurdles:

- Total Shareholder Return (TSR); and
- Earnings per Share Growth (EPS).

In addition, a three-year tenure-based vesting condition will apply. Performance Rights will be offered annually on a rolling basis. Rights will lapse if performance and tenure conditions are not met.

Where an executive ceases employment having met all vesting conditions, a 30-day window will be provided to exercise vested rights.

This structure is intended to align executive rewards with shareholder value creation and to support long-term company growth. The use of Performance Rights is also viewed as a strong motivational tool, reinforcing the achievement of strategic financial objectives set by the Board.

The Performance Rights granted on 1 July 2024 to Mr Booth and Ms Godbeer were accepted by the executives during FY25 and the corresponding share-based payments expense has been recognised on a straight-line basis over the vesting period in accordance with AASB 2.

On 18 December 2025, a further 2,263,636 Performance Rights were issued to Mr Booth (in a new class, expiry 30 November 2030, nil exercise price), following shareholder approval at the AGM held on 19 November 2025.

On 29 June 2026, a further 1,350,000 Performance Rights were issued to Ms Godbeer (in a new class, expiry 30 June 2030, nil exercise price) under the Company's employee incentive scheme.

Name	Balance 1 Jul 2025	Granted	Vested	Forfeited	Balance 30 Jun 2026	Vested & Exercisable	Maximum Value to Vest ($)
A Booth[1]	5,952,369	2,263,636	–	–	8,216,005	–	441,997
A Godbeer[2]	3,057,725	1,350,000	–	–	4,407,725	–	242,776
Total	**9,010,094**	**3,613,636**	**–**	**–**	**12,623,730**	**–**	**684,773**

[1]Comprises of 5,952,369 issued on 30/10/2025 and 2,263,636 issued on 18/12/2025.

[2]Comprises of 3,057,725 issued on 30/10/2025. And 1,350,000 issued on 29/06/2026

The terms and valuation of the performance rights as tabled.

FY25 GRANTS PERFORMANCE RIGHTS

KMP	Series	No. of Rights	Grant Date	Vesting Date	Expiry Date	FV per Right ($)	Valuation Method	Total FV ($)
A Booth	EPS	2,248,693	1/07/2024	1/07/2027	1/07/2029	$0.056	Black-Scholes	$125,927
A Booth	TSR	3,703,676	1/07/2024	1/07/2029	1/07/2029	$0.034	Monte Carlo	$125,925
A Godbeer	EPS	1,155,151	1/07/2024	1/07/2027	1/07/2029	$0.056	Black-Scholes	$64,688
A Godbeer	TSR	1,902,574	1/07/2024	1/07/2029	1/07/2029	$0.034	Monte Carlo	$64,688
Subtotal FY25		**9,010,094**						**$381,228**

FY26 GRANTS PERFORMANCE RIGHTS

KMP	Series	No. of Rights	Grant Date	Vesting Date	Expiry Date	FV per Right ($)	Valuation Method	Total FV ($)
A Booth	TSR	1,131,818	19/11/2025	30/6/2028	30/11/2030	$0.056	Monte Carlo	$63,382
A Booth	EPS	1,131,818	19/11/2025	30/6/2028	30/11/2030	$0.112	Black-Scholes	$126,764
A Godbeer	TSR	675,000	29/06/2026	30/06/2028	30/06/2030	$0.058	Monte Carlo	$39,150
A Godbeer	EPS	675,000	29/06/2026	30/06/2028	30/06/2030	$0.110	Black-Scholes	$74,250
Subtotal FY26		**3,613,636**						**$303,545**

Other Equity Plans

Eligible employees are offered shares in the Company at no cost under the terms of the Employee Share Plan (ESP), with an annual value of up to $1,000 per employee. The ESP is designed to align the interests of participating employees with those of shareholders by providing employees with a direct equity interest in the Company. As such, no performance conditions apply to shares issued under the plan.

The shares issued under the ESP are subject to trading restrictions until 25 February 2028 (inclusive) or until the participant ceases employment with the Company, whichever occurs earlier.

During the year, no shares were issued to Mr Booth and Ms Godbeer under the Employee Share Scheme.

In addition, eligible executives participate in the Company's Performance Rights Plan, which forms part of the long-term incentive framework. Performance rights are granted subject to specified performance and service conditions and are intended to reward the achievement of long-term strategic and financial objectives while supporting executive retention and alignment with shareholder interests.

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

During FY25, the Company provided unsecured limited recourse loans to certain members of Key Management Personnel. The loans bear interest at a rate of 6% per annum, are unsecured, and are repayable by 27 June 2027.

As at 30 June 2026, the outstanding principal balance of these loans was $502,781, with no repayments made during the year. Consistent with the Group's accounting treatment of the arrangement as an equity-settled share-based payment under AASB 2, no interest income has been recognised.

The loans were originally advanced during FY2025 on terms considered to be equivalent to those that would prevail in an arm's length transaction and were approved in accordance with the Company's governance and remuneration arrangements.

Transactions with Key Management Personnel

There have been no other transactions with KMP during the financial year 2026.

End of Remuneration Report.

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. The insurance incurred in the current financial year is $28,355. (2025: $36,958) to insure the Directors and Company Secretaries of 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 by BDO during the year ended 30 June 2026 is nil. (FY25: $17,000) Please refer to note 28 for details.

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 2026/183 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.

Ms Dagmar Parsons
ABT Non-Executive Chair

25 August 2026

Auditor's Independence Declaration

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Australia

DECLARATION OF INDEPENDENCE BY MELISSA REID TO THE DIRECTORS OF ADVANCED BRAKING TECHNOLOGY LTD

As lead auditor of Advanced Braking Technology Ltd for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Advanced Braking Technology Ltd and the entity it controlled during the period.

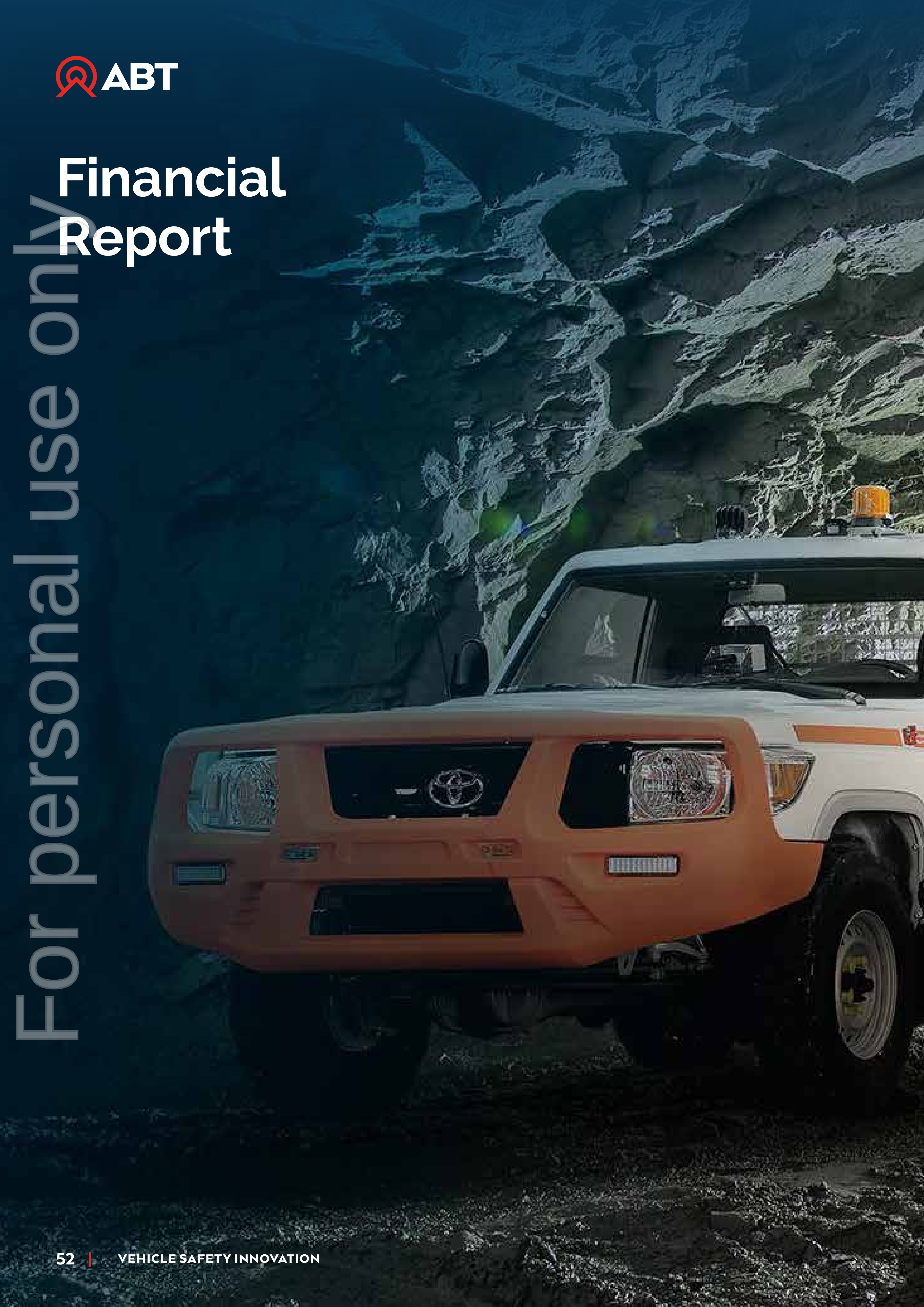
Melissa Reid

Director

BDO Audit Pty Ltd

Perth

25 August 2026



Financial Report

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2026

	Note	Consolidated 2026	Consolidated 2025
		$'000	$'000
Revenue	3	23,480	19,131
Other income	3	89	743
Expenses			
Cost of sales		(11,895)	(9,943)
Amortisation of intellectual property		(64)	(64)
Audit and accounting fees		(160)	(121)
Bad and doubtful debts		(6)	(2)
Consulting fees		(584)	(589)
Consumables and minor equipment		(197)	(235)
Depreciation and amortisation expense		(330)	(379)
Employee expenses		(6,148)	(4,649)
Finance expenses		(118)	(137)
Information technology expenses		(544)	(316)
Insurance		(413)	(376)
Inventory obsolescence expense		(150)	(84)
Legal fees		(41)	(113)
Marketing and advertising expenses		(93)	(132)
Patent expense		(97)	(77)
Property expenses		(114)	(105)
Telephone and other communication		(29)	(21)
Travel and Accommodation		(421)	(439)
Other expenses		(400)	(312)
Profit before income tax benefit		1,765	1,780
Income tax benefit	4	310	-
Profit after income tax benefit for the year attributable to the owners of Advanced Braking Technology Ltd		2,075	1,780
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Advanced Braking Technology Ltd		2,075	1,780
		Cents	Cents
Basic earnings per share	5	0.533	0.463
Diluted earnings per share	5	0.508	0.438

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2026

	Note	Consolidated 2026	Consolidated 2025
		$'000	$'000
Assets			
Current Assets			
Cash and cash equivalents	7	5,625	2,875
Trade and other receivables	9	4,598	3,058
Financial assets		45	45
Inventories	11	3,198	4,060
Income tax refund due	14	848	-
Other current assets	12	1,173	1,685
Total current assets		15,487	11,723
Non-current assets			
Property, plant and equipment	17	831	908
Right-of-use assets	13	885	974
Intangibles	18	407	471
Deferred tax		188	726
Total non-current assets		2,311	3,079
Total assets		17,798	14,802
Liabilities			
Current liabilities			
Trade and other payables	10	2,744	2,281
Borrowings	15	310	310
Lease liabilities	19	126	76
Provisions	16	433	370
Total current liabilities		3,613	3,037
Non-current liabilities			
Lease liabilities	19	896	1,016
Provisions	16	44	25
Total non-current liabilities		940	1,041
Total liabilities		4,553	4,078
Net assets		13,245	10,724
Equity			
Issued capital	20	56,334	56,319
Reserves	21	1,007	576
Accumulated losses	22	(44,096)	(46,171)
Total equity		13,245	10,724

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2026

Consolidated	Issued capital $'000	Reserves $'000	Accumulated losses $'000	Total $'000
Balance at 1 July 2024	55,971	450	(47,951)	8,470
Profit after income tax expense for the year	-	-	1,780	1,780
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	1,780	1,780
Options Exercised (note 24)	331	-	-	331
Share-based payment (note 24)	17	126	-	143
Balance at 30 June 2025	56,319	576	(46,171)	10,724

Consolidated	Issued capital $'000	Reserves $'000	Accumulated losses $'000	Total $'000
Balance at 1 July 2025	56,319	576	(46,171)	10,724
Profit after income tax benefit for the year	-	-	2,075	2,075
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	2,075	2,075
Transactions with owners in their capacity as owners:				
Share-based payments (note 24)	15	431	-	446
Balance at 30 June 2026	56,334	1,007	(44,096)	13,245

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2026

	Note	Consolidated 2026	Consolidated 2025
		$'000	$'000
Cash flows from operating activities			
Receipts from customers		23,002	20,118
Payments to suppliers and employees		(20,649)	(19,462)
Interest received		54	22
Finance cost		(86)	(58)
Proceeds from R&D		592	-
Net cash from operating activities	8	2,913	620
Cash flows from investing activities			
Payments for property, plant and equipment		(124)	(478)
Net cash used in investing activities		(124)	(478)
Cash flows from financing activities			
Proceeds from issue of shares		-	331
Proceeds from borrowings		388	388
Repayment of borrowings		(388)	(364)
Borrowing cost		(39)	(30)
Net cash (used in)/from financing activities		(39)	325
Net increase in cash and cash equivalents		2,750	467
Cash and cash equivalents at the beginning of the financial year		2,875	2,408
Cash and cash equivalents at the end of the financial year	7	5,625	2,875

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. ABOUT THESE STATEMENTS

Advanced Braking Technology Ltd ("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 Securities Exchange ("ASX").

The nature of the operations and principal activities of the Group are described in the Directors Report, which is not part of the financial statements.

The financial statements were authorised for issue in accordance with a resolution of the Directors on 25 August 2026. The Directors have the power to amend and reissue the financial report.

New or amended Accounting Standards and Interpretations adopted

AASB 18 Presentation and Disclosure in Financial Statements

This standard is applicable to annual reporting periods beginning on or after 1 January 2027 and early adoption is permitted. The standard replaces AASB 101 'Presentation of Financial Statements', with many of the original disclosure requirements retained and there will be no impact on the recognition and measurement of items in the financial statements. But the standard will affect presentation and disclosure in the financial statements, including introducing five categories in the statement of profit or loss and other comprehensive income: operating, investing, financing, income taxes and discontinued operations.

The standard introduces two mandatory sub-totals in the statement: 'Operating profit' and 'Profit before financing and income taxes'. There are also new disclosure requirements for 'management-defined performance measures', such as earnings before interest, taxes, depreciation and amortisation ('EBITDA') or 'adjusted profit'. The standard provides enhanced guidance on grouping of information (aggregation and disaggregation), including whether to present this information in the primary financial statements or in the notes.

The Group will adopt this standard from 1 July 2027 and it is expected that there will be a significant change to the layout of the statement of profit or loss and other comprehensive income.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2026.

New Standards and Interpretations Not Yet Adopted

The adoption of these Accounting Standards and Interpretations are not expected to have significant impact on the financial performance or position of the Group.

The following Accounting Standards and Interpretations are most relevant to the Group:

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.

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 25.

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.

Comparative Figures

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

Critical Accounting Judgements and Estimates

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:

Key Estimates - Provision of Inventory obsolescence
Key Estimates - Impairment
Key Estimates - Share-based payment transactions
Key Estimates - Recoverability of Intangible Assets
Key Estimates - Leases
Key Estimates - Tax
Key Estimates - Research and Development

Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

Rounding of Amounts

The group has applied the relief available to it under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183 and accordingly, amounts in the financial statements and Directors' report have been rounded off to the nearest $1,000.

Fair Value

The carrying amounts of current financial assets and current financial liabilities approximate their fair values due to their short-term nature.

Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Accounting Standards as issued by the International Accounting Standards Board ('IASB').

Historical Cost Convention

The financial statements have been prepared under the historical cost convention.

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.

NOTE 2. SEGMENT REPORTING

The Group's principal activities are research and development, commercialisation, manufacture and installation of the FailSafe wet sealed braking systems. 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 activities are interrelated, and discrete financial information is reported to the Board (Chief Operating Decision Maker) as a single segment.

Performance is evaluated based on profit before interest and tax. Revenue by geographical region (Australia / Overseas-export) and assets by geographical region are disclosed.

Revenue by geographical region (Australia / Overseas-export) and assets by geographical region are disclosed. Revenue from one external customer amounted to $4.69 million (2025: $2.42 million), representing 20% of total Group revenue (2025: 12%). Revenue from the second customer represented approximately 10% of total Group revenue.

There have been no changes to the basis of segmentation since June 2025.

Revenue by Geographical Area

	2026	2025
	$'000	$'000
Australia	10,672	10,261
Overseas	12,808	8,870
Revenue	23,480	19,131

Assets by Geographical Region

Intangible assets are treated as located in Australia.

	2026	2025
	$'000	$'000
Australia	17,798	14,802

NOTE 3. REVENUE

Under AASB 15, revenues are generated 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 made available for collection to the customers. Revenue from on and off-site repair and installation services is recognised at a point in time, being when the service is completed and the customer obtains the benefit of the work performed. These services are short in duration and there were no partially satisfied performance obligations at the reporting date (2025: nil).

	2026	2025
Disaggregation of revenue	$'000	$'000
Product sales	22,685	18,737
Other sales [1]	795	394
	23,480	19,131
Timing of revenue recognition		
Goods and services transferred at a point in time	23,480	19,131

[1] Other sales includes on and off-site installations and freight.

	2026	2025
Disaggregation of revenue	$'000	$'000
Interest received	54	22
Net foreign exchange (loss)	(8)	(8)
R & D tax incentive	42	726
Other income	1	3
	89	743

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. The group participates in the Australian Government's Research and Development (R&D) Tax incentive program. During the 2026 year, eligible R&D expenditure incurred by the Group qualified for the non-refundable R&D tax offset.

As the Group's aggregated turnover exceeds the relevant legislative threshold in FY26, the R&D tax incentive is not refundable and therefore, no R&D has been recognised separately in the income statement.

Amounts recognised in other income of $42,000 (2025: $726,000) relate to eligible expenditure incurred in prior period.

Cash of $592,000 was received during the year in respect of the research and development tax incentive. This comprises the $550,000 receivable recognised at 30 June 2025, together with the $42,000 recognised in other income in the current year on finalisation of that claim. No amount was receivable at 30 June 2026 (2025: $550,000).

OTHER INCOME

Interest revenue is recognised using the effective interest rate method.

NOTE 4. INCOME TAX EXPENSE

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 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.

Deferred Tax Assets

The tax benefits of the above Deferred Tax Assets will only be obtained if:

(a) the company derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;

(b) the company continues to comply with the conditions for deductibility imposed by law; and

(c) no changes in income tax legislation adversely affect the company in utilising the benefits.

The corporate tax rate for eligible companies is 25% providing certain turnover thresholds and other criteria are met. All other companies are taxed at 30%. 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.

For the purpose of income taxation, Advanced Braking Technology Ltd and its 100% Australian controlled entities have formed a tax consolidated group effective from 1 July 2023. Advanced Braking Technology Ltd is the head entity of the consolidated group. Advanced Braking Technology Ltd and its 100% Australian controlled entities have entered into a Tax Funding Deed and a Tax Sharing Deed.

Advanced Braking Technology Ltd at 30 June 2026, adopted the stand-alone taxpayer method for measuring the current and deferred tax amounts.

The tests for the recoverability of tax loss DTAs have been met, supporting their recognition.

	2026 $'000	2025 $'000
The components of tax expense comprise:		
Current income tax	204	726
Deferred tax	170	(726)
Under/over provision from prior years	(383)	(105)
Recoupment of prior year tax losses not previously recognised	(301)	105
Income tax expense/(benefit)	(310)	-

	2026 $'000	2025 $'000
The prima facie tax benefit on loss from ordinary activities before income tax is reconciled to the income tax as follows:		
Prima facie tax expense on loss from ordinary activities before income tax at 25% (2025:25%) from ordinary operations:	441	445
Add/(less) tax effect of:		
- Non-allowable items	480	459
- Recognition of revenue losses not previously recognised	-	(726)
- Revenue losses and other deferred tax balances not recognised	-	109
- Recoupment of prior year tax losses not previously recognised	(301)	(105)
- Research & development tax offset	(547)	-
- Prior year income tax amendments	(383)	-
- Non-assessable items	-	(182)
Income tax expense/(benefit)	(310)	-

	2026 $'000	2025 $'000
Deferred tax recognised at 25% (2025:25%)		
Deferred tax liabilities:		
Intangibles - IP	(102)	(88)
Prepayments	(110)	(74)
Right of use asset	(221)	(243)
Deferred tax assets:		
Carry forward revenue losses		
- Current	-	105
- Non current	-	621
Intangible assets	77	91
Provisions & Accruals	229	30
Lease liability	256	273
Fixed assets	19	11
Inventory	39	-
Net deferred tax	188	726

	2026	2025
	$'000	$'000
Unrecognised deferred tax assets at 25% (2025:25%):		
Carry forward revenue losses	-	236
Carry forward capital losses	173	173
Provisions and accruals	-	107
Other	123	51
	296	**567**

Utilisation of Additional Tax Losses

Income tax losses historically recorded by Advanced Braking Technology Ltd and Advanced Braking Pty Ltd were transferred to the Advanced Braking Technology Ltd income tax consolidated group when the group formed on 1 July 2023.

Advanced Braking Technology Ltd applied a conservative available loss fraction to losses transferred to the group by Advanced Braking Technology Ltd when it prepared its original 30 June 2024 and 30 June 2025 income tax returns. During the year ended 30 June 2026, the Company obtained external tax and valuation advice to support the application of a higher available loss fraction to losses recouped in the 30 June 2024 and 30 June 2025 years. Advanced Braking Technology Ltd has lodged amended income tax returns with the Australian Taxation Office for the years ended 30 June 2024 and 30 June 2025.

An income tax benefit has been recorded in the Company's financial statements in relation to losses that were recouped in the 30 June 2024 and 30 June 2025 amended income tax return to the extent those losses were not recorded as a deferred tax asset at 30 June 2025. The current tax receivable balance recorded in the Company's accounts reflects the tax refund the Company expects to receive as a result of lodging the amended tax returns less the tax liability the Company has recorded for the year ended 30 June 2026. These amendments have been reflected prospectively, noting changes in estimate.

NOTE 5. EARNINGS PER SHARE

	2026	2025
	$'000	$'000
Profit after income tax attributable to the owners of Advanced Braking Technology Ltd	2,075	1,780
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	389,506,541	384,339,177
Adjustments for calculation of diluted earnings per share:		
Performance rights	18,745,016	22,497,916
Weighted average number of ordinary shares used in calculating diluted earnings per share	408,251,557	406,837,093
	Cents	Cents
Basic earnings per share	0.533	0.463
Diluted earnings per share	0.508	0.438

NOTE 6. FINANCIAL RISK MANAGEMENT

Overview

The Company and its subsidiary (together, the “Group”) are exposed to the following risks arising from financial instruments:

(i) Interest Rate Risk
(ii) Credit risk
(iii) Liquidity 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 or gains.The Group does not have any foreign currency hedging arrangements due to the low level of exposure.

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:

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 Group to fair value interest rate risk. The interest rate applicable to the insurance premium funding facility during FY26 was 3.98%. Refer to note 15 for further details.

The sensitivity analysis below is based on the interest rate risk exposure in existence at the reporting date. The 1.5% (2025: 1.5%) 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.

	2026	2025
	$’000	$’000
1.5% (2025:1.5% per annum)	78	43
-1.5% (2025:-1.5% per annum)	(78)	(43)

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 disclosed in note 9.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.

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 12 months past due, whichever occurs earlier. None of the trade receivables that have been written off are subject to enforcement activities.

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 expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and days past due. On this basis an allowance for expected credit losses of $6,000 has been recognised at 30 June 2026 (2025: nil), which is not material to the Group. Refer to note 9.

	2026	2025
	$'000	$'000
Australia	4,598	3,058

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.

At 30 June 2026, the Group has cash equivalent of $5.625m (2025: $2.875m). The remaining contractual maturities of the Group's financial assets and liabilities are:

	1 year or less	1 - 5 years	Over 5 years	Total
Cash equivalents	5,625	-	-	5,625
Trade receivables	4,598	-	-	4,598
Total Other Assets	10,223	-	-	10,223
Trade payables and other liabilities	(2,744)	-	-	(2,744)
Lease liabilities	(199)	(903)	(415)	(1,517)
Insurance premium funding	(310)	-	-	(310)
Total other liabilities	(3,253)	(903)	(415)	(4,571)
Net exposure as at 30 June 2026	**6,970**	**(903)**	**(415)**	**5,652**

Lease 2026 reconciliation	
Total undiscounted lease payments	1,517
Less: future finance charges	(495)
Lease liability per balance sheet	1,022

	1 year or less	1 - 5 years	Over 5 years	Total
Cash equivalents	2,875	-	-	2,875
Trade receivables	3,058	-	-	3,058
Other assets (R&D tax incentives)	550	-	-	550
Total Other Assets	6,483	-	-	6,483
Trade payables and other liabilities	(2,281)	-	-	(2,281)
Lease liabilities	(192)	(853)	(664)	(1,709)
Insurance premium funding	(310)	-	-	(310)
Total other liabilities	(2,783)	(853)	(664)	(4,300)
Net exposure as at 30 June 2025	**3,700**	**(853)**	**(664)**	**2,183**

Lease 2025 reconciliation

Total undiscounted lease payments	1,709
Less: future finance charges	(617)
Lease liability per balance sheet	1,092

Financing Arrangements

	Loan	Used	Balance
Insurance premium funding	388	78	310

Capital Risk Management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, to fund the growth and commercialisation of the business, and to maintain a capital structure that delivers the lowest available cost of capital while providing shareholders with adequate returns.

There are no externally imposed capital requirements or capital covenants applicable to the Group.

No dividends were paid, recommended or declared during the year (2025: nil).

Capital comprises total equity (issued capital, reserves and accumulated losses), together with borrowings and lease liabilities, net of cash and cash equivalents. The Group's capital management focus is the maintenance of a working capital position sufficient to meet anticipated operating and investment requirements.

NOTE 7. CASH AND CASH EQUIVALENTS

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 amounts approximate fair value due to the short-term nature of the instruments or because they are receivable on demand.

The effective interest rate on short-term bank deposits was 4.93% (2025: 4.49%). These deposits are available within 30 days of notice.

	2026	2025
	$'000	$'000
Current assets		
Cash at bank	5,625	2,875

NOTE 8. RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH FROM OPERATING ACTIVITIES

	Consolidated	
	2026	2025
	$'000	$'000
Profit after income tax benefit for the year	2,075	1,780
Adjustments for:		
Depreciation and amortisation	330	379
Amortisation of intangibles	64	64
Share-based payments	446	143
Income Tax benefit	(310)	-
Change in operating assets and liabilities:		
Increase in trade and other receivables	(1,540)	(59)
Decrease/(increase) in inventories	862	(446)
Decrease/(increase) in other current assets	512	(1,323)
Increase in trade and other payables	123	68
Increase in other provisions	350	14
Net cash from operating activities	2,913	620

Non-Cash Financing and Investing Activities

In March 2026, 115,380 ordinary shares (2025: 193,188) were issued to eligible employees under the Employee Share Plan at a market value on the date of issue of $15,000 (2025: $17,000). The shares are issued at no cost to employees and accordingly no cash consideration was received. The amount is recognised as an employee benefits expense with a corresponding credit to issued capital. Refer to note 21 and note 25.

NOTE 9. TRADE AND OTHER RECEIVABLES

Recognition and Measurement

Trade and other receivables are initially recognised at fair value. Subsequent to initial recognition, trade receivables are measured, less an allowance for expected credit loss. Other receivables are non-interest-bearing.

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.

At 30 June 2026 an allowance of $6,000 (2025: nil) has been recognised, which is not material to the Group.

	2026	2025
	$'000	$'000
Current assets		
Trade receivables	4,604	3,058
Less: Allowance for expected credit losses	(6)	-
	4,598	3,058

	2026	2025
	$'000	$'000
Ageing of trade receivables		
0 to 3 months overdue	648	2
Not overdue	3,956	3,056
	4,604	3,058

NOTE 10. TRADE AND OTHER PAYABLES

Recognition and Measurement

These amounts represent liabilities for goods and services provided to the Group before the reporting date that remain unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

The carrying amounts of trade and other payables approximate their fair values due to their short-term nature.

	2026	2025
	$'000	$'000
Current liabilities		
Trade payables	2,278	2,034
Other payables	(11)	110
Accrued expenses	477	137
	2,744	2,281

Refer to note 6 for further information on financial risk management.

NOTE 11. INVENTORIES

Recognition and Measurement

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials. 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 for Inventory Obsolescence

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

Key Estimate - Net Realisable Value

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

	2026	2025
	$'000	$'000
Current assets		
Raw materials	3,353	3,988
Less: Provision for impairment	(157)	(68)
	3,196	3,920
Work in progress	2	140
	3,198	4,060

NOTE 12. OTHER CURRENT ASSETS

	2026	2025
	$'000	$'000
Current assets		
R&D tax incentive receivable	-	550
Prepayments	1,110	1,072
Bank guarantee term deposit	63	63
	1,173	1,685

Prepayments include $583,000 (2025: $599,000) paid to a supplier in advance of the Group obtaining control of the related inventory, which is transferred to inventories when control passes to the Group.

NOTE 13. RIGHT-OF-USE ASSETS

	2026	2025
	$'000	$'000
Leases recognised in the Statement of Financial Position		
Right of Use	1,499	1,459
Less: Accumulated depreciation	(614)	(485)
	885	974
Leases recognised in the profit and loss		
Interest expense on lease liabilities (under finance cost)	86	90
Depreciation charge related to right-of-use assets	129	123
	215	213

NOTE 14. INCOME TAX REFUND DUE

	2026	2025
	$'000	$'000
Current assets		
Income tax refund due	848	-

NOTE 15. BORROWINGS

The insurance premium funding is an unsecured finance arrangement for the Company's annual insurance premiums with Momentum Premium. Repayment will be made through 10 monthly direct debit instalments of $38,801.42 each.

At 30 June 2026, the outstanding balance was $310k repayable over the remaining eight months. The interest rate applicable to the facility was 3.98% per annum (2025: 3.98%).

	2026	2025
	$'000	$'000
Current liabilities		
Insurance premium funding	310	310

NOTE 16. PROVISIONS

Warranty Provision

The Group recognises a warranty provision for the estimated cost of general repairs arising from warranty obligations. The provision is measured based on historical claims experience and management's estimate of future warranty costs.

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) amounts 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.

Other Long-Term Employee Benefits

Provision is made for employees' long service leave and annual leave entitlements that are 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 employees. Expected future payments are estimated after considering anticipated wage and salary levels, employee service periods and expected employee departures. The obligation is discounted using market yields at the end of the reporting period on high quality corporate bonds with terms that approximate the timing of the expected payments.

Re-measurements arising from changes in assumptions are recognised in profit or loss in the period in which they occur. The Group presents obligations for other long-term employee benefits as non-current provisions, except where it does not have an unconditional right to defer settlement for at least 12 months after the reporting date, in which case the obligations are presented as current provisions.

	2026	2025
	$'000	$'000
Current		
Current liabilities		
Warranties	120	96
Employee entitlements	313	274
Total current	433	370
Non-current liabilities		
Long service leave	41	23
Lease make good	3	2
	44	25
	477	395

	Warranties	Make good	Total
As at 1 July 2024	71	1	72
Additional provisions	25	1	26

	Warranties	Make good	Total
Balance as at June 2025	**96**	**2**	**98**

	Warranties	Make good	Total
Additional provisions	24	1	25
Balance as at June 2026	**120**	**3**	**123**

NOTE 17. PROPERTY, PLANT AND EQUIPMENT

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.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit and loss.

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.

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
Motor vehicles	3-15 years
Office equipment and furniture	2-10 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 2026, with remaining assets expected to be recovered in full from future business activities.

	2026	2025
	$'000	$'000
Non-current assets		
Leasehold improvements - at cost	426	426
Less: Accumulated depreciation	(133)	(90)
	293	336
Plant and equipment - at cost	1,011	975
Less: Accumulated depreciation	(785)	(724)
	226	251
Motor vehicles - at cost	247	231
Less: Accumulated depreciation	(120)	(82)
	127	148
Office equipment - at cost	436	397
Less: Accumulated depreciation	(265)	(238)
	171	159
Software- at cost	134	134
Less: Accumulated depreciation	(134)	(134)
	-	-
BIQ Interest - at cost	14	14
	831	908

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Leasehold	Plant & Equipment	Motor Vehicle	Office Equipment	BIQ Interest	Software	Total
Consolidated	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2024	379	217	86	96	-	27	805
Additions	-	90	87	157	14	10	358
Depreciation expense	(43)	(56)	(25)	(94)	-	(38)	(256)
Balance at 30 June 2025	336	251	148	159	14	-	908
Additions	-	39	16	69	-	-	124
Depreciation expense	(43)	(64)	(38)	(57)	-	-	(202)
Balance at 30 June 2026	293	226	127	171	14	-	831

NOTE 18. INTANGIBLES

Recognition and Measurement

Intangible assets are recognised at cost and amortised on a straight-line basis over their estimated useful lives. The useful life and amortisation method are reviewed annually.

The Group holds Wet Brake technology, assigned from Safe Effect Technologies International Ltd on 27 June 2006, with patents running through to December 2030.The Group recognised distribution rights for Brake IQ in the year ended 30 June 2025. There were no additions for the year ended 30 June 2026.

Research expenditure is expensed as incurred. Development expenditure is capitalised only when the Group can demonstrate the technical feasibility, intention, and ability to complete and use or sell the asset, the probability of generating future economic benefits, the availability of resources to complete the development, and the ability to measure costs reliably. Capitalised development costs are amortised over their expected useful lives commencing from the start of commercial sales.

Key Estimate - Recoverability of Intangible Assets

Management assessed the carrying value of intangible assets at 30 June 2026 and concluded that there were no indicators of impairment. Accordingly, no impairment loss has been recognised and the carrying amounts are considered recoverable.

	2026	2025
	$'000	$'000
Non-current assets		
Intellectual property	3,103	3,103
Less: Accumulated amortisation	(2,696)	(2,632)
	407	471

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Wet Brake	Rights	Total
	$'000	$'000	$'000
Consolidated			
Balance at 1 July 2024	416	-	416
Additions	-	119	119
Amortisation expense	(64)	-	(64)
Balance at 30 June 2025	352	119	471
Amortisation expense	(64)	-	(64)
Balance at 30 June 2026	288	119	407

NOTE 19. LEASE LIABILITIES

Recognition and Measurement

The Group signed a lease on a property on 8 March 2023. The lease has an initial term of five years, with a reasonably certain option to renew for a further five-year period, on a 4 month rent free basis but will be liable for outgoings from the start of the lease.

The Company recognises the right of use asset and liability on the balance sheet from the date of commencement of the lease. Right-of-use assets are depreciated using the straight line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Lease liabilities include net present value of variable lease payments that are based on index or rate. The Group's weighted average incremental borrowing rate applied to the lease liabilities was 8.41%.

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.

Key Estimate - Lease Term and Option to Extend

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.

	2026	2025
	$'000	$'000
Current liabilities		
Lease liability	126	76
Non-current liabilities		
Lease liability	896	1,016
	1,022	1,092

NOTE 20. ISSUED CAPITAL

	2026	2025	2026	2025
	Shares	Shares	$'000	$'000
Ordinary shares - fully paid	389,591,574	389,476,194	56,334	56,319

Movements in Ordinary Share Capital

Details	Date	Shares	Issue price	$'000
Balance	1 July 2024	382,767,424		55,971
Shares issued under employee share plan		193,188	$0.08	17
Options exercised		2,979,055	$0.04	119
Options exercised		3,536,527	$0.06	212
Balance	30 June 2025	389,476,194		56,319
Shares issued under employee share plan		115,380	$0.13	15
Balance	30 June 2026	389,591,574		56,334

The shares recognised above exclude 8,379,691 shares legally issued and held by the Advanced Braking Technology Option Share Trust under the limited-recourse loan arrangement described in note 24. These are classified as treasury shares and, consistent with the treatment of the arrangement as an in-substance option grant under AASB 2, no amount is recognised in issued capital. Including these shares, the Company's legal share register comprised 397,971,265 ordinary shares at 30 June 2026 (30 June 2025: 397,855,885).

Treasury Shares	Number
At 1 July 2024	-
Shares acquired for employee incentive security plan	8,379,691
As at 30 June 2025	**8,379,691**
No movements	-
As at 30 June 2026	**8,379,691**

During the year ended 30 June 2025, the Company advanced limited recourse loans to the value of $502,781 to two employees to fund the exercise of 8,379,691 options into ordinary shares under the Employee Incentive Securities Plan. These shares are classified as treasury shares until they vest to and are transferred to employees.

The loans are repayable only from the sale proceeds of the related shares, capped at the loan amount, and are therefore accounted for as equity-settled share-based payments under AASB 2 Share-based Payment. No new instruments were granted, exercised, forfeited or lapsed under this arrangement during the year ended 30 June 2026. Refer to note 24.

NOTE 21. RESERVES

	2026	2025
	$'000	$'000
Share-based payments reserve	944	513
Options reserve	63	63
	1,007	576

NOTE 22. ACCUMULATED LOSSES

	2026	2025
	$'000	$'000
Accumulated losses at the beginning of the financial year	(46,171)	(47,951)
Profit after income tax benefit for the year	2,075	1,780
Accumulated losses at the end of the financial year	(44,096)	(46,171)

NOTE 23. KEY MANAGEMENT PERSONNEL DISCLOSURES

Performance rights and loan-funded shares were granted to key management personnel, being Mr A Booth and Ms A Godbeer. Details of individual grants, vesting conditions and the share-based payment component of remuneration are set out in the audited Remuneration Report and note 24.

During the year, Mr A Levine resigned as Non-Executive Director effective 18 August 2025.

Grants to key management personnel were approved by shareholders at the Annual General Meeting.

Compensation

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	2026	2025
	$'000	$'000
Short-term employee benefits	950	914
Cash bonus / STI	99	-
Superannuation and LSL	110	82
Other share-based payments	377	126
	1,536	1,122

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.

NOTE 24. SHARE-BASED PAYMENTS

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.

The total share-based payment expense is recognised within employee benefits expense in the consolidated statement of profit or loss and other comprehensive income. The corresponding credit is recognised in the share-based payments reserve within equity, other than amounts transferred to issued capital on exercise.

Key Estimates - Share-Based Payment

The fair value of performance rights is determined using the Black-Scholes model for rights subject to non-market vesting conditions and a Monte Carlo simulation for rights subject to market vesting conditions. 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.

	2026	2025
	$'000	$'000
Share-based payment expense	446	143

	2026	2025
	$'000	$'000
Options	-	23
Performance rights	248	101
Employee share plan	15	17
Non recourse plan	183	2
	446	143

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.

115,380 ordinary shares (2025: 193,188) were issued in March 2026 at a market value at the date of issue of $15,000 (2025: $17,000).

The fair value of shares issued is measured at the market price of the Company's shares on the date of issue and is expensed immediately. Shares issued under the plan are subject to a restriction on trading.

Treasury Shares

During FY25, the Company advanced limited-recourse loans to Mr A Booth and Ms A Godbeer to fund the exercise of 8,379,691 options into ordinary shares under the Employee Incentive Securities Plan. As the loans are repayable only from the sale proceeds of the related shares, the arrangement is accounted for as an equity-settled share-based payment under AASB 2.

The loans are, in substance, options over the underlying shares. Accordingly, no loan receivable is recognised and no interest income is recorded; the grant-date fair value of the in-substance options is expensed over the vesting period.

Expense recognised in FY25 was $1,503; the FY26 expense will reflect a full year of amortisation of the grant-date fair value over the vesting period $182,850.

At 30 June 2026 the Advanced Braking Technology Option Share Trust held 8,379,691 shares (30 June 2025: 8,379,691) in connection with this arrangement. The shares it holds are classified as treasury shares until they vest to and are transferred to employees.

Options

All unlisted options granted to key management personnel in prior years were exercised during FY25. No options were granted, and none were outstanding or exercisable, at 30 June 2026.

Performance Rights

Performance rights are granted at nil consideration and carry no exercise price, no dividend entitlement and no voting rights until exercised. Each right entitles the holder to one fully paid ordinary share on vesting and exercise.

Market conditions (TSR) are incorporated into the grant-date fair value and are not subsequently re-assessed; the expense is recognised irrespective of whether the TSR condition is met, provided the service condition is satisfied. Non-market conditions (EPS growth) and service conditions are not reflected in fair value, but are taken into account by adjusting the number of rights expected to vest at each reporting date.

No rights vested or were exercisable at 30 June 2026.

Terms and Conditions of Performance Rights

During the year, the Company offered performance rights (zero exercise price options) to Key Management Personnel as part of a long-term incentive plan. The awards are equity-settled.

The Performance Rights will be subject to two key performance hurdles:

- Total Shareholder Return (TSR); and
- Earnings per Share Growth (EPS).

In addition, a three-year tenure-based vesting condition will apply. Performance Rights will be offered annually on a rolling basis. Rights will lapse if performance and tenure conditions are not met.

These awards will vest subject to meeting defined performance conditions over the vesting period. No dividends or cash payments are attached to the awards.

Performance Rights Movement

	Grant date	Expiry date	Balance at the start of the year	Granted	Exercised	Expired/ Forfeited	Balance at the end of the year
AB FY25 EPS	01/07/2024	01/07/2029	2,248,693	-	-	-	2,248,693
AB FY25 TSR	01/07/2024	01/07/2029	3,703,676	-	-	-	3,703,676
AG FY25 EPS	01/07/2024	01/07/2029	1,155,151	-	-	-	1,155,151
AG FY25 TSR	01/07/2024	01/07/2029	1,902,574	-	-	-	1,902,574
AB FY26 TSR	19/11/2025	30/11/2030	-	1,131,818	-	-	1,131,818
AB FY26 EPS	19/11/2025	30/11/2030	-	1,131,818	-	-	1,131,818
AG FY26 TSR	29/06/2026	30/06/2030	-	675,000	-	-	675,000
AG FY26 EPS	29/06/2026	30/06/2030	-	675,000	-	-	675,000
FY26 TSR [1]	29/06/2026	30/06/2030	-	852,857	-	-	852,857
FY26 EPS [1]	29/06/2026	30/06/2030	-	852,857	-	-	852,857
			9,010,094	**5,319,350**	**-**	**-**	**14,329,444**

[1]. Performance rights issued to senior executive.

Fair Value of Performance Rights Granted During FY26

The following inputs were utilised.

Input	19/11/25 AB EPS	19/11/25 AB TSR	29/06/26 AG EPS	29/06/26 AG TSR	Senior Executive(s) TSR	Senior Executive(s) EPS
Fair value per right	$0.11	$0.06	$0.11	$0.06	$0.058	$0.11
Share price at grant	$0.11	$0.11	$0.11	$0.11	$0.11	$0.11
Exercise price	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Expected volatility	61.50%	61.50%	53.40%	53.40%	53.40%	53.40%
Risk-free rate	3.90%	3.90%	4.36%	4.36%	4.36%	4.36%
Expected life / vesting date	5.03	5.03	4.01	4.01	4.01	4.01
Dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Valuation model	Black-Scholes	Monte Carlo	Black-Scholes	Monte Carlo	Monte Carlo	Black-Scholes
Number granted	1,131,818	1,131,818	675,000	675,000	852,857	852,857
Valuation	**$126,764**	**$63,382**	**$74,250**	**$39,150**	**$49,466**	**$93,814**

At reporting date, management assessed achievement of the EPS performance condition as likely based on current forecasts and strategic plans.

	Balance 1 Jul 2025	Granted	Vested	Forfeited	Balance 30 Jun 2026
A Booth	5,952,369	2,263,636	-	-	8,216,005
A Godbeer	3,057,725	1,350,000	-	-	4,407,725
Executive(s)	-	1,705,714	-	-	1,705,714
	9,010,094	**5,319,350**	**-**	**-**	**14,329,444**

NOTE 25. CONTROLLED ENTITIES

	2026	2025
	%	%
Class and number of shares: ordinary	100%	100%

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.

NOTE 26. PARENT INFORMATION

Recognition and Measurement

Subsidiaries are all entities over which the Group has control. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date control is obtained until the date control ceases. Intra-group balances, transactions, income and expenses are eliminated in full on consolidation.

In the Company's separate financial statements, investments in subsidiaries are measured at cost, less any accumulated impairment losses. Dividends received from subsidiaries are recognised in profit or loss when the right to receive the dividend is established.

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.

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

Statement of Profit or Loss and Other Comprehensive Income

	2026	2025
	$'000	$'000
(Loss)/profit after income tax	(490)	70
Total comprehensive income	(490)	70

Statement of Financial Position

	2026	2025
	$'000	$'000
Total current assets	64	75
Total assets	7,980	8,004
Total current liabilities	112	94
Total liabilities	112	94
Equity		
Issued capital	56,837	56,822
Share-based payments reserve	944	511
Options reserve	64	64
Accumulated losses	(49,977)	(49,487)
Total equity	7,868	7,910

NOTE 27. RELATED PARTY TRANSACTIONS

Parent Entity

Advanced Braking Technology Ltd is the parent entity.

Key Management Personnel

Disclosures relating to key management personnel are set out in note 24 and the remuneration report included in the directors' report.

Transactions with Related Parties

There were no transactions with related parties other than those disclosed in note 20, note 23, note 24.

Receivable from and Payable to Related Parties

There were no transactions with the related parties at the current and previous reporting date.

Loans to/from Related Parties

There were no loans to or from related parties at the current and previous reporting date, except those disclosed in note 24.

NOTE 28. REMUNERATION OF AUDITORS

During the financial year the following fees were paid or payable for services provided by BDO Audit Pty Ltd, the auditor of the company:

	2026	2025
	$'000	$'000
Audit services - BDO Audit Pty Ltd		
Audit or review of the financial statements	111	72
Other services - BDO Audit Pty Ltd		
Review of tax returns	-	17
	111	89

NOTE 29. CONTINGENT LIABILITIES

There are no contingent liabilities (2025: nil).

NOTE 30. COMMITMENTS

There was no material capital expenditure contracted for at the end of the reporting year.

Lease commitments

The Group leases its Perth premises under a lease which commenced on 8 March 2023 for an initial term of five years, with an option to renew for a further five years. The Group has assessed the renewal option as reasonably certain to be exercised, and the lease term applied in measuring the lease liability accordingly extends to March 2033.

The lease is recognised in the statement of financial position as a right-of-use asset and a corresponding lease liability and is not disclosed as a commitment. A maturity analysis of the undiscounted lease payments is set out in note 6.

At 30 June 2026 the Group had no leases committed to but not yet commenced (2025: nil).

NOTE 31. EVENTS AFTER THE REPORTING PERIOD

No matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

CONSOLIDATED ENTITY DISCLOSURE STATEMENTS

Entity name	Entity type	Place formed /Country of incorporation	Ownership interest %	Tax residency
Advanced Braking Technology Ltd	Body Corporate	Australia	-	Australia
Advanced Braking Pty Ltd	Body Corporate	Australia	100.00%	Australia

Basis of Preparation

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the Corporations Act 2001. It includes certain information for each entity that was part of the consolidated entity at the end of the financial year.

Determination of Tax Residency

Section 295 (3A) of the Corporation Acts 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997.

The determination of tax residency involves judgment as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, each of the Australian consolidated entity has applied the following interpretations:

Australian Tax Residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

DIRECTORS' DECLARATION

30 June 2026

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with IFRS Accounting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2026 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Ms Dagmar Parsons
ABT Non-Executive Chair

25 August 2026

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Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Advanced Braking Technology Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Advanced Braking Technology Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2026, 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 report, including material accounting policy information, 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 2026 and of its financial performance for the year ended on that date; 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 audits of the financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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.

Valuation of Inventories

Key audit matter	How the matter was addressed in our audit
As disclosed in Note 11, the Group held a material inventory balance as at 30 June 2026. Inventory valuation was identified as a key audit matter due to the following factors: • Significance of the balance, inventory represents a substantial proportion of the Group's total assets; • Estimation uncertainty, management judgement is involved in determining provisions for obsolescence, including the assessment of net realisable value ('**NRV**'); and • Judgement in cost allocation and applying an appropriate costing methodology in accordance with the Group's accounting policy. These factors increase the complexity and subjectivity of the audit in this area. Refer to Note 11 for the detailed disclosures which include the related accounting policy and Note 1 for accounting estimates.	Our procedures included, but were not limited to: • Obtaining the inventory listing at 30 June 2026 and verifying to underlying accounting records; • Attending the year end inventory stocktake and performing independent sighting procedures; • Considering the profile of inventory, specifically considering redundant/ superseded product lines and slow moving items; • Considering the inventory provisioning policy and assessing the assumptions applied by management in determining the provision; • Obtaining and recalculating management's stock obsolescence calculation for adequacy and accuracy; • Testing a sample of inventory items on hand at year end to ascertain whether these balances were being recognised at the lower of cost and net realisable value; and • Assessing the adequacy of the financial report disclosures.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2026, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and 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:

a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001, and

b) 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:

i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii) 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 at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.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 included in pages 41 to 49 of the directors' report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of Advanced Braking Technology Ltd, for the year ended 30 June 2026, 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.

BDO Audit Pty Ltd

BDO

Melissa Reid

Director

Perth, 25 August 2026

SHAREHOLDER INFORMATION

30 June 2026

The shareholder information set out below was applicable as at 3 August 2026.

Distribution of Equitable Securities

Analysis of number of equitable security holders by size of holding:

	Ordinary shares	
	Number held	% of total shares issued
1 to 1,000	202	0.03
1,001 to 5,000	296	0.21
5,001 to 10,000	196	0.38
10,001 to 100,000	541	5.41
100,001 and over	255	93.97
	1,490	100.00
Holding less than a marketable parcel		441

Equity Security Holders

Twenty Largest Quoted Equity Security Holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
PARKS AUSTRALIA PTY LTD	72,000,000	18.48
DASI INVESTMENTS PTY LTD	52,496,634	13.47
MR KEITH KNOWLES	51,207,629	13.14
WINDPAC PTY LTD<DAVID EARL SLACK S/F A/C>	18,981,633	4.87
DMX CAPITAL PARTNERS LIMITED	9,500,000	2.44
"RP INVEST PTY LTD<PALMER FAMILY RETIRE A/C>"	8,600,000	2.21
MR PETER RODNEY BOWER	7,900,000	2.03
MR DAVID EARL SLACK	6,901,324	1.77
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	6,459,063	1.66
EQUITY PLAN SERVICES PTY LTD	4,468,582	1.15
HONNE INVESTMENTS PTY LIMITED	4,100,000	1.05
MR ANDREW GEORGE BOOTH	3,264,454	0.84
MRS JENNIFER ANNE HURLEY	3,035,000	0.78
MRS TERESA ELIZEABETH WILLIAMS	2,883,200	0.74

	Ordinary shares	
	Number held	% of total shares issued
"ONKAPARINGA HOLDINGS PTY LTD<T & K HIMSTEDT FAMILY A/C>"	2,500,000	0.64
"SNOWBALL ASSET MGMT PTY LTD<SNOWBALL UNIT A/C>"	2,500,000	0.64
MYALL RESOURCES PTY LTD<MYALL GROUP SUPER FUND A/C>	2,450,000	0.63
M/S TRACEY-ANN PALMER	2,414,490	0.62
KYLBE PTY LTD	2,270,000	0.58
MR KEITH KNOWLES	2,038,367	0.52
	265,970,376	68.26

Unquoted Equity Securities

Performance rights were issued under the Company's employee incentive scheme. They are granted for nil consideration, carry no exercise price, no dividend entitlement and no voting rights, and each right converts to one fully paid ordinary share on vesting and exercise. No rights vested or were exercisable at 30 June 2026. No holder of 20% or more is required to be named under Listing Rule 4.10.16 as the securities were issued under an employee incentive scheme.

	Number on issue	Number of holders
Unquoted equity securities		
Performance rights, expiring 1 July 2029 (FY25 grants)	9,010,094	2
Performance rights, expiring 30 November 2030 (FY26 grant)	2,263,636	1
Performance rights, expiring 30 June 2030 (FY26 grants)	3,055,714	2
	14,329,444	3

Substantial Holders

Substantial holders in the company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
Keith Knowles	127,289,885	31.98
David Slack	78,379,591	19.69

ANNUAL GENERAL MEETING

Our Annual General Meeting (AGM) provides shareholders with an opportunity to hear directly from the Board and management, review the Company's performance and strategy, and participate in important governance matters.

Shareholders are encouraged to attend the AGM, either in person or by proxy, and to exercise their voting rights on all resolutions.

The Notice of Meeting, Explanatory Memorandum and proxy voting instructions will be released to the ASX and made available on the Company's website ahead of the meeting.

Annual General Meeting
Wednesday, 18 November 2026

Further information, including meeting details and shareholder documentation, will be available at:

www.advancedbraking.com/investors

CORPORATE CALENDAR

27 August 2026	FY26 Full Year Results & Annual Report Release
August 2026	Appendix 4G & Corporate Governance Statement
October 2026	September 2026 Quarterly Activities Report & Appendix 4C
20 October 2026 (expected)	Notice of Annual General Meeting
18 November 2026 (expected)	Annual General Meeting
January 2027	December 2026 Quarterly Activities Report & Appendix 4C
February 2027	FY27 Half Year Results

Dates are indicative only and may be subject to change. The latest ASX announcements, investor presentations, financial reports and shareholder information are available on the Company's website.

CORPORATE DIRECTORY

Directors	Dagmar Parsons David Slack Les Guthrie Andrew Booth
Company Secretary	Mark Pitts
Registered Office	**Advanced Braking Technology Ltd** 73 Inspiration Drive Wangara, WA 6065 Telephone: +61 8 1800 317 543 Telephone: +61 8 9302 1922
Auditor	**BDO Audit Pty Ltd** Level 9, Mia Yellagonga Tower 2 5 Spring Street Perth, WA, 6000
Share Register	**Automic Group** Level 5, 191 St Georges Terrace Perth, WA, 6000 Telephone: 1300 288 664
Bankers	**National Australia Bank Ltd** 12/100 St Georges Terrace Perth, WA, 6000
Stock Exchange Listing	Advanced Braking Technology Ltd shares are listed on the Australian Securities Exchange (ASX code: ABV)
Chief Executive Officer and Managing Director	Andrew Booth
Chief Financial Officer	Angela Godbeer

ABT

COMPANY MILESTONES

1992

Developing customer-led technologies through disciplined, stage-gated product development.

1997

ABT introduces their Park and Service Brake, patented in six countries.

2002

ABT is made public, trading on the Australian Stock Exchange, Western Australia.
ABT receives industry recognition from Australian Manufacturing Monthly and the Endeavor Awards for their patented Sealed Integrated Braking System (SIBS®).

2009

ABT breaks into the South African market with distributor agreements in the region. ABT introduces their Emergency Braking System, patented in 6 countries.

2015

ABT establishes distributor agreements in Canada.

2016

ABT expands its footprint in Asia, signing distributor agreements in Mongolia and Indonesia.
The Terra Dura range from ABT is launched: lightweight braking systems.

2021

ABT makes headway in the defence industry, supplying advanced braking systems to the Australian Army's Hawkei armoured vehicle fleet.

2023

ABT Head Office relocates to new state of the art facilities in Wangara, Perth.
ABT signs further distributor agreements in Ghana.

EXECUTING THE NEXT PHASE OF GROWTH

2024

BrakeSAFE™ adoption expands globally.

Continued international growth and customer adoption strengthened ABT's position as a trusted provider of safety-critical braking solutions.

2025

Exclusive global rights secured for BRAKEiQ™.

Acquired exclusive global commercial rights to BRAKEiQ™, marking ABT's expansion into autonomous vehicle intervention technologies.

2026

Record financial performance supported continued international expansion, growing recurring revenue and advancement of next-generation technologies, including achievement of ISO/TS 21815-2:2021 certification as a major step toward CAS Level 9 certification for BRAKEiQ™.

ABT

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