

# Appendix 4D

## Half year report

<b>Name of Entity:</b>	<b>Advanced Braking Technology Ltd</b>
<b>ABN:</b>	<b>66 099 107 623</b>
<b>Reporting period:</b>	<b>Half-year ended 31 December 2022</b>
<b>Previous corresponding period:</b>	<b>Half-year ended 31 December 2021</b>

### Results for announcement to the market

			<b>31 December 2022 \$A'000</b>	<b>31 December 2021 \$A'000</b>
Revenue from ordinary activities	Up	30.1%	7,239	5,564
Profit / (Loss) from ordinary activities after income tax attributable to members	Up	476.4%	774	134
Net Profit / (loss) for the period attributable to members	Up	476.4%	774	134
<b>Dividends</b> There is no proposal to pay dividends for the half year ended 31 <sup>st</sup> December 2022.				

<b>Net tangible assets</b>	<b>31 December 2022 cents</b>	<b>30 June 2022 cents</b>
Net tangible asset backing per ordinary share	1.48	1.26

This information should be read in conjunction with the 2022 Annual Report and the Half Year Report for the period ended 31 December 2022.



**ADVANCED BRAKING TECHNOLOGY LTD  
AND CONTROLLED ENTITIES**

**ABN 66 099 107 623**

**HALF-YEAR REPORT**

**31 DECEMBER 2022**

ADVANCED BRAKING TECHNOLOGY LTD AND CONTROLLED ENTITIES  
INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2022

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## CORPORATE DIRECTORY

### Directors

Dagmar Parsons  
David Slack  
Adam Levine

### Chief Executive Officer

Andrew Booth

### Chief Financial Officer

Angela Godbeer

### Company Secretary

Kaitlin Smith

### Registered Office

19 Creative Street  
Wangara, WA 6065  
Telephone +61 8 1800 317 543  
Telephone: + 61 8 9302 1922

### Auditors

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

### ASX Home Branch

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

### Bankers

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

### Share Registry

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

### ASX Code

ABV – Fully Paid Ordinary shares

### Country of Incorporation

Australia

ADVANCED BRAKING TECHNOLOGY LTD AND CONTROLLED ENTITIES  
INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2022

## DIRECTORS' REPORT

The Directors of Advanced Braking Technology Ltd (**ABT** or the **Company**) and its controlled entities (the **Group** or the **Consolidated Group**) submit the financial report of the Consolidated Group for the half-year ended 31 December 2022.

### Directors

The names of Directors who held office during or since the end of the half-year and until the date of this report are:

Name	Position	Appointment Date	Resignation Date
Dagmar Parsons	Non-Executive Chairman	22 April 2018	
David Slack	Non-Executive Director	9 September 2009	
Adam Levine	Non-Executive Director	9 April 2013	
Mark Lindh	Non-Executive Director	27 June 2017	15 November 2022

## REVIEW AND RESULTS OF OPERATIONS

### Business Overview

Advanced Braking Technology Ltd is an Australian company listed on the Australian Securities Exchange (ASX:ABV) that designs, manufactures and distributes its innovative braking solutions worldwide. From its head office in Perth, Western Australia, ABT continues to develop its product portfolio for a diverse range of industries that have a strong requirement for safety and environmental responsibility, including the mining, defence, civil construction and waste management industries.

ABT's innovative braking solutions are well known for their unparalleled safety, improved productivity, zero emissions and durability in the world's harshest conditions. As its reputation has grown, demand for ABT's brakes has expanded internationally with its braking solutions being used in all seven continents across the globe.

### Financial Review

The Company's revenue from ordinary activities for the period was \$7,239m (FY22: \$5.564m) with a profit before income tax of \$0.774m (2022: \$0.134m). Revenue from ordinary activities includes revenue from continuing operations and revenue from other activities. Gross margin for revenue from continuing operations for the period was 50.4% (FY22: 44.5%)

Expenses to 31 December 2022 were \$3.000m (H1 FY22: \$2.480m), representing a 21% increase. The cost increase is in line with the strategic roadmap execution.

As at 31 December 2022, cash and receivables were \$3.980m (2021: \$3.732m). Net cash generated in operating activities during the period was \$0.662m (2021: \$0.312m)

### Strategy and Market Review

The FY23 agenda is underpinned by a clear and aligned channel to market strategy supported by a sales and marketing framework targeting heavy industrial, mining, mining services and international market development. The increasing ESG (Environment, Social and Governance) focus within industrial sectors has benefited ABT with consistently strong advocacy for sealed failsafe brake systems. And further; underground mining is growing due to an increasing take-up of automotive electrification and demand for battery metals. ABT's F23 strategic roadmap has been clear. Maintain and deepen our mining market penetration combined with a pursuit of new industry opportunities for our Failsafe products.

ABT Innovation in F23 is focussed on vehicle diversification, including but not limited to the expansion of Failsafe applications for heavy vehicle applications. During the period the Company announced a joint product

development agreement with customer Glencore Australia of a Sealed Integrated Braking System for Heavy Vehicle (SIBS-HV) mine haulage fleet. The design solution will include intellectual property development by the Company leveraging the proven and trusted Failsafe brake for light commercial vehicles. Upon successful validation and testing of the SIBS-HV the customer intends to progressively deploy the SIBS-HV across its fleet of Volvo FMX trucks globally.

ABT's F23 Strategy roadmap is driven by our projects; categorised into ABT Growth, ABT Foundation and ABT Corporate. The 2023 Growth Projects address our key strengths and opportunities for ABT as well as to mitigate current and future competitive market dynamics where fundamentally, our focus is on addressing our customers' needs. ABT commenced a number of 'Foundation projects', focussed on strengthening our Operating Platform to optimise current needs and importantly support our future growth. ABT's valued and longstanding strategic partnerships with our Supply Chain is vital to achieving this. Our Corporate Projects focus on inorganic and transformational opportunities with a medium to long term horizon and where both Innovation and Industry 4.0 technology is at the forefront.

## Outlook

ABT has established a solid foundation for growth with quality products and service, underpinned by a culture which prioritises both safety and the environmental impact to our customers' businesses. The Company is focused on strategic growth opportunities and are currently assessing key initiatives to drive scale, revenue diversification and enhance innovation for the business. The Company has taken the strategic steps needed to position itself for the future and actively participates in the automotive megatrends of automated, electric and connected vehicles. As we look to grow the business through organic growth, the Company will also continue to investigate opportunities that will allow it to achieve size and significantly upscale the business through acquisitions, strategic partnerships or joint ventures.

## Events subsequent to the balance date

Throughout the COVID-19 pandemic, the Company has continued to implement proactive and ongoing risk mitigation to ensure its people remain safe and well and operations continue with minimal disruption.

The Company issued 11,916,218 unlisted options to employees and key management personnel Mr A Booth, and Mr D Newcombe pursuant to the Company's share option plan approved by shareholders at the Company's AGM held 16 November 2022. See note 11(b)

The Company has signed a binding Offer to Lease on a property, with terms and conditions of the final lease still under negotiation. The Company will look to take possession of the new property on or around 8<sup>th</sup> March 2023, on a 4-month rent free basis but will still be liable for outgoings from the start date of the lease. Note 15

## Rounding of Amounts

The Consolidated Group has applied the relief available to it in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and accordingly certain amounts in the financial report and the directors' report have been rounded off to the nearest \$1,000.

## Auditor's Independence Declaration

The lead auditor's independence declaration under s307C of the Corporations Act 2001 is set out on page 5 for the half year ended 31 December 2022.

This directors' report is signed in accordance with a resolution of the Board of Directors.



Dagmar Parsons,  
Non-Executive Chair  
27 February 2023

## AUDITOR'S INDEPENDENCE DECLARATION



### Moore Australia Audit (WA)

Level 15, Exchange Tower,  
2 The Esplanade, Perth, WA 6000  
PO Box 5785, St Georges Terrace, WA  
6831  
T +61 8 9225 5355  
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[www.moore-australia.com.au](http://www.moore-australia.com.au)

### AUDITOR'S INDEPENDENCE DECLARATION UNDER S307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF ADVANCED BRAKING TECHNOLOGY LTD

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2022, there have been:

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

WEN-SHIEN CHAI  
PARTNER

MOORE AUSTRALIA AUDIT (WA)  
CHARTERED ACCOUNTANTS

Signed at Perth this 27<sup>th</sup> day of February 2023

ADVANCED BRAKING TECHNOLOGY LTD AND CONTROLLED ENTITIES  
INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2022

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE  
INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

Notes	<b>CONSOLIDATED GROUP</b>	
	<b>31 December 2022 \$'000</b>	<b>31 December 2021 \$'000</b>
Revenue from continuing operations	6,989	5,316
Cost of sales	(3,465)	(2,949)
<b>Gross Profit</b>	<b>3,524</b>	<b>2,367</b>
Revenue from other activities	250	247
<b>Expenses</b>		
Amortisation of Intellectual property	(32)	(32)
Audit and accounting fees	(25)	(40)
Bad and doubtful debts	-	-
Consulting fees	(268)	(177)
Consumables and minor equipment	(8)	(63)
Depreciation expense	(65)	(96)
Employee expenses	(1,708)	(1,536)
Finance expenses	(23)	(40)
Information technology expenses	(74)	(61)
Insurance	(141)	(125)
Inventory obsolescence expense	(182)	(16)
Legal fees	(15)	(64)
Marketing and advertising expenses	(80)	(27)
Patent expense	(31)	(29)
Property expenses	(75)	(26)
Telephone and other communication	(16)	(16)
Travel and accommodation	(105)	(36)
Other expenses	(152)	(96)
<b>Total expenses</b>	<b>(3,000)</b>	<b>(2,480)</b>
<b>Profit / (loss) before income tax</b>	<b>774</b>	<b>134</b>
Income tax	-	-
<b>Profit / (loss) after income tax</b>	<b>774</b>	<b>134</b>
<b>Other comprehensive income / (loss)</b>		
Items that may be reclassified subsequently to profit or loss	-	-
<b>Total comprehensive profit / (loss) for the period</b>	<b>774</b>	<b>134</b>
	<b>Cents</b>	<b>Cents</b>
<b>Basic profit / (loss) per share (cents)</b>	0.204	0.035
<b>Diluted earnings per share (cents)</b>	0.182	0.033

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.



ADVANCED BRAKING TECHNOLOGY LTD AND CONTROLLED ENTITIES  
INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2022

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2022**

	Notes	<b>CONSOLIDATED GROUP</b>	
		<b>31 December 2022 \$'000</b>	<b>30 June 2022 \$'000</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		2,140	1,739
Trade and other receivables	3	1,840	1,993
Inventories		2,843	2,244
Other assets		866	756
<b>Total current assets</b>		<b>7,689</b>	<b>6,732</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		446	383
Intangible assets		511	543
<b>Total non-current assets</b>		<b>957</b>	<b>926</b>
<b>TOTAL ASSETS</b>		<b>8,646</b>	<b>7,658</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	4	2,164	1,851
Interest bearing liabilities	5	76	191
Provisions	6 (a)	278	285
<b>Total current liabilities</b>		<b>2,518</b>	<b>2,327</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	6 (b)	8	6
<b>Total non-current liabilities</b>		<b>8</b>	<b>6</b>
<b>TOTAL LIABILITIES</b>		<b>2,526</b>	<b>2,333</b>
<b>NET ASSETS</b>		<b>6,120</b>	<b>5,325</b>
<b>EQUITY</b>			
Issued capital	7	55,819	55,819
Reserves	8	259	237
Accumulated losses	9	(49,958)	(50,731)
<b>TOTAL EQUITY</b>		<b>6,120</b>	<b>5,325</b>

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

ADVANCED BRAKING TECHNOLOGY LTD AND CONTROLLED ENTITIES  
INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2022

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF YEAR ENDED 31 DECEMBER 2022**

	Issued Capital	Accumulated losses	Reserves	Total
	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 July 2022</b>	55,819	(50,731)	237	5,325
Profit for the period	-	774	-	774
<b>Subtotal</b>	55,819	(49,958)	237	6,099
Share-based payments	-	-	21	21
<b>Balance at 31 December 2022</b>	55,819	(49,958)	258	6,120
<b>Balance at 1 July 2021</b>	55,819	(51,375)	278	4,722
Profit for the period	-	134	-	134
<b>Subtotal</b>	55,819	(51,241)	278	4,856
Share-based payments	-	-	91	91
<b>Balance at 31 December 2021</b>	55,819	(51,241)	369	4,947

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

ADVANCED BRAKING TECHNOLOGY LTD AND CONTROLLED ENTITIES  
INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2022

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

	<b>CONSOLIDATED GROUP</b>	
	<b>31 December 2022 \$'000</b>	<b>31 December 2021 \$'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	7,649	5,644
Payments to suppliers and employees	(6,995)	(5,329)
Interest received	5	2
Finance costs	(5)	(5)
Proceeds from grants and research & development incentive	7	-
Net cash generated by / (used in) operating activities	662	312
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(127)	(16)
Net cash generated by / (used in) investing activities	(127)	(16)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	-	-
Repayment of borrowings	(115)	(129)
Borrowing costs	(19)	(11)
Net cash generated by / (used in) financing activities	(134)	(140)
<b>Net increase in cash held</b>	<b>401</b>	<b>156</b>
Cash and cash equivalents at beginning of period	1,739	1,411
<b>Cash and cash equivalents at end of period</b>	<b>2,140</b>	<b>1,567</b>

The accompanying notes form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2022**

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a. Basis of Preparation**

These general purpose interim financial statements for half-year reporting period ended 31 December 2022 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Advanced Braking Technology Ltd and its controlled entities (referred to as the “Consolidated Group” of “Group”). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2022, together with any public announcements made during the following half-year.

These interim financial statements were authorised for issue on 27<sup>th</sup> February 2023.

**b. Accounting Policies**

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements except for those as described below.

**c. New & Amended Standards Adopted by the Group**

The Group has considered the implications of new or amended Accounting Standards but determined that their application to the financial statements is either not relevant or not material for the current financial reporting period.

**d. 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 (including any structured entities). 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.

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.

**e. Critical Accounting Estimates and Significant Judgments Used in Applying Accounting Policies**

The critical estimates and judgments are consistent with those applied and disclosed in the June 2022 annual report.

ADVANCED BRAKING TECHNOLOGY LTD AND CONTROLLED ENTITIES  
INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2022

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2022**

**NOTE 2: DIVIDENDS**

No dividends were provided for or paid during the half year to 31 December 2022 and no dividends were provided for or paid during the preceding half year to 31 December 2021.

**CONSOLIDATED GROUP**

<b>31 December 2022 \$'000</b>	<b>30 June 2022 \$'000</b>
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**NOTE 3: TRADE & OTHER RECEIVABLES**

**Current**

Trade debtors	1,880	2,022
Less: provision for doubtful debts	(40)	(40)
Other receivables	-	11
<b>Total current</b>	<b>1,840</b>	<b>1,993</b>

**NOTE 4: TRADE & OTHER PAYABLES**

**Current**

Trade creditors	1,271	1,448
Other payables	92	70
Accrued expenses	801	333
<b>Total current</b>	<b>2,164</b>	<b>1,851</b>

**NOTE 5: INTEREST BEARING LIABILITIES**

**Current**

Insurance Premium Funding	76	191
<b>Total current</b>	<b>76</b>	<b>191</b>

**NOTE 6: PROVISIONS**

**(a) Current**

Employee entitlements	161	175
Warranty	117	110
<b>Total current</b>	<b>278</b>	<b>285</b>

**(b) Non-current**

Employee entitlements	8	6
<b>Total non-current</b>	<b>8</b>	<b>6</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2022**

**NOTE 7: ISSUED CAPITAL****(a) Ordinary Shares**

	<b>31 December 2022</b>		<b>30 June 2022</b>	
	<b>Number of Shares</b>	<b>\$'000</b>	<b>Number of Shares</b>	<b>\$'000</b>
Fully paid ordinary shares	379,148,766	55,819	379,148,766	55,819
At the beginning of the financial period / year	379,148,766	55,819	379,148,766	55,819
Sub-total	379,148,766	55,819	379,148,766	55,819
Transaction costs relating to share issues		-		-
Balance at end of financial period / year	<b>379,148,766</b>	<b>55,819</b>	<b>379,148,766</b>	<b>55,819</b>

**(b) Options**

	<b>Number of options</b>	<b>Exercise price</b>	<b>Expiry date</b>
<b>Unlisted options</b>			
Balance at beginning of the financial period 1 July 2021	34,790,544		
19 July 2021 - Lapse of KMP Options	(5,958,109)	0.040	30 June 2023
8 November 2021 - Issue of KMP Options	2,979,054	0.040	30 June 2024
8 November 2021 - Issue of KMP Options	2,979,055	0.040	30 June 2025
30 June 2022 – Lapse of consultant Options	(5,000,000)	0.040	30 June 2022
Balance at the end of the financial period 30 June 2022	<b>29,790,544</b>	0.038	WAEP(i)
11 July 2022 – Lapse of KMP Options	(11,916,217)	0.040	30 June 2023
12 August 2022 – Lapse of KMP Options	(5,958,109)	0.040	30 June 2023
20 August 2022 – Lapse of KMP Options	(5,958,109)	0.040	30 June 2023
25 October 2022 – Issue of KMP Options	5,958,109	0.060	30 June 2025
1 December 2022 – Issue of KMP Options	5,958,109	0.060	30 June 2025
Balance at the end of the financial period 31 December 2022	<b>17,874,327</b>	0.049	WAEP(i)

(i) Weighted Average exercise price of options on issue

(ii) 5,958,109 Unlisted options were issued to employee and key management personnel, Ms A Godbeer on 9 January 2023. Balance as at the date of the report was 23,832,436

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

<b>Number</b>	<b>Exercise Price</b>	<b>Vesting condition</b>	<b>Expiry Date</b>
1,489,527	\$0.04	1 Year Vesting	30 June 2024
1,489,527	\$0.04	2 Year Vesting	30 June 2024
2,979,055	\$0.04	3 Year Vesting	30 June 2025

On 25 October 2022, the Company granted 5,958,109 unlisted options to employee and key management personnel, Mr David Newcombe pursuant to the Company's share option plan approved by shareholders at the Company's AGM held 16 November 2022. The unlisted options were subsequently issued on 9 January 2023. The terms of the options are:

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2022**

Number	Exercise Price	Vesting condition	Expiry Date
1,489,527	\$0.06	2 month Vesting	30 June 2025
1,489,527	\$0.06	1 Year Vesting	30 June 2025
2,979,055	\$0.06	2 Year Vesting	30 June 2025

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

Number	Exercise Price	Vesting condition	Expiry Date
1,489,527	\$0.06	1 Month Vesting	30 June 2024
1,489,527	\$0.06	1 Year Vesting	30 June 2024
2,979,055	\$0.06	2 Year Vesting	30 June 2025

**CONSOLIDATED GROUP**

31 December 2022 \$'000	30 June 2022 \$'000
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**NOTE 8: RESERVES**

Option reserve	64	64
Share based payment reserve	195	174
Total reserves at the end of the financial period / year	<b>259</b>	<b>237</b>

**NOTE 9: ACCUMULATED LOSSES**

Accumulated losses at the beginning of the financial period / year	(50,731)	(51,375)
Net profit attributable to members of the parent entity	774	644
Accumulated losses at the end of the financial period / year	<b>(49,958)</b>	<b>(50,731)</b>

**NOTE 11: SHARE-BASED PAYMENT EXPENSE**

a) Share based payment expense during the period	21	(41)
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**Schedule of share-based payments**

8 November 2021 – Issue of 5,958,109 unlisted options to KMP	18	31
11 April 2022 - Lapse of 5,958,109 unlisted options to KMP	-	(48)
12 May 2022 - Lapse of 2,979,055 unlisted options to KMP	-	(23)
22 May 2022 - Lapse of 4,468,582 unlisted options to KMP	-	(1)
25 October 2022 - Issue of 5,958,109 unlisted options to KMP	4	-
Accumulated losses at the end of the financial period / year	<b>21</b>	<b>(41)</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2022**

**(ii) Options issued during the period**

Pursuant to ABT's Share Option Plan, key management personnel, Mr Andrew Booth was granted and issued a total of 5,958,109 unlisted options which have an exercise price of \$0.04 per share which are subject to vesting conditions (KMP Options).

The KMP Options were granted on 1 October 2021 and are subject to the following vesting conditions:

- Ongoing employment; and
- Vesting in 3 tranches over a 3-year period, as below.

KMP Options Vesting 1 year from issue date (Tranche 1) 25%	KMP Options Vesting 2 years from issue date (Tranche 2) 25%	KMP Options Vesting 3 years from issue date (Tranche 3) 50%	Total
1,489,527	1,489,527	2,979,055	5,958,109

Pursuant to ABT's Share Option Plan, key management personnel, Mr David Newcombe was granted and issued a total of 5,958,109 unlisted options which have an exercise price of \$0.06 per share which are subject to vesting conditions (KMP Options).

The KMP Options were granted on 25 October 2022 and are subject to the following vesting conditions:

- Ongoing employment; and
- Vesting in 3 tranches over a 2-year period, as below.

KMP Options Vesting 2 months from issue date (Tranche 1) 25%	KMP Options Vesting 1 year from issue date (Tranche 2) 25%	KMP Options Vesting 2 years from issue date (Tranche 3) 50%	Total
1,489,527	1,489,527	2,979,055	5,958,109

Pursuant to ABT's Share Option Plan, key management personnel, Mr Andrew Booth was granted and issued a total of 5,958,109 unlisted options which have an exercise price of \$0.06 per share which are subject to vesting conditions (KMP Options).

The KMP Options were granted on 1 December 2022 and are subject to the following vesting conditions:

- Ongoing employment; and
- Vesting in 3 tranches over a 2-year period, as below.

KMP Options Vesting 1 month from issue date (Tranche 1) 25%	KMP Options Vesting 1 year from issue date (Tranche 2) 25%	KMP Options Vesting 2 years from issue date (Tranche 3) 50%	Total
1,489,527	1,489,527	2,979,055	5,958,109



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2022**

**(iii) Unlisted options valuation**

The fair value of the equity settled share options granted during the period are estimated at the date of grant using a Black-Scholes model taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used for the period ending 31 December 2021

	<b>KMP Options Tranche 1</b>	<b>KMP Options Tranche 2</b>	<b>KMP Options Tranche 3</b>
Fair value at grant date	\$0.0097	\$0.014	\$0.0172
Share price at grant date	\$0.036	\$0.036	\$0.036
Exercise price	\$0.04	\$0.04	\$0.04
Expected volatility	78.23%	78.23%	78.23%
Expected life	1 year	2 years	3 years
Expected dividends	Nil	Nil	Nil
Risk-free interest rate	0.1%	0.05%	0.27%
Number of options issued	1,489,527	1,489,527	2,979,055
<b>Valuation</b>	<b>\$14,411</b>	<b>\$20,895</b>	<b>\$51,239</b>

The fair value of the equity settled share options granted during the period are estimated at the date of grant using a Black-Scholes model taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used for the period ending 31 December 2022

<b>Mr David Newcombe</b>	<b>KMP Options Tranche 1</b>	<b>KMP Options Tranche 2</b>	<b>KMP Options Tranche 3</b>
Fair value at grant date	\$0.007	\$0.007	\$0.007
Share price at grant date	\$0.027	\$0.027	\$0.027
Exercise price	\$0.06	\$0.06	\$0.06
Expected volatility	73.46%	73.46%	73.46%
Expected life	2 months	1 year	2 years
Expected dividends	Nil	Nil	Nil
Risk-free interest rate	0.0356%	0.0356%	0.0356%
Number of options issued	1,489,527	1,489,527	2,979,055
<b>Valuation</b>	<b>\$11,079</b>	<b>\$11,079</b>	<b>\$22,158</b>

<b>Mr Andrew Booth</b>	<b>KMP Options Tranche 1</b>	<b>KMP Options Tranche 2</b>	<b>KMP Options Tranche 3</b>
Fair value at grant date	\$0.0014	\$0.0014	\$0.0014
Share price at grant date	\$0.04	\$0.04	\$0.04
Exercise price	\$0.06	\$0.06	\$0.06
Expected volatility	72.00%	72.00%	72.00%
Expected life	1 month	1 year	2 years
Expected dividends	Nil	Nil	Nil
Risk-free interest rate	0.0281%	0.0281%	0.0281%
Number of options issued	1,489,527	1,489,527	2,979,055
<b>Valuation</b>	<b>\$20,539</b>	<b>\$20,539</b>	<b>\$41,078</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2022

### NOTE 12: SEGMENT REPORTING

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

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

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

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

	For the six months ended 31 December 2022	For the six months ended 31 December 2021
<b>i) Revenue by geographical region</b>		
<b>Revenue from continuing operations</b>	<b>\$'000</b>	<b>\$'000</b>
Australia	5,195	3,331
Overseas / Export	1,794	1,985
<b>Total revenue from continuing operations</b>	<b>6,989</b>	<b>5,316</b>
<b>Revenue from other activities</b>		
Australia	250	247
<b>Total revenue from ordinary activities</b>	<b>7,239</b>	<b>5,564</b>

### ii) Assets by geographical region

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

	31 December 2022 \$'000	30 June 2022 \$'000
Australia	8,646	7,658
<b>Total assets</b>	<b>8,646</b>	<b>7,658</b>

Intangible assets are treated as located in Australia.

### NOTE 13: RELATED PARTY TRANSACTIONS

		31 December 2022 \$'000	31 December 2021 \$'000
<b>Directors</b>	<b>Note</b>		
Company Secretarial Services	a)	16	18
Legal Services	b)	-	22
Director's fees	c)	25	25
<b>Total</b>		<b>41</b>	<b>65</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2022**

- a) AE Administrative Services Pty Ltd provides company secretarial services to the Company, which is a related party of Director, Mark Lindh.
- b) Rockwell Bates Pty Ltd T/A Rockwell Bates (formerly R.B. Flinders) provides legal services to the Company, which is a related party of Director, Adam Levine.
- c) Rockwell Group Holdings Pty Ltd received director's fees, which is a related party of Director, Adam Levine.

**NOTE 14: CONTINGENT LIABILITIES**

There has been no change in contingent liabilities since the last annual reporting period.

**NOTE 15: EVENTS OCCURING AFTER THE REPORTING PERIOD**

The Company issued 17,874,327 unlisted options to employees and key management personnel Mr A Booth, Mr D Newcombe and Ms A Godbeer pursuant to the Company's share option plan approved by shareholders at the Company's AGM held 16 November 2022. See note 11(ii).

The Company has signed a binding Offer to Lease on a property, with terms and conditions of the final lease still under negotiation. The Company will look to take possession of the new property on or around 8<sup>th</sup> March 2023, on a 4-month rent free basis but will be liable for outgoings from the start date of the lease.

The lease will run for a 5-year period, with an option to renew for a further 5-year period thereafter. The Company will recognise the right of use asset and liability on the Balance Sheet from the date of commencement of the lease.

The Directors are not aware of any other significant events since the end of the reporting period.

ADVANCED BRAKING TECHNOLOGY LTD AND CONTROLLED ENTITIES  
INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2022

**DIRECTORS' DECLARATION**

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 6 to 17 are in accordance with the *Corporations Act 2001*, including:
  - a. complying with Accounting Standard AASB 134: Interim Financial Reporting; and
  - b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Dagmar Parsons  
Non-Executive Chairman  
Dated 27<sup>th</sup> February 2023

## INDEPENDENT AUDITOR'S REPORT



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## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ADVANCED BRAKING TECHNOLOGY LTD

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the accompanying half-year financial report of Advanced Braking Technology Limited (the Company) and its controlled entities (the Consolidated Entity or Group), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of comprehensive income, consolidated statement of changes in equity, the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the company is not in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- ii. complying with Accounting Standard *AASB 134: Interim Financial Reporting and the Corporations Regulations 2001*.

#### Basis for Conclusion

We conducted our review in accordance with Auditing Standards on Review Engagements *ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report 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 review report.

### Responsibility of the Directors for the Half-Year Financial Report

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

**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF ADVANCED BRAKING TECHNOLOGY LIMITED (CONTINUED)**

**Auditor's Responsibility for the Review of the Financial Report**

Our responsibility is to express a conclusion on the financial report based on our review. ASRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial report is not in accordance with the *Corporations Act 2001* including:

- i. giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2022 and its performance for the half-year ended on that date; and
- ii. complying with *Accounting Standard AASB 134: Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



WEN-SHIEN CHAI  
PARTNER



MOORE AUSTRALIA AUDIT (WA)  
CHARTERED ACCOUNTANTS

Signed at Perth this 27<sup>th</sup> day of February 2023.