ANNUAL REPORT 2024

DESIGN MATTERS

austineng.com


austin
Global engineering creating innovative solutions that deliver productivity improvement.

contents

group overview

Austin Engineering Limited is a leading global designer and manufacturer of customised loading and hauling solutions, including truck trays, buckets, water tanks, tyre handlers and other equipment used in the mining industry.

We partner with mining companies, mining services companies, and OEMs to create innovative engineering solutions that deliver productivity and safety improvements to multi-commodity open-cut and underground operations.

With a presence in the world's principal mining regions, Austin provides high-quality, cost-effective solutions, and a complete service through the product's life cycle, offering on and off-site repair and maintenance, as well as heavy equipment lifting and spare parts to our clients.

Austin's products can create more sustainable mining operations by delivering the lowest cost per tonne to end users, reducing fuel and tyre usage per material carried, and maximising profitability for our clients.

our vision

- To be the global market leader in providing customised loading and hauling products to the mining industry.
- To provide the best engineering solution for clients' specific needs across a broad product range, supporting open-cut and underground applications.
- To put the needs of the client and innovation at the core of our business, supported by world-class engineering, manufacturing and quality.
- To protect and enhance the long term sustainability of the business through our environmental, social and governance targets, and supporting the communities around us.
- To remain at the forefront of new technologies and take an innovation-led approach to all aspects of the business.

Delivering returns for our clients, our people and our shareholders.

FY24 highlights

Corporate

Austin 2.0 strategy **delivers stronger revenue, forward order book, and cashflow position.**

Revenue improvements recorded across all operating regions.

Leadership and sales teams bolstered to sharpen customer relations.

Strategy to improve manufacturing efficiencies being rolled out across business and will accelerate in FY25.

Centralisation of core operational and financial systems to further integrate business units.

AustBuy bulk procurement business unit **increased purchasing power** for steel and other inputs.

Operations

Tray and bucket **sales increased** and accounted for **71% of total sales.**

FY24 order book as at 30 June 2024 **up 30% year-on-year to $187m.**

North America was the strongest performer with a **27% increase** in revenue to $95.5m.

Tray production moved to Batam. Australia focusing on bucket manufacture.

South America recorded **full-year revenue of $51.6m, a 26% increase** Y-o-Y.

APAC achieved **revenue of $166.1m, a 17.1% increase** from FY23.

High Performance Truck Tray (HPT) **recorded increased sales.**

Iron ore, copper and gold-focused customer sales represented **69% of revenue.**

Financial[1]

Group revenue of $313.2m up 21%.
FY23: $258.3m

EBITDA of $47.7m, up 135%.
FY23: $20.3m

EBITDA margins 15.2%.
FY23: 12.1%

NPAT of $29.7m, up 318%.
FY23: $7.1m

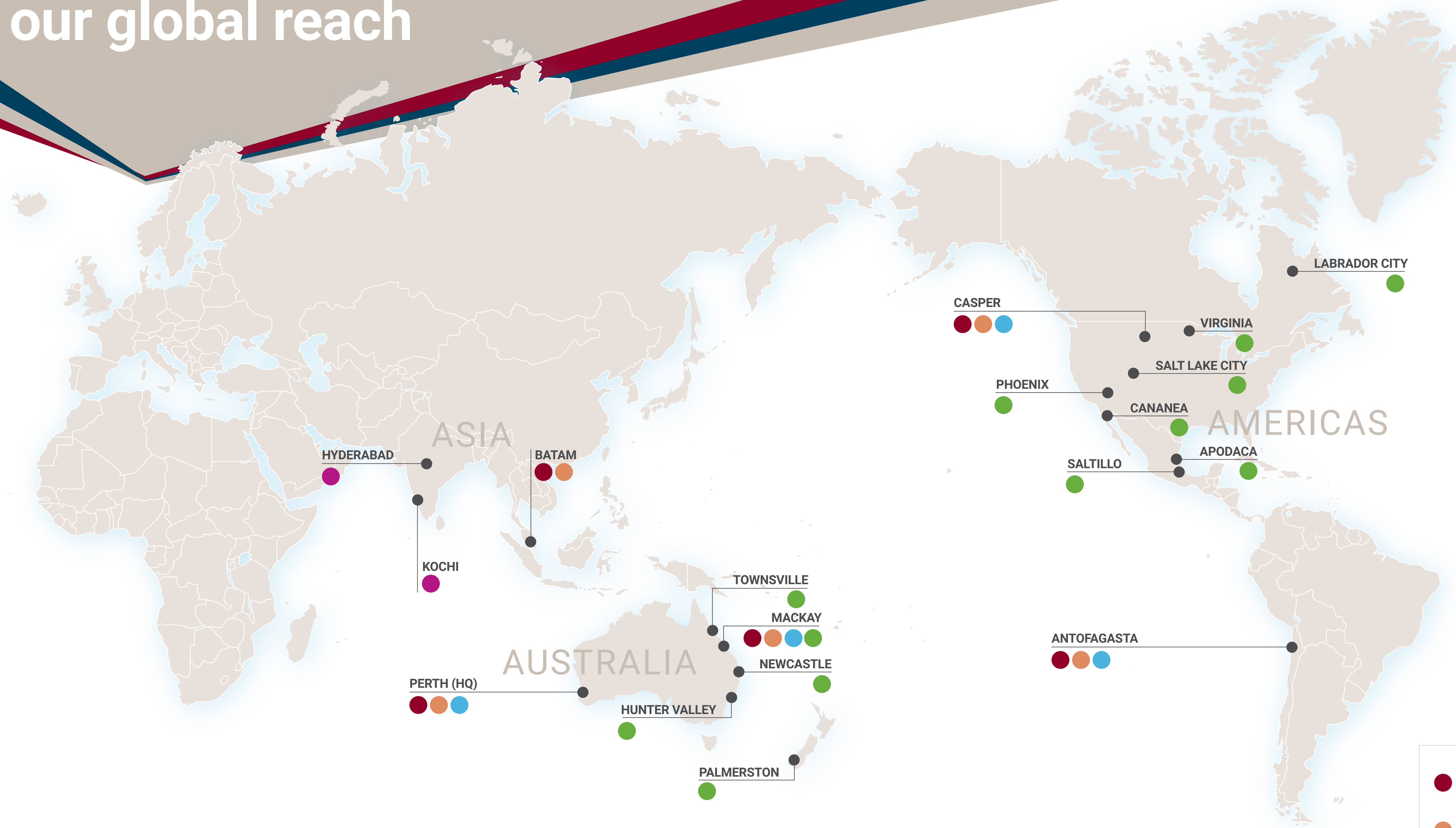
Operating cashflow increased to $36.6m, up 132%.
FY23: $15.8m

Group cash position increased by $20 million to $40 million.

Full year final dividend declared of 0.8c per share.
0.4c per share paid in H124.

1. Financial numbers are presented for continuing operations.

our global reach



- Austin Operations Centre
- Austin Sales Centre
- Austin design Centre
- Partner Operations Centre
- Sales/Supply Chain & Support Centre

We are headquartered in Western Australia and have manufacturing sites located in Australia (Perth and Mackay), North America (Casper), Indonesia (Batam), and South America (La Negra).

Our engineering and design centres focus on research and development for new, innovative products. We engineer products to suit every mining application, giving customers tailored solutions to enhance their operations and performance. Throughout the world, you'll find Austin equipment hard at work, delivering results even in the most difficult and remote mining locations.

We have the largest global footprint of manufacturing facilities of any dedicated customised off-highway truck body and bucket provider, and an extensive global partner network to ensure the delivery of exceptional customer service.

chair's letter

Jim Walker

Dear Shareholders,

On behalf of the Board, I am pleased to present Austin Engineering Limited's Annual Report for FY24. Austin has recorded another strong financial and operational performance in FY24 where we have met market guidance and are well positioned for future growth in the business. The strong cashflow performance in FY24 has put the Company into a net cash position.

This will give us the flexibility to deploy capital management strategies to grow organically and through acquisition while strengthening the dividend to shareholders. All of this indicates a focus on an aggressive strategy for growth, which is a key focus of CEO, David Singleton, and his team.

The Austin 2.0 strategy's impacts are increasingly evident across the business and will continue to guide our Company into the future.

As an engineering and design business, we are focused on delivering products that provide a real and significant return on investment to our customers, be they miners or mining contractors. We do this by providing high-quality, custom-engineered equipment that suits the mine, operations, and the particular commodity, ensuring the equipment performs at its optimal level.

Our High Performance (HP) lightweight truck trays, and the HP series and Hulk series of high-performance buckets have significantly improved our product offering and resultant sales. These high performance, improved payload, more efficient products are continuing to attract repeat and new buyers across all of our home markets. Simply, they are continuing to sell well because of the efficiency and sustainability benefits they are providing to our customers.

We have a market leading product range and can focus now on reinforcing our sales and marketing efforts. We are supported by a strong global mining sector and solid commodity markets in base metals, precious metals, and critical minerals. Commodity prices have continued to be impacted by acceleration to electrification, especially in mining, transport, construction, and industrial sectors. Geopolitical impacts and tighter fundamentals also continue to keep prices elevated.

Decarbonisation efforts in the mining sector are gathering pace, and we have seen increased demand for cleaner, more efficient solutions for mineral production, which we are able to support through our product lines' efficiencies in increased carry rates, reduced fuel usage and carbon emissions.

We continue to make investments in our people, with their safety and wellbeing being a continuous focus. We are committed to providing a safe and inclusive workplace for all of our employees and contractors, and one that encourages diversity, inclusion, and respect for colleagues. The last year has seen us take major strides in building the capability and, importantly, the depth of our leadership teams around the world, which have directly improved our performance, and culture within the business. This program will be elevated during the next 12 months as we seek more broadly to make our management and people a differentiator for our business. With the impending CEO transition, these developments have been strongly supported by the Board and executive team.

The growth we have seen has come on the back of some very innovative steps pioneered by individuals and teams inside Austin. To recognise this, the Board has sponsored Austin's inaugural Gold Awards for Excellence. Four awards were made during the year for supply chain management for the AustBuy business, customer excellence in our USA business, new product design for the HPT lightweight tray, and IT for the development of our cyber and data protection systems. In all of these award areas, individuals and teams have made fundamental changes to our business that we will benefit from for many years.

Now that we have made major advances in our core business, we will increasingly ensure that our operations meet higher standards of sustainability. I encourage you to read our standalone Sustainability Report to see what we are doing to progress our commitment to sustainable operations across our business units.

Managing Director and CEO David Singleton deserves the Board's greatest thanks for his leadership and guidance over the past few years. His very focused but highly impactful Austin 2.0 strategy has undoubtedly put Austin onto a new and strong path that will continue to mature and deliver benefits to shareholders. We respect David's decision to retire from his roles at the end of the next financial year after what will be six years at the Company, and four as CEO. The Board is determined to make sure that the CEO transition process is seamless and is one reason why we have focused on executive and management succession over the past 18 months. David has also been pushing hard to make sure that the Company is served with high quality business information systems being built around an emerging ERP system, designed to deliver greater resilience during this period of growth and change.

In July 2024, the Board announced the appointment of current Austin Non-Executive Director, Sybrandt (Sy) Van Dyk, as David's successor. Sy is an experienced resources industry executive with a strong focus on operations. He has been a director of Austin for six years and will leave his current position as President of Perenti's Drilling Services Division to lead Austin from July 2025.

We believe Sy has the necessary operational and sector credentials to continue to build and grow the Company and deliver on its business targets. He has a clear understanding of the strategic approach taken to develop Austin over the last three years and I am sure he will be seeking to maintain that momentum.

The Board and I thank our executive and management teams, as well as our employees and contractors, for their continued commitment to excellence and innovation, which positions Austin for sustainable growth.

Finally, thank you to our shareholders. With your ongoing trust and support for our growth strategy, we look forward to FY25.

J. A. Walker

Jim Walker
Non - Executive Chair

managing director's report

The 2024 financial year has been defined by a broader and deepening implementation of our Austin 2.0 strategy, which, while successful to date, will deliver much more to the Group in the future. In its third year of implementation, we are seeing significant changes to the way the business operates and this is delivering positive impacts at both the revenue and profit level.

The business today, is more integrated and aligned around a single operating model that I believe will continue to deliver improvements in efficiency and set Austin up for sustainable growth.

Improvement areas for Austin this year have focused on three main areas of heightened customer focus, investing in our core operational systems, and building internal leadership and teams across the globe.

To deepen our customer relations, we have invested in, and expanded, our sales teams in all of our operating regions in APAC, the USA, and South America. As an example, we have expanded customer support teams and offerings across Australia, which has enabled more onsite customer visits and better service offerings including on site truck tray fittings, enhanced spare parts support, and further roll out of our Mainetrack wear monitoring system.

Additionally, we implemented a single customer CRM system across the Company that is now bedded down in the business. The system enables much better control of the customer interface and ensures that we have visibility of our customer needs and requirements.

Internally, we are also centralising our core systems as part of the 'Austin Way'. Under this roll out, we are streamlining our internal finance, employment, and management systems across our operating regions.

So far, we have begun the implementation of a single Enterprise Resource Planning system (ERP) and Steel Requirements Planning (SRP) system and implemented a single Manufacturing Production System (MPS) across almost all business units. The SRP system was an in-house development for AustBuy to schedule and procure steel needs across the Group. The MPS has been implemented in Australia, Indonesia, and Chile, and is scheduled for roll out in the US in FY25.

In APAC, we replaced five legacy finance systems with a single system, which we intend to roll out in the Americas in FY25.

We know that as we move into the next phase of growth, developing and rewarding our key personnel is critical, especially given the current global competition for talent. Our 'Investment In People' (IIP) program has been another program we have been implementing under our 'Austin Way' initiative. Its purpose is to attract and retain the highly skilled and diverse workforce we need to continue the development of the Company and offer our employees the ability to grow their skills and careers at Austin. The initial phases of IIP have been implemented but are planned to ramp up quickly during the new financial year.

Operationally, another milestone under the Austin 2.0 strategy has been completion of the capacity expansions of our facilities in Australia, Indonesia, and Chile. This has allowed us to confidently grow our customer base, and existing contracts, knowing we have the capacity to deliver, which us something that is so important in the industry.

Continued improvements in manufacturing leadership and processes have also allowed us to take on more orders, while not compromising on delivery schedules for our customers.

Our engineers have continued to work on product designs to meet customer requirements around operational efficiencies. Our range of lightweight products is still leading to new and repeat orders of trays. Tray and bucket sales grew by 30% and 17% respectively in the year, with these products accounting for 71% of Group revenue.

Our order book has been growing on average 44% per annum in the three years since we launched Austin 2.0. Importantly though we see significant opportunities for continued improvement in FY25 and beyond. We see growth in areas like OEM contracts, and accessing new markets, as well as building existing customer bases.

By region, North America has been our best performing region again, from a sales perspective, experiencing strong growth on the back of higher adoption levels of our lightweight trays. The efficiencies in these trays, particularly around improved payload, are providing clear returns on investment to our mining customers. This is increasing the size of the installed base and therefore the level of recurring revenue.

Our Chile business has been transformed by a re-energised management team with an increased focus on more differentiated products. Sales in this business unit have risen 79% in the last two years. Recently we've seen much higher levels of truck tray business, including from major OEMs, and we've seen increased interest in our mining bucket range as well.

In APAC, our expanded Batam facility has been able to take on the majority of Australia's tray manufacturing in FY24. This has freed up capacity in Australia for growth particularly in bucket builds and re-builds. Particularly pleasing has been the placement of orders for electric rope shovel dipper buckets, which was a key focus following our acquisition of Mainetec.

As I embark on my final year as CEO and Managing Director of Austin, I am proud to see the results of Austin 2.0, namely our efforts around costs management, product and manufacturing innovation, and customer focus, all of which has led to improved financial outcomes, but also a more resilient business.

In FY25, I am committed to further improving Austin's financial and operational metrics. An ongoing push on our sales and marketing functions will help build out our order book pipeline into the FY26 year, supported by our larger and improved product offering. Now most of our facilities have extra capacity, I am very much focused on getting the best efficiencies out of these hubs. To refine manufacturing processes and schedules to deliver more high-quality products to customers on time and budget.

We are also well supported by our expanded global team of more than 1400 hardworking people who are dedicated to the success of Austin and to making it a great place to work. With strong leadership and teams in place and a fully integrated global business, I am confident of another solid performance in FY25.

David Singleton
Managing Director and
Chief Executive Officer

operational overview

The Group recorded another strong year of operational performance in FY24 as it focused on product and manufacturing leadership, and customer relations under the Austin 2.0 strategy. One of the major areas of effort has been to improve and streamline operational systems and processes alongside the pace of growth of the business.

Customer Focus

Austin has sharpened its focus on customer relationships with various marketing initiatives and improved pre- and post-sales services offerings to optimise the strategic sales effort globally.

In the year, a new Customer Relationship Management (CRM) system was implemented across the Group. The new system has been rolled out across all of Austin's global business units and is providing a more structured and managed sales process and allowing greater analytics and reporting to inform Austin's sales strategies.

Strategic sales training is currently underway across the Group (already implemented in Australia) and will continue though FY25. Major account management processes are also part of the training aimed at developing long lasting customer accounts to assure recurring revenue.

Lead generation has been the focus of a revamped marketing strategy. A Global Marketing Officer has been appointed with the aim of consolidating the approach to marketing-led lead generation Group wide. The strategy encompasses a play book for customer interaction through various media channels; social, web and print.

Manufacturing Leadership

A paradigm shift in production methodologies has been developed in order to keep up with increasing demand, while maintaining safety and product quality. Pioneered at our Batam facility, a more modern manufacturing approach has replaced the previous workshop fabrication type processes. The businesses have been working with a highly experienced former OEM production manager to improve manufacturing processes across the Group and this approach is being enlarged and further accelerated in FY25.

Additionally, a Manufacturing Production System (MPS) has been developed and deployed in APAC and South America, with the USA roll out scheduled for Q3 CY24.

The MPS features a customer portal that allows customers to view the progress of their products as they are being manufactured.

Complementing the MPS system, the AustBuy procurement arm of the business has developed the Steel Requirements Planning (SRP) system, which provides real time steel inventory management and forecast demand ordering. The SRP is integrated with the MPS and CRM systems to ensure that steel inventories are optimised so that the manufacturing facilities carry the amount of steel necessary to complete the work, reducing overstocking. This in turn is improving Group cashflow and reducing reliance on buying more costly top up steel from stockists.

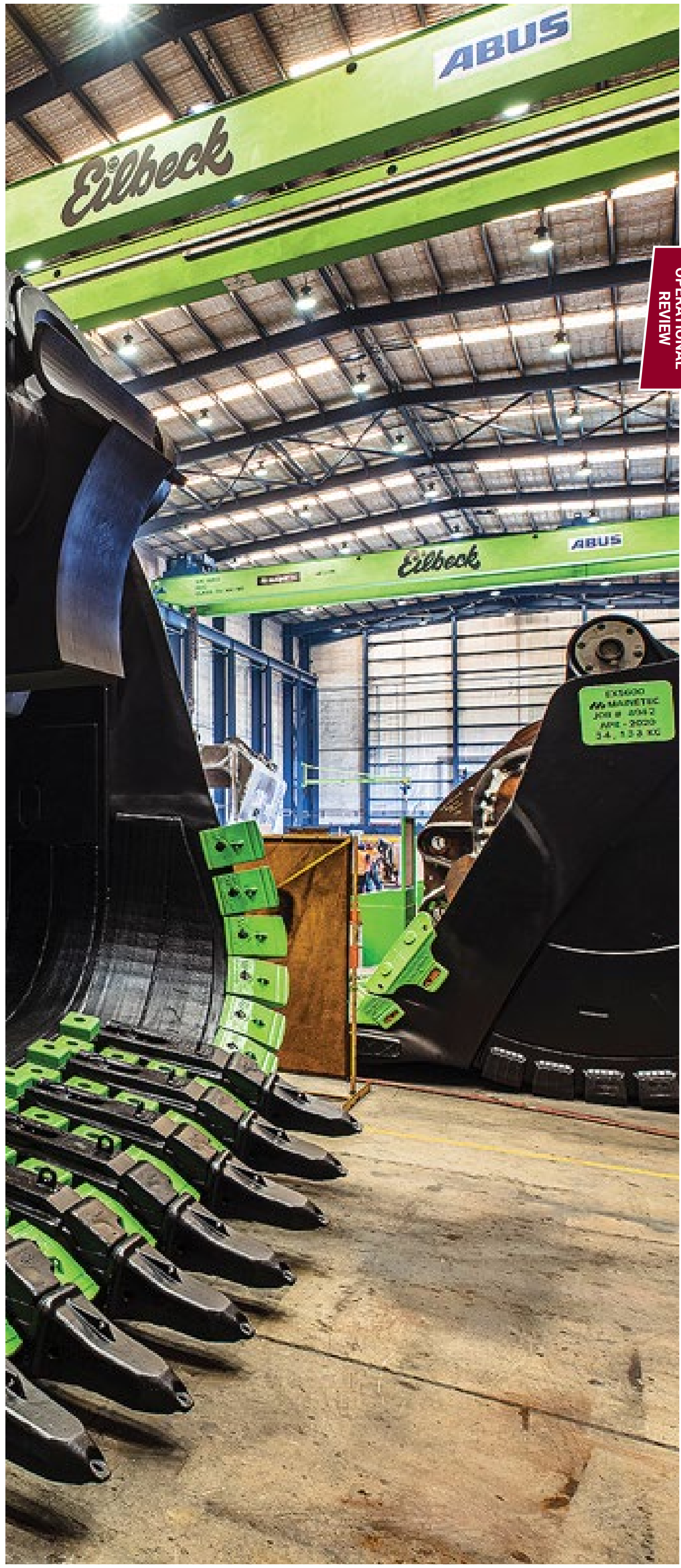
Product leadership

Innovation remains a key differentiator for Austin in the mining products market, with our teams designing and engineering products to specifically meet customer requirements across all mining jurisdictions. Our lightweight trays are generating increased interest due to their higher payload capabilities and what that achieves in terms of overall operational efficiency. With the transition of tray manufacture to Batam, we have been able to double down on our bucket design, build and rebuild in Australia. We have had orders for the Armadillo high performance dipper bucket internationally, with a North American customer potentially interested in further orders for the region if initial product trials are successful.

We are currently upgrading and expanding the asset management tool, Mainetrack which we see as a major support system for mining companies. Our austIQ software will utilise advanced computing technology such as machine learning and artificial intelligence to provide even greater insight into predictive wear monitoring of trays and buckets.

Advanced scanning will provide for faster bucket refurbishment times and will also feature as an input to austIQ to enable optimum asset utilisation from manufacture and delivery to asset retirement.

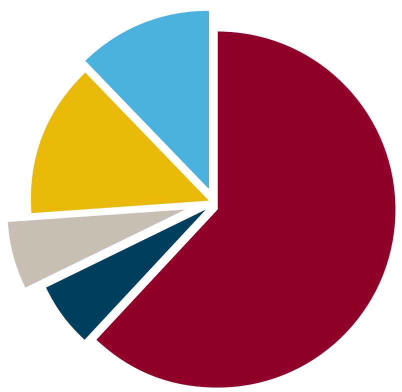
Work is beginning to migrate the MPS and SRP systems into our new Enterprise Resource Planning (ERP) system through FY25 ensuring all core operational business processes are utilised Group-wide.



Asia Pacific

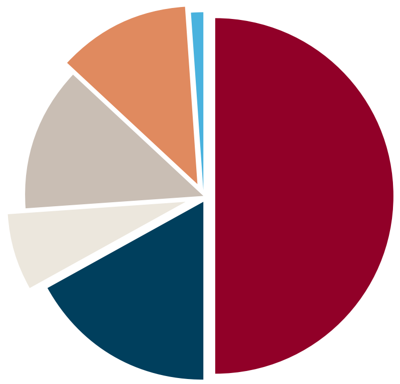
Asia Pacific ($ million)	FY24	FY23	Change
Revenue	166.1	141.9	17%

Revenue by commodity:



Commodity	FY24	FY23
Iron Ore	62%	44%
Coal - Met	6%	11%
Coal - Thermal	6%	15%
Copper	-	1%
Gold	14%	23%
Other	12%	6%

Revenue by product/service:



Product/Service	FY24	FY23
Bodies	50%	45%
Buckets	17%	13%
Chutes	7%	15%
Other Products	13%	16%
Shop Maintenance/Repairs	12%	11%
Other Services	1%	-

Asia Pacific (APAC) operations contributed 53% or $166.1 million of business revenues to the Group's overall performance in FY24. This was an increase of 17% from $141.9 million the previous year. 90% of the revenue in Asia Pacific can be attributed to recurring revenue.

The APAC region has undergone a major manufacturing restructure. A two-fold strategy was implemented allowing Austin to manufacture more trays and refurbish more buckets leading to the resultant growth for the APAC business.

Part of this strategy was to shift tray manufacture to our expanded Indonesian facilities in Batam and concentrate on increasing bucket manufacture in Australia following the integration of the Mainetec business.

Sales Focus

In parallel with the increased capacity in Batam and Perth, the APAC sales team underwent a restructure to its team, including some new senior hires, and systems, as aforementioned.

Led by a General Manager of sales for APAC, the reorganised team includes sales managers that are responsible for developing existing and new customer relationships. In Australia, utilising the same customer site-based approach as the East Coast business, Product Service Managers (PSMs) have also been introduced to the West Coast team in Perth. Their role is to be the 'boots on the ground' in order to provide strong after-sales support, while also seeking out new work at this customer operational touch point.

Investments have been made in the systems and processes with a new Customer Relationship Management (CRM) tool now deployed globally to facilitate a more defined sales process. Strategic selling and training in enhanced customer interaction has been undertaken to further strengthen the sales approach.

A Global Marketing Officer has been appointed to focus on strategic marketing to lift product sales, with the support of an external agency. The business now has a more targeted approach to marketing towards lead generation through a number of channels, including social media, print and online media.

Western Australia

The Perth facility was re-tooled to focus on the new build and refurbishment of buckets. The benefit of moving tray production to Batam is that approximately 168,000 work hours were liberated in Perth to deliver the new bucket capability for Western Australian customers, which has contributed $53.6 million in bucket product and services revenue across Australia.

The work in the Perth facility is a combination of new high performance bucket and also repairs/refurbishment to existing buckets. As a result of this change, Perth has seen a 16-fold increase in throughput for bucket related work on an annual basis.

Eastern Australia

The performance of the Mainetec business in Mackay improved in FY24 based on a number of new and refurbished dipper bucket sales, in addition to high performance excavator buckets.

A repeat order for a high value dipper bucket placed by a customer prior to the initial product being completed underpinned a solid year for the Mackay facility, with the facility running at 95% capacity for the year.

Indonesia

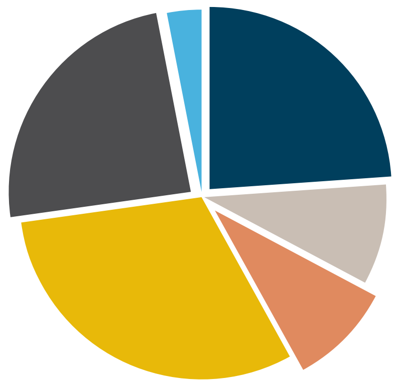
The Batam facility continues to develop into a high output, low cost manufacturing site. Truck tray deliveries have increased by 150% on an annual basis. The implementation of advanced manufacturing techniques combined with the MPS and SRM systems greatly assisted in the rapid, but well managed, production growth.

With a thriving skilled labour force on Batam Island, the facility was able to ramp up from 235 trades to over 500 trades in just four months. This workforce increase was managed through an expanded internally-run welding program (Austin Batam welding school) that ensured testing and qualification checks of each tradesperson that joined the business. Additionally, the welding school is now working with local polytechnical colleges that have agreed to train some of their students to become certified welders for Austin. This requires the students to meet certain standards and qualifications that enable them to enter the Austin Batam workforce as apprentices.

North America

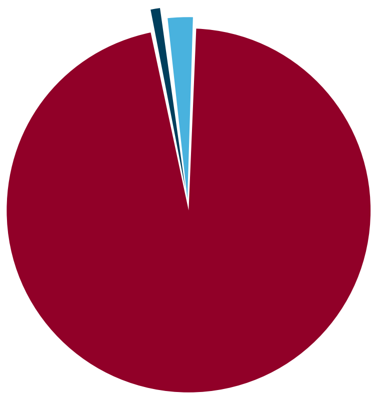
North America ($ million)	FY24	FY23	Change
Revenue	95.5	75.3	27%

Revenue by commodity:



Commodity	FY24	FY23
Iron Ore	-	22%
Coal - Met	24%	30%
Coal - Thermal	9%	11%
Copper	9%	-
Gold	31%	15%
Oil	24%	19%
Other	3%	3%

Revenue by product/service:



Product/Service	FY24	FY23
Bodies	97%	88%
Buckets	1%	8%
Other Products	2%	4%

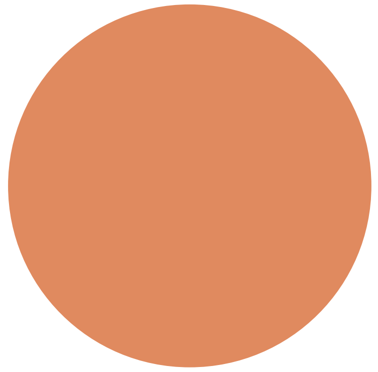
North America retained its high performing status, with the strongest revenue of any individual site, across the group contributing 30% or $95.5 million of business revenue in FY24, representing a 27% increase in revenue over the previous year. Recurring revenue was very strong with repeat business featuring for 100% of the FY24 revenue.

The demand growth in North America necessitated a delivery strategy that included expanding capacity in Casper, Wyoming, to augment the existing workshop. The additional facility has been set up to provide sub-assemblies to the main Casper workshop. In addition, further sub-assemblies have been subcontracted out to companies within the USA, Mexico, and Canada.

South America

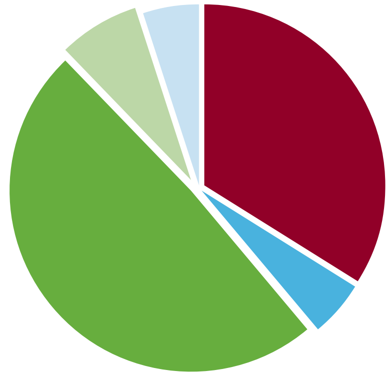
South America ($ million)	FY24	FY23	Change
Revenue	51.6	41.1	26%

Revenue by commodity:



Commodity	FY24	FY23
Copper	100%	100%

Revenue by product/service:



Product/Service	FY24	FY23
Bodies	34%	48%
Other Products	5%	6%
Shop Maintenance/Repairs	49%	30%
Site Maintenance/Repairs	7%	10%
Other Services	5%	6%

South America was the most improved performer in the Group results, with revenue of $51.6 million, representing a 26% increase compared to the previous year. Recurring revenue was strong at 91%.

A new major customer was secured in FY24 and has signalled intent on a potential long-term partnership with Austin. The customer's focus on South America including Chile, Peru and Brazil could provide an increase in recurring revenue going forward.

The MPS, SRP and CRM systems have been implemented at the La Negra facility in Chile, which have enabled increased growth in production while improving efficiency, safety, and quality.

financial review

Strong financial growth across all segments

Asia-Pacific region performance continues to improve

South America delivers an outstanding revenue and margin performance

North America captures greater share of the market

Austin achieved another year of solid performance, with higher revenues across all business units and a strengthening order book throughout FY24.

The Austin 2.0 operational strategy continues to deliver positive impacts on revenue and profits across all business units. Austin 2.0 has led to better integration across the business, which is now set up for sustained growth.

Group revenue from continuing operations for the FY24 year was $313.2 million, a 21% increase compared to the prior year following another strong year of growth with increased tray and bucket sales across all regions.

The Group's net profit after tax (NPAT) from continuing operations was up 317% to $29.7 million, from $7.1 million in the previous year.

The Group's FY24 EBITDA from continuing operations is up 135% to $47.7 million compared to FY23 EBITDA of $20.3 million. The strong performance is driven by growth and efficiency improvements, with the business leveraging Austin's scale and manufacturing capabilities to reduce costs across the Group. A turnaround in the performance of the Perth business, further growth from Indonesia and the US, and AustBuy's integration into the business, have also contributed to solid revenue and profit growth.

South America continued to build on its solid first half performance, recording full-year revenue of $51.6 million, a 26% increase to the prior year. EBITDA increased 280% year-on-year to $14.1 million, driven by a 63% lift in services to existing and new customers.

North America recorded another strong performance with a 27% increase in revenue to $95.5 million, and EBITDA of $17.4 million, a 5% increase compared to FY23 EBITDA of $16.7 million, from increased tray sales, which were up 40% on prior year.

The Asia-Pacific (APAC) region achieved revenue of $166.1 million, a 17.1% increase from the previous year, delivering a FY24 statutory EBITDA of $18.1 million up 214% compared to FY23 statutory EBITDA of $5.8 million. The performance uplift was from the transition of tray manufacture from Australia to Indonesia. Leveraging Indonesia's manufacturing capacity and low cost environment delivered a 32% increase in tray sales from FY23, while Australia's manufacturing capacity was directed to buckets, delivering a 51% year-on-year increase in sales.

Operating cash flow from continuing operations increased 132% to $36.6 million compared to $15.8 million in the previous year, driven by the Group's strong profit, and working capital management, which saw raw material reduce, strong receivable collections and favourable supplier payments terms.

Net cash outflows from investing activities were $8.4 million, which included purchase of plant and equipment of $4.5 million, intangibles investment in systems of $0.9 million and a deferred Mainetec payment of $3.0 million.

Services, comprising repair and maintenance, grew by $18 million.

Customers revenue review

Mining customers represented 74% of the Group's revenue and grew by 14% on last year's revenue, with the top five mining customers representing 49% of Group's revenue, with the largest customer contributing 26% of the Group's revenue.

OEM customers made up 10% of Group revenue and grew $24 million. Mining contractor & other sales were $51 million, up 7% year-on-year.

Group's cash balance

increased by 100% to $40 million

delivering a net cash position of $9.6 million

Net cash outflows from financing activities were $6.9 million, which includes an interim dividend payment of $2.3 million, a Mainetec term loan repayment of $3.7 million, and lease payments of $3.7 million, offset by grant funding of $2.8 million.

The Group's cash position increased by $20 million to $40 million, which resulted in a net cash position of $9.6 million (excluding AASB 16 leases and acquisition deferred payments).

Product diversification accelerating

Austin's Group revenue was $313.2 million, a 21% increase from the prior year, with revenue increases recorded across all regions.

Austin's revenue composition has seen an increase in truck tray and bucket sales across all regions and continued growth in bucket repairs across APAC.

Product sale made up 83% of the Group's sales, increasing by 16% year-on-year. Sales growth over the year by product included:

- Tray sales grew by 30%, representing 62% of the group's revenue.
- Bucket sales grew by 17%, representing 9% of the group's revenue.
- Other products declined by $12 million, or 24%, due to a decrease in APAC chute and water tank sales, representing 12% of the group's revenue.

Commodity revenue review

Austin's products service a diverse mining and commodity mix. In terms of sales and commodity types, the largest customers by commodity markets were iron ore, copper and gold, representing 69% of revenue, compared to 64% from the prior year.

- Iron ore commodity sales grew 30% on last year, representing 33% of revenue, all coming from Australia.
- Copper commodity sales grew 44% on last year, representing 19% of revenue with 90% coming from South America.
- Gold commodity sales grew 21% on last year, representing 17% of revenue, with approximately 60% of the sales from North America and 40% from Australia.

Sector product & services review

APAC's revenue of $166.1 million increased by $24 million year-on-year.

Product sales represented 87% of the region's overall sales and increased by 14%.

- Trays sales represented 50% of the region's sales and increased by $20 million (up 32% year-on-year).
- Buckets sales represented 17% of the region's sales and increased $10 million.

- Other products represented 20% of region's sales but declined by $12 million due to a drop in sales of chutes and water tanks

Services sales represented 13% of the region's sales and increased by 40% from FY23. This was due to increased bucket repairs sales from the Perth operation as it transitioned to focus on bucket production.

APAC's total bucket product and services revenue represented 38% of the APAC sales, with revenue of $63 million, an increase of 43% from FY23.

North America's revenue of $95.5 million represented an increase of $20.1 from FY23. This was largely due to a 40% increase in tray sales, partially offset by a decline in buckets sales of $6 million.

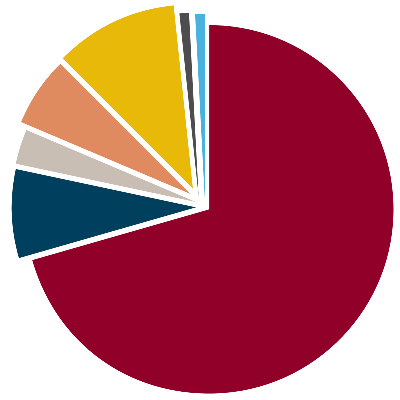
South America's revenue increased 25.6% to $51.6 million with service repairs and maintenance sales increasing by 63%, while trays sales marginally decreased by $1.8 million

Composition of Revenue

		FY24	FY23	FY22
Truck trays	$M	194.0	149.1	139.5
Buckets	$M	29.3	25.0	11.9
Other products	$M	37.7	50.0	23.1
Off-site services	$M	44.5	4.2	3.6
On-site services	$M	3.9	27.4	21.4
Other services	$M	3.8	2.6	5.8
Other revenue	$M	-	-	0.7
Total revenue	**$M**	**313.2**	**258.3**	**206.0**

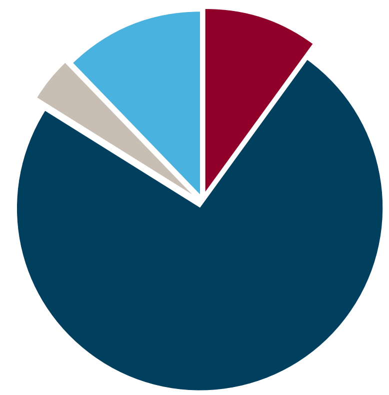
Revenue by products and services

Product/Service	FY24
Tray Bodies	62%
Buckets	10%
Chutes	4%
Other products	8%
Shop maintenance repairs	14%
Site maintenance/repairs	1%
Other services	1%



Revenue by customer

Commodity	FY24
OEM	10%
Miner	74%
Mining Contractor	4%
Other	12%



Revenue by commodity types

Commodity	FY24
Iron Ore	33%
Copper	19%
Gold	17%
Coal Met	10%
Coal Thermal	6%
Oil	8%
Other	7%

Overview of financial performance from continuing operations

Statutory	FY24	FY23	% change	
Revenue	**313.2**	258.3	21%	FY24 EBITDA and NPAT growth was driven by efficiency improvements, leveraging the Company's scale and global manufacturing capability to reduce costs
EBITDA	**47.7**	20.3	135%	
EBITDA margin	**15.2%**	7.9%	94%	
Depreciation expense	**(8.0)**	(6.9)	16%	
Amortisation expense	**(1.1)**	(1.0)	15%	
Interest revenue	**1.2**	0.8	58%	
Finance Costs	**(3.4)**	(3.8)	(11) %	
Profit before tax	**36.4**	9.4	289%	
Net Profit after tax	**29.7**	7.1	317%	
Earnings per share (cents)	**5.07**	1.22	316%	

Austin's EBITDA margin from continuing operations improved by 92%, with EBITDA increasing by $27.4 million, lifting the EBITDA margin to 15.2% from 7.9% in FY23. The margin improvement was from efficiency and leveraging the Group's low cost of manufacture in Indonesia as revenue grew by 21%.

Labour costs, incorporating both Austin employees and third-party contractors, improved as a percentage of revenue by 2% to the prior year. The APAC region delivered labour efficiencies from the transition of tray production from Australia to Indonesia. Expenditure on **materials and consumables** improved as a percentage of revenue by 3% to FY23 driven by lower steel procurement costs and production efficiencies. Occupancy costs increased in line with revenue growth and includes an additional facility in the US.

Other expenses decreased during the year by $2 million from a reduction in consultancy and other operational costs.

Production operational expenses includes transport, equipment hire and repair costs, which increased in line with revenue.

Other income of $4.2 million included net foreign currency exchange gain of $1.1 million, grant income recognised of $0.6 million and other income of $2.5 million across the sectors.

Depreciation and amortisation costs increased from $7.9 million to $9.1 million from the additional depreciation on right of use asset of $0.3 million from North America, and plant and equipment of $0.8 million from the capitalisation of Austin 2.0 in Indonesia and Perth.

Finance costs decreased from $3.0 million to $2.2 million, attributed to the repayment of the HSBC Mainetec acquisition term loan.

Tax expense represented 18% of profit before tax expense with US, Indonesia and Chile in a tax payable position. This also includes a tax credit of $3 million from Australian carried forward tax losses, Indonesia withholding tax expense of $1.3 million and Singapore tax expense of $1.1 million relating to intercompany Indonesia dividend to repay legacy APAC loans.

Austin reported a loss after tax of $3.6 million from discontinued operations, attributed to the closure of operations in Colombia, Peru, and Canada in the prior years.

Continuing and discontinued operations

Financial Summary		FY24	FY23	FY22
Revenue	$M	**313.2**	258.3	206.0
EBITDA	$M	**45.4**	17.3	29.5
EBITDA margin	%	**14.5%**	6.7%	14.3%
NPAT	$M	**26.1**	2.8	16.8
Earnings per share	c	**4.45**	0.49	2.89
Diluted earnings per share	c	**4.22**	0.45	2.80

The material improvement in FY24 net profit after tax from both continuing and discontinued operations is a positive indicator of the Company's financial health.

This improvement is due to the following factors:

- **Revenue Growth:** There has been a significant increase in revenue across all business sectors. This broad-based growth has contributed directly to net profit.
- **Efficiency Improvements:** The Company has successfully implemented efficiency measures under Austin 2.0, which has led to cost savings.
- **Low-Cost Manufacturing Regions:** By leveraging low-cost manufacturing regions of Indonesia and Chile, the Company has seen production costs reduce.
- **Purchasing Scale:** The Company's scale of operations and the implementation of central steel procurement has enabled Austin to take advantage of economies of scale and reduce the cost of steel purchases across the business.

The strategic decisions and operational efficiency improvements have led to a substantial lift in the net profit after tax for FY24. This reflects positively on the Company's financial performance and its ability to generate shareholder value.

Significant improvement in the Group's cash inflows

Cash flow increased by $20.8 million from continuing operating cash flow $36.6 million (FY23: Group cash flow of $15.8 million). The improvement in cash flow is from strong operational profit conversion from growth and operational efficiency, supported by the management of working capital that saw a reduction in raw materials, while receivables and payables moved in line with revenue growth of 21%.

Cash flow from investing activities is a net outflow of $8.8 million, which includes a deferred Mainetec acquisition payment of $3 million and net capital expenditure of $5.8 million.

The Group paid a dividend of $2.3 million during the year.

Net debt, before considering property leases, moved to a net cash position of $9.6 million as of 30 June 2024, after the repayment of Mainetec term loan of $3.7 million.

Cash of $40.2 million at the end of the period increased by $20 million during the year.

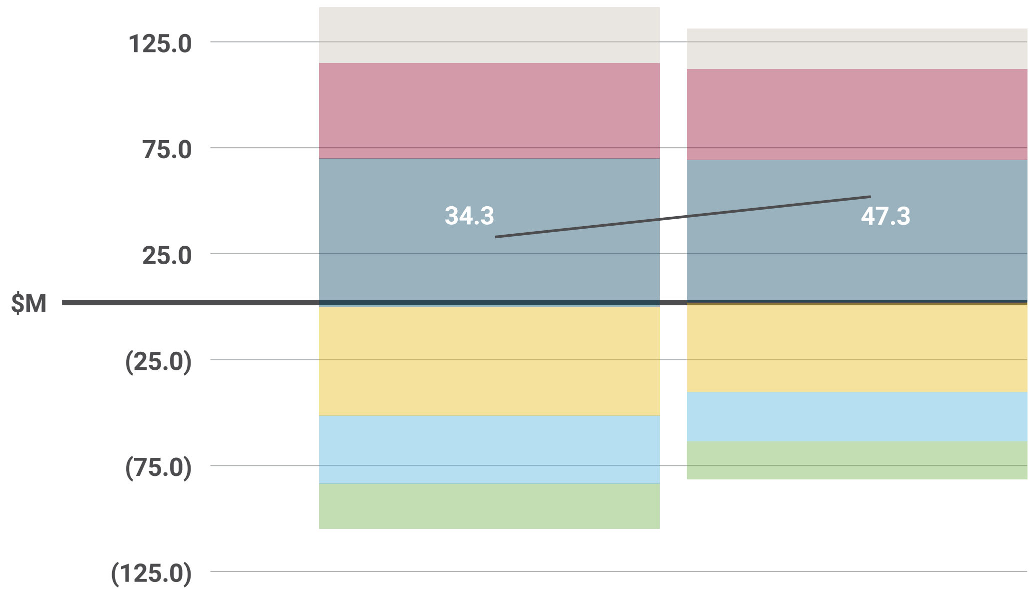
Financial Summary		FY24	FY23	FY22
Cash flow from operations	$M	**36.6**	15.8	4.7
Net investment inflow / (outflow)	$M	**(8.8)**	(20.9)	(8.7)
Gross debt at end of period	$M	**(46.0)**	(55.4)	(36.3)
Cash at end of period	$M	**40.2**	20.1	20.8
Net (debt)/cash at end of period	$M	**(5.8)**	(35.3)	(15.5)
Total gearing ratio	%	**4.3%**	23.6%	12.6%
Bank gross debt at end of period	$M	**(30.6)**	(34.2)	(22.0)
Net bank (debt)/ cash (excl. property leases)	$M	**9.6**	**(14.1)**	**(1.2)**
Bank gearing ratio	%	**0.0%**	11.0%	1.1%

Working capital reduction of $13 million

Net working capital decreased from $47.3 million to $34.3 million at 30 June 2024, attributed to:

- Raw materials reduction of $4.5 million from Chile and Australia.
- Trade and other receivables increasing at a lower rate of 15% compared to revenue growth of 21%.
- Customer advance payments continuing to offset inventory work in progress.
- Trade payables up by 26%, which is broadly in line with revenue growth, driven by steel supplier trading terms that are better aligned to production.

The working capital improvements are contributing to a positive cash flow position for the Company, with less working capital tied up in the day-to-day operations.



	FY24	FY23
Customer advance payments	(22.4)	(19.2)
Other payables	(33.0)	(23.4)
Trade payables	(52.0)	(41.2)
Other receivables	25.3	18.9
Trade receivables	46.0	43.4
Inventory	70.4	68.8
Net working capital	34.3	47.3

sustainability report

2024

Our Sustainability Report 2024 outlines Austin Engineering's progress and achievements on its Environment, Social and Governance (ESG) initiatives and performance. Below is a summary of our progress in FY24 across the business. For more information, please refer to our standalone Sustainability Report 2024, which is available on the ASX and our website.

Guided by our Core Values, our third Sustainability Report demonstrates changes and progress we have made to embed ESG practices into all divisions of our business across the globe.

With operations in four continents, our workforce is diverse and we are committed to providing a safe and inclusive workplace in all of our offices and manufacturing facilities. We expect diligence in safety, operational responsibility, and respectfulness towards each other across all levels of the business at all times.

Sustainability is considered in all facets of our business and operations, including product design and development as decarbonisation and emissions reduction in the mining industry continues to become ever more crucial. Our products are customed designed in conjunction with our customers and their specific requirements. At the forefront of their businesses is sustainability, site and equipment safety, and operational efficiency.

Austin is an engineering and design company and we are responding to these needs through designing lighter-weight products, which use less steel per machine, carry more ore per load, offering reduced fuel usage, tyre wear and overall emissions. We have recorded increased customer interest since launching the lighter weight range of products in FY23.

We have continued to utilise as much steel as possible in manufacturing, negating the need for recycling. Any scrap steel is recycled along with other metal by-products. We recycled 96% of the waste generated across the business globally in FY24.

A new initiative launched in the year has been recycling our plastic wire spools into various products for further use and we commend the team behind this effort, which saw 1,000 kilograms of plastic turned into new useful plastic products.

Austin has been involved in a couple of collaborations in the year. We teamed up with Electric Power Conversions Australia (EPCA) to engineer a tray to sit atop its retrofitted battery electric haul truck. The 100 tonne Cat 777 truck has an 8 hour operating life and has been paired with UON's fast charge technology to create an electric truck that is the first in Australia of its kind.

In Batam, we are a key supplier to Thiess' Rebuild Centre, which is refurbishing haul trucks rather than replacing them. Austin is refurbishing the trucks' chassis to help extend the life of the vehicles.

We have reconfigured our Mainetrack wear monitoring software to attach to trays, in addition to buckets, giving customers more precise intelligence on the wear of our equipment, enabling customers to avoid premature or unnecessary equipment replacement cycles.

The wellbeing and safety of our workforce remains our prime focus. We have continued OH&S training and education across the business and monitored and reported monthly on the effectiveness of our Critical Risk Controls program for Safety, Health and Environment (SHE).

We continue to strive for gender balance and have pleasingly recorded a 12% increase in female representation across our global workforce and a lift in female representation in management positions following the recruitment of some senior leaders through the year. We will continue to strive for gender balance in the organisation.

Supporting communities around our operations has continued through paid and in-kind sponsorship towards initiatives important to our staff and our communities.

We continue to assess ways to improve our ESG performance across the globe for the Austin business and for the operations of our customers and suppliers.

core values

Our Core Values are integral to the working lives of our employees and operations.

SAFETY
First and foremost, always. It's in our hands.

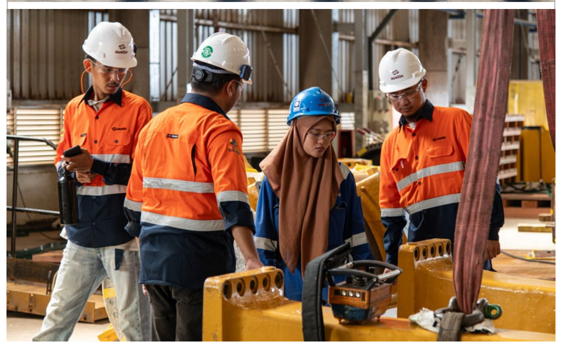
INTEGRITY
We are honest, ethical and genuine.

QUALITY
In everything we do.

INNOVATION
Using technology to deliver for our customers.

ACCOUNTABILITY
We are responsible for our actions and results.

TEAMWORK
Together we make the difference.



sustainability snapshot

Austin is committed to integrating sustainability into every aspect of our operations and decision making. We understand and proactively manage responsibilities around the environment, our products, suppliers, and the communities in which we operate across the globe. This commitment is driven by Austin's Core Values, which are the core of our business and culture.

environment

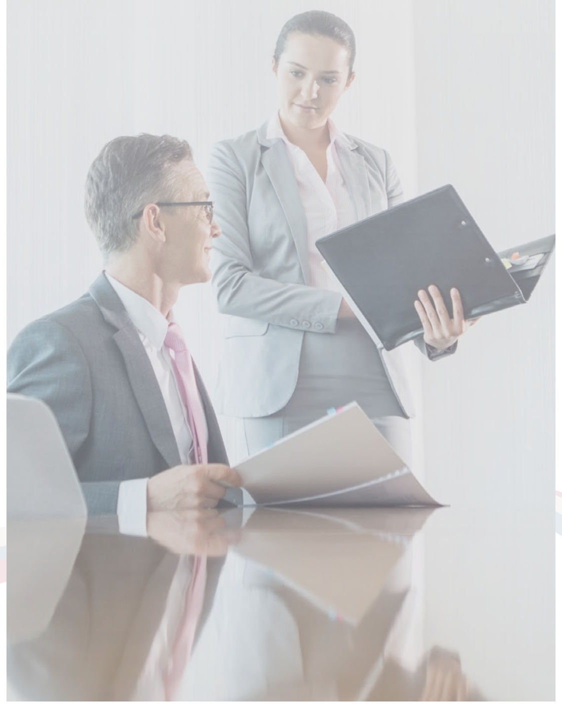
- Manufacturing and sales of lightweight product (HP) range of buckets and trays increased in FY24 year-on-year using less steel, reducing fuel usage, tyre wear, energy use and GHG emissions.
- HP tray data records 25% less sidewall wear, 17% more payload, 10% efficiency improvement.
- Optimised steel utilisation across business at rates of ~80%, reducing need for scrap recycling.
- 96% of waste generated globally was recycled in FY24.
- Recycling of metal by-products continues through various scrap deposit bins located on sites.
- Solar panels incorporated into La Negra (Chile) and planned Casper (Wyoming) facility expansions to deliver renewable energy for manufacturing.
- Austin Perth turned 1,000kg of plastic welding wire spools into recycled products decreasing landfill by up to 5.3m3.
- Mainetrack condition monitoring software enabled on buckets and trays, enabling more precision over replacement needs.
- Austin is a key supplier to Thiess' rebuild program in Batam refurbishing chassis and providing new trays to extend truck life.

social

- Monitored and reported monthly on the effectiveness of our Critical Risk Controls program for SHE.
- 12% increase in female representation across total global workforce, and 9% lift in females in management positions.
- Continued to offer apprenticeship, training and development programs to all staff globally. Includes male and female apprentices.
- Lodgement of Austin's third annual Modern Slavery Statement.
- Development of a Supplier Code of Conduct applicable to all procurement activities.
- Continued to support local communities near to our operations through sponsorships and contributions to enable meaningful outcomes. ~$80,000 in contributions were made in APAC in FY24.
- Extended trial of a nine-day work fortnight for Australian-based corporate teams.

governance

- Continued to reinforce the Company's Whistleblower Policy across the organisation.
- Continued to regularly engage with key stakeholders to determine priority ESG focus areas for them, and to inform our own strategy.
- Continued to update IT policies, procedures and practices including use of company information, personal storage devices, IT systems and IT security.
- Employee cyber security training conducted (where relevant).



environment

Austin is committed to manage and improve the environmental impact of its facilities, operations, products, and corporate office locations to monitor and minimise its carbon footprint. We are guided by best practice procedures, legislative requirements, client and site obligations, and we undertake continued education and training of staff and contractors.

Energy use

Energy use is calculated based on electricity consumption only and does not include the variety of welding gases that are consumed. Many of the welding gases are used as inert shielding gas that improves weld quality and are not generally consumed as part of the welding process. Small volumes of gas are used to preheat steel as part of the preparation for welding, however the combustion of this gas has not been captured. Changes in FY24 energy use are consistent with increases in production related to growth in global sales.

Global Energy Use	FY22	FY23	FY24
Total Energy Consumption (GJ)[1]	26,169	30,245	**36,017**

Greenhouse gas emissions

Our Scope 1 and Scope 2 emissions from energy sources that are controlled by Austin are shown in the table below.

Global GHG emissions	FY22	FY23	FY24
Scope 1 (tonnes CO2-e[2])	3,760	2,394	**2,967**
Scope 2 (tonnes CO2-e)			**8,651**
Total (tonnes Co2-e)			**11,618**

1. The figures for the total energy consumption in FY23 have been reviewed and updated.
2. The figures for Scope 1 in FY23 have been reviewed and updated.

Energy use and greenhouse gas emissions data for the majority of the business is actual for July 2023 to May 2024, with June 2024 being an estimate based on the average of the previous 11 months. FY24 changes in greenhouse gas emissions reflect the inclusion of Scope 2 emissions as well as production increases related to growth in global sales.

Austin tray used in battery converted haul truck

Austin provided one of its lightweight trays for a diesel haul truck that was retrofitted into a full-battery electric vehicle in an alliance with Perth-based Electric Power Conversions Australia (EPCA).

EPCA's vision is to retrofit diesel haul trucks to EVs, with batteries that run for 8-12 hours. The truck offers longer battery life and faster charging, resulting in greater operational efficiency onsite, reduced maintenance and, most importantly, zero net carbon emissions.

The 100t fully electric Cat 777 was showcased at The Electric Mine conference in Perth on 21-23 May 2024, fitted with EPCA's battery and Austin's High Performance truck tray (HPT).

Austin's HPT is a market-leading strong, lightweight truck tray that offers increased payload per tonne of material carried. The wear-resistant HPT also offers reduced maintenance downtime and increased equipment lifespan.

Austin is proud to continue to collaborate on this diesel emission reduction project with EPCA, with this technology enabling the conversion of large haul diesel trucks to electric, but with a greater battery range.

Material efficiency and waste management

Austin's goal is to prevent actions that may have an impact on the environment and implement measures to improve its environmental performance. We do this in a manner consistent with our key business priorities and the expectations and values of the communities around our operations.

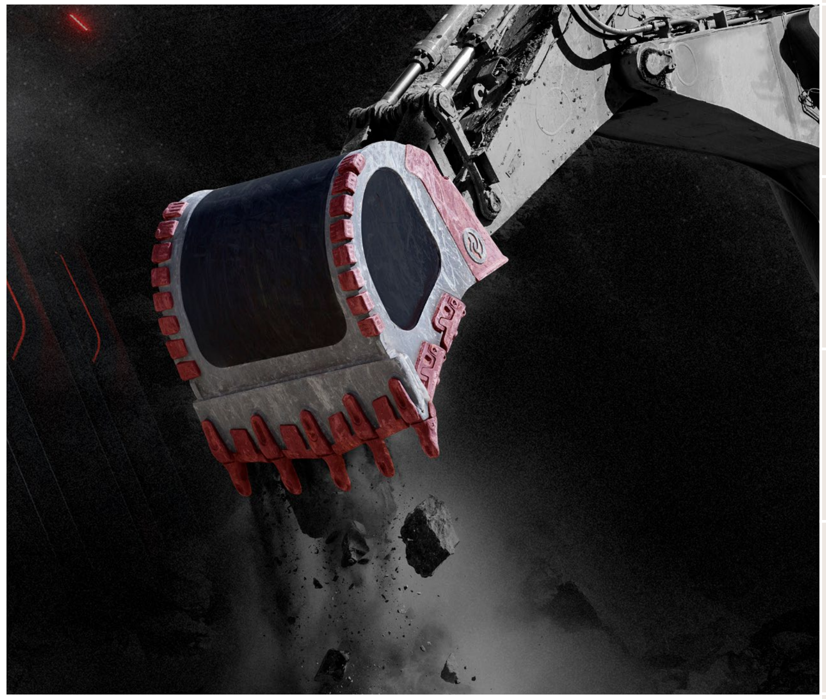
We adhere to our Global Environmental Sustainability Policy (available on our website) on how we will conduct investigations and establish programs to conserve resources and minimise waste.

Material efficiency

We continue to reuse or recycle waste generated during fabrication, maintenance, and repair work. As a priority, we use and reuse steel instead of sending it for recycling, which uses additional energy to reprocess.

Our steel utilisation across the business in FY24 was ~80%.

In FY24 we expanded our recycling program for the plastic spools that hold welding wire. Austin Perth has so far turned 1,000kg of plastic welding wire spools into recycled products decreasing landfill by up to 5.3m3. The welding spools become alternative use products, such as floor drains and mounting hardware.



Waste management

Internationally, Austin recycled 96% of the waste generated in FY24, with the Chilean operation recycling an exceptional 98% of waste.

While Austin keeps metal recycling to a minimum, any waste metal by-products are allocated to scrap deposit bins installed at its sites for recycling.

Waste generated at Austin's manufacturing facilities include ferrous metal, concrete (only limited amounts), timber, gyprock (occasionally), paper, cardboard, and plastic.

Under its current program, Austin recycles: steel, concrete, timber, some plastics (including welding spools), paper and cardboard.

Global Waste Data Emissions	FY22	FY23	FY24
Total waste generated (Tonnes)	3,385	4,259	**5,559**
Waste recycled (Tonnes)	3,077	3,932	**5,313**

Welding Wire Plastic Spool Recycling

Challenge

Austin Engineering's Perth operations have in excess of 12,000 plastic welding wire spools a year leftover after the wire has been deployed in the manufacturing of products at its facility. This results in around 8,400kg (8.4ton) of plastic wastage per annum. Historically, the used spools have been placed in general waste bins and sent to landfill. The majority of these spools still retained small amounts of unused welding wire. The leftover spools also took up valuable space in the general waste bins, requiring the bins to be emptied on a more regular basis, resulting in additional costs.

Austin's Solution

Austin identified a suitable Perth-based plastics recycling service provider that could take approximately 12,000 used plastic welding wire spools from our Perth site and repurpose them into new plastic products.

In 2024, Austin Perth turned 1,000kg (1 tonne) of plastic welding wire spools into recycled products decreasing landfill by up to 5.3 square metres. It also considerably helps to reduce land and water pollution and aids waste management.

Outcomes Achieved

A local Perth-based small recycling business was sourced that could repurpose the used plastic welding wire spools.

Recycled plastic products include:

- Plastic packers used for spacers on the installation of UTE canopies.
- Plastic drainage grates.
- Small plastic chairs used for packaging.

As result of recycling, used plastics spools in Perth, the amount of energy and resources (such as water, petroleum and natural gases) needed to create plastic have been reduced.

social

Austin is dedicated to the health and safety of our people, providing an inclusive and respectful workplace to enable our employees to thrive. We have forged strong relationships in the communities in which we operate, and contribute to those communities through employment, supplier opportunities and social investment.

Health, safety, and wellbeing

Austin is a global firm with a diverse workforce based across its operations in Australia, Indonesia, North and South America.

We prioritise employee health and safety and are committed to providing an inclusive and respectful environment for our teams.

We want to attract and retain a diverse and skilled workforce and offer a number of internal and external training and development programs to enable staff to thrive and succeed.

Health and safety

As an engineering and manufacturing company, our Safety, Health and Environment (SHE) teams are dedicated identifying and managing health and safety risks to ensure our staff, contractors and site visitors are kept safe every single day.

Austin has built, and champions, a strong safety culture amongst all levels of our organisation. The team mentality around health and safety is evident with all staff encouraged to contribute to our health, safety, and wellbeing initiatives.

To measure SHE performance, we report monthly on the effectiveness of our Critical Risk Controls program for SHE and strive to continue to improve.

Austin ensures its staff has the knowledge, skills, and leadership support to always work safely through the following actions:

- Actively facilitating engagement and effective collaboration between all levels and all parts of the organisation.
- Ensuring that our leaders and supervisors are committed to fostering an environment of continuous learning and improvement, through humble enquiry and active operational learning.
- Supporting each other for our own health and safety, as well as that of those around us.
- Encouraging and recognising learning and innovation contributions to our health and safety performance.
- Focusing on the reduction of exposures to hazards where possible and the prevention of serious injuries through the use of our LIFE Saving Controls.
- Rigorously identifying and discuss goal conflicts, and remove barriers to safe work, even in the light of other priorities.
- Using appropriate systems and establishing common SHE standards.
- Promptly reporting all incidents and performance to responsible Company personnel and appropriate government and regulatory agencies.
- Maintaining our facilities and equipment at an appropriate standard that enables a safe and healthy working environment.

Aluminium welding screens

Encouraging employee innovations

We wholly embrace innovations to enhance safety in our operations. So, when one of our boilermakers, William Barron, came up with a solution to make our welding screens more efficient, he had our full support.

In our Kewdale workshop, there is a need to weld several buckets simultaneously. To enable this, a screen made of metal is used, acting as a barrier between our welders. William suggested this could be made more efficient by mounting the welding guard onto a magnet instead of regularly having to cut and weld new screens.

The team progressed this idea, deciding to construct a new version of our welding screen out of aluminium, attached to a magnet. The new welding screen was tested, ensuring it was fit for purpose, and feedback from our team was positive.

The use of aluminium welding screens has streamlined our job processes, reduced material costs, and lowered the risk of accidents during welding by removing the need to cut steel for welding screens. Well done, William!

Magnet used to secure the screen

Employee management

Austin is committed to providing a safe and inclusive workplace for all of our employees and contractors. Staff safety and wellbeing is our top priority.

We want to foster a workplace that encourages diversity and inclusion, and appropriate and respectful behaviour at all times. We also seek to provide opportunities for our employees to grow and develop their skills and retain them in the business.

At Austin, we offer our employees the following:

- Career development including apprenticeships and traineeships. We aim to build our staff and provide opportunities for them to become leaders.
- Employee benefits including discounts with many retailers through our 'Buckets, Bodies and Benefits' (BBB) employee benefit program.
- Reward and recognition initiatives to employees across the globe to recognise the hard work and successes of our employees. These include the Austin Excellence Awards, Worker of the Week, and Safety Worker of the Month awards.
- Our Employee Assistance Program (EAP) provides confidential support services to employees and their immediate families.
- Flexible working arrangements, including working from home arrangements where possible and compressed working week initiatives for our trade-based employees. A nine-day fortnight roster trialled with finance teams in Australia has been extended and widened to incorporate all Australian corporate staff as a flexible working arrangement.

Employee profile

At 30 June 2024, our total workforce (employees and contractors) was 1446 an increase of 30% on FY23.

We have continued to build our staff base on the back of expansions to capacity at our facilities in Batam, Perth, and Chile-based operations.

Diversity and Inclusion

As a global company, Austin values diversity, is committed to providing a safe, inclusive, and diverse workplace, and recognises that diversity needs to be representative of the communities in which it operates. Diversity refers to the variety of skills, abilities, experiences, and cultural backgrounds that enable individuals to achieve superior business and personal results. Austin recognises that diversity brings a variety of benefits, including improved performance. In keeping with Austin's commitment to equal opportunity and workplace diversity, Austin provides a workplace that is free of discrimination and hostility on the basis of gender, race, religion, ethnicity, national origin, age, disability, marital status, family responsibilities, pregnancy, sexual orientation, political conviction, or trade union membership. Creating and maintaining an environment that promotes diversity and is free of harassment and discrimination is the responsibility of every Austin employee.

The Company's Diversity Policy is available on its website and supports the Board to set and report against measurable diversity targets, including targets in relation to gender diversity.

Community partnerships and investment

Austin participates in the local communities surrounding its facilities and is proud to contribute to community development through projects and sponsorships.

We seek to identify community sponsorships and partnerships that align with the interests of local communities close to our operations, in addition to larger projects that provide strong synergies with Austin's Core Values.

In FY24, we have made voluntary contributions, in-kind support, and allocated funding to projects. In APAC, Austin contributed $80,000 to various community organisations and programs including the Harry Perkins Institute, WA Blind and Vision Impaired Golf Association, and the Citramas Foundation in Indonesia where Austin funded medical checkups for 1,500 toddlers in the Nongsa district area.

Support to community organisations include:

- Sponsorship for projects or programs that aim to meet a specific community need and align with one or more of its Core Values;
- Support for local sporting or community organisations in locations where Austin has operations;
- In-kind support for community organisations in locations where Austin has operations; and
- Support for employees' community fundraising activities.

This year, we've significantly widened out association with the Clontarf Foundation that supports and improves education, skills, employment prospects and confidence of young Aboriginal and Torres Strait Islander men.

GROUP OVERVIEW
CHAIRS LETTER
MD's REPORT
OPERATIONAL REVIEW
FINANCIAL REVIEW
SUSTAINABILITY REPORT
RISK MANAGEMENT
DIRECTORS' REPORT
AUDITORS DECLARATION
FINANCIAL STATEMENTS
AUDITORS REPORT
SHAREHOLDER INFORMATION
COMPANY INFORMATION

Under our sponsorship, we will create work experience opportunities at our operations, and employment pathways for students into Austin (see Case Study).

In Chile, Austin is providing work experience opportunities for university and technical college students for the professional practice components of their studies.

Additionally, our Employee Assistance Provider, Access Wellbeing, is a social enterprise that returns all operating surplus into community welfare initiatives to support local community programs throughout Western Australia, tackling homelessness, family and relationship breakdown, financial difficulties, substance misuse and domestic violence.

Austin North America is proudly using heavy equipment manufacturer, Weldco-Beales Manufacturing, as a sub supplier in Canada. Weldco is wholly indigenous, owned by Inuvialuit Development Corporation.

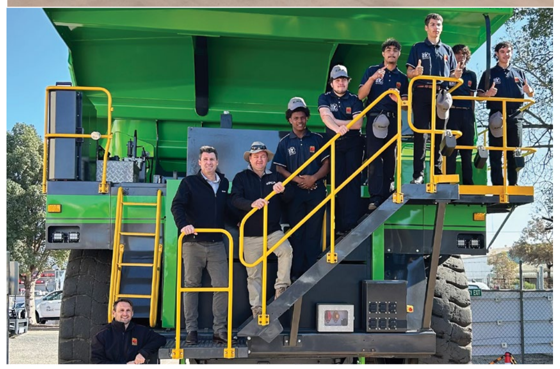
Supporting career pathways for young Indigenous men

We are a proud ongoing supporter of the Clontarf Foundation whose national program aims to improve the education, self-esteem, life skills and employment prospects of young Aboriginal and Torres Strait Islander men. The program is delivered through the Foundation's network of Academies, partnering with businesses and 162 schools across all mainland Australian states and territories.

The Foundation's staff mentor and counsel its 11,000 young Indigenous members on a range of behavioural and lifestyle issues while the partner schools cater for their student's educational needs. An important part of this mentorship is providing opportunities with the Foundation's corporate partners, such as Austin, for students to experience new environments, practice their social skills and enhance their understanding of the employment opportunities available to them. The overall aim is to see these students graduate high school and move into supportive and engaging career pathways.

Whilst the partnership between Austin and the Foundation has national application, the initial focus has been to concentrate its impact on the Belmont and Swan View Academies in Western Australia and the Mackay Academy in Queensland, close to our operations.

We are working closely with the Foundation to create work experience opportunities and host career days for students at these locations. We are proud to have a diverse and inclusive workplace where everyone has a chance to succeed, so we will also aim to establish an apprenticeship program for the Foundation's students.



governance

Austin is committed to demonstrating the highest standards of corporate governance – it is the foundation of stakeholders' trust in our business.

Business ethics and transparency

Integrity is one of Austin's six Core Values, and our Directors and employees share a collective commitment to act with integrity, accountability, and transparency always. Our organisational behaviour is guided by the Corporate Code of Conduct and Anti-Bribery and Anti- Corruption policy, which are available on our website.

Austin's approach to bribery and corruption is supported by our Whistleblower Policy. The Company has a number of channels for making a report, including an Austin email address dedicated to stakeholders to write if they would like to report actual or suspected unlawful, unethical or irresponsible behaviour in a confidential manner.

Business ethics and transparency

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Cyber security

Austin has robust technology-based internal systems in place to protect its IP, and also the data of its customers and suppliers across the globe. It is critical for Austin's business stability to protect it from threats such as cyber-attacks, data security breaches, theft of money, intellectual property, or other assets.

Austin has developed and continues to update its IT policies, procedures and practices including the use of company information, personal storage devices, IT systems and IT security. To mitigate these risks, Austin maintains ongoing employee training and education for users in all of our locations. All users accessing an Austin IT service complete mandatory cyber security training. Austin runs cyber training every month for all staff globally. In the event of a cyber event, the data breach response and recovery plan and/or business continuity plan will be activated to respond to, and mitigate, the effects of such events. The Austin Board is briefed on cyber security on a regular basis.

Austin conducts training among relevant employees to help detect alleged incidents of theft from the business and ensures these employees feel safe to report them appropriately via Austin's Whistleblower Policy.

The Austin Engineering Global IT Framework, Policy and Standards provides the policies, and procedures for all global business units to manage all its information platforms, risks, and systems access. These controls and policies, support consistent delivery to manage data loss prevention, system monitoring, security, response, and remediation capability, in how cyber threat management is globally delivered.

Austin follows the international IT standard ISO27001 to support policies, and changes. We adopt the NIST Cybersecurity Framework for cyber maturity. Essential 8 is employed as controls for regulatory business alignment.

In the current year, Austin continued to improve and make significant changes to its network and IT operations. These changes are to support the continual change seen in Cyber, ensuring we stay abreast and advanced for a global business network. These changes are part of our regular internal monitoring, as we continually monitor and report. These processes are to provide continuous improvement in how we provide security and data protection services. Austin had no data breaches and incidents in FY24.

risk management

Austin's Enterprise Risk Management Standard underpins and drives the identification, management, and mitigation of risk, which in turn creates a risk-aware corporate culture. Key risks are periodically reviewed and reported to the Audit and Risk Committee, and to the Board.

The key risks to Austin's ability to successfully operate a global business, grow and remain cost competitive, and the strategies devised to mitigate these risks are summarised below.

economic risk

As a global organisation, Austin's revenue and earnings are influenced by a range of factors including commodity prices, fluctuating freight costs, and exchange rates. Reduced demand for commodity inputs (including iron ore and metallurgical coal) can lead to a decrease in demand for new and replacement equipment by our customers.

Austin manages commodity price risk by engaging with our customers to plan replacement cycles well ahead of time, whilst allowing our customers flexibility on product supply timelines. Diversification across similar markets using mining equipment on a large scale in numerous geographical locations supports the management of these exposures.

Since a significant portion of our sales and operating costs are realised in foreign currencies, foreign currency rate fluctuations can impact our financial results both negatively and positively. In addition to the diversification strategy, Austin seeks to standardise commercial terms for all new contracts. These factors assist Austin in mitigating the impact of any material slowdown in economic activity and/or increased competitive conditions.

cyber security and IT risk

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

Austin has developed, and continues to update, its IT policies, procedures and practices including the unauthorised use of proprietary company information, personal devices, IT systems and IT security. To mitigate these risks, Austin maintains ongoing mandatory employee training and education for users in all of our locations. In FY24 Austin continued with the implementation of systems for the transfer of data and back-up to eliminate risk of data loss through system failure or data theft. In the event of a cyber event, the data breach response and recovery plan will be activated to respond to, and mitigate, the effects of such events. The Board is briefed on cyber security on a regular basis.

people risk

The ongoing shortage of skilled labour in some locations continues to place pressure on our ability to attract, grow and retain critical and diverse talent in those workforces. Austin aims to mitigate risks through remunerating competitively in relevant employment markets, identification of critical roles, and the implementation of succession and retention plans. Efforts are continuing to support, attract and develop skilled labour through apprenticeship programs and work experience programs, particularly in engineering.

health & safety risk

We manufacture our products in locations globally and the operational risks associated with the manufacture of large truck bodies, buckets and other large equipment require vigilant safety management across the organisation. Austin has a no risk tolerance for activities that may cause injury or loss of life. Austin has a comprehensive Occupational Health and Safety management system in place, designed to ensure proactive health and safety risk identification, mitigation and management strategies are employed at all times across all our locations. Austin remains committed to refine and improve safety management practices already adopted in all workplaces.

regulatory & compliance risk

Austin's businesses operate in different jurisdictions and are subject to various legal frameworks, laws and regulations including, but not limited to, anti-bribery and anti-corruption, sanctions regimes and anti-trust laws, as well as domestic and international laws. Risks of non-compliance or breach of local and international laws includes, amongst other impacts, damage to Austin's reputation. Changes in laws and government policy in Australia or elsewhere may affect Austin's operations, assets, contracts, and profitability. To monitor changes to laws and identify regulatory risks, Austin engages industry associations and regulatory bodies, consultants, and other advisors to provide independent advisory services. Risk mitigation efforts include internal legal resourcing and the implementation of contractual requirements for significant suppliers' compliance with all laws.

In FY24, Austin implemented a revised employee Code of Conduct and developed a supplier Code of Conduct to ensure that all employees and suppliers understand the Company's compliance requirements.

strategic risk

Austin is continually pursuing business growth opportunities and critically evaluating strategic alternatives for long-term sustainability of the production of high-quality products for its customers. To address identified production restraints, in FY24 Austin completed expansions of its Chilean and Indonesian facilities to accommodate increased work levels. An expansion to the US facility has been approved and work is anticipated to commence in FY25. In FY24 Austin commenced business growth activities in India, Africa and Europe.

innovation risk

Austin prides itself on bespoke design and engineering solutions that meet customers' needs around product capability and performance. Delivering innovative solutions to our customers is key to our continued success. Technology and innovation within our designs and products helps Austin to stay competitive and differentiates us from our competitors. Price, quality, delivery, technological innovation and engineering development are the primary elements of competition in our market.

Risks to our innovation advantage are addressed across the business by attracting the best people, ensuring protection through intellectual property, and investing in future operations. Austin has developed and implemented a global advanced manufacturing plant to upgrade manufacturing and processes, using the latest technology and innovation to streamline and increase production, as well as improve quality.

supply chain risk

Timely and cost-effective supply of steel continues to represent a risk to Austin's ability to manufacture our products. Austin is reliant on a few strategic global suppliers for the quantities and quality of steel we require for production. Market protectionism, tariffs and fluctuating freight costs continue to pose a risk to the secure ongoing supply of cost-effective steel.

Austin incorporates forecasting on a rolling basis enabling scenario planning and some supply flexibility. To address these risks, strategies have been developed to implement a centralised bulk steel purchasing program to aggregate steel requirements for all business divisions, including the implementation of a global quality assurance system, to greatly improve Austin's competitiveness and ensure steel supply stability with major steel mills.

directors' report
including remuneration report

The Directors present their report, together with the financial statements, on the Consolidated entity (referred to hereafter as the 'Group' or the 'Consolidated Entity') consisting of Austin Engineering Limited (referred to hereafter as the 'parent entity' or 'the Company') and the entities it controlled at the end of, or during, the year ended 30 June 2024.

Directors

The following persons were Directors of the Company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Jim Walker	Chair, Non-Executive Director
David Singleton	Managing Director and Chief Executive Officer
Chris Indermaur	Non-Executive Director
Sybrandt van Dyk	Non-Executive Director
Linda O'Farrell	Non-Executive Director

Principal Activities

The principal activities of the Group during the financial year were the manufacture, repair, overhaul and supply of mining attachment products and other associated products and services for the industrial and resources-related business sectors.

Dividends

A fully-franked interim dividend of 0.4 cents per share was declared on 27 February 2024 and was paid to holders of fully paid ordinary shares on 8 April 2024. The Company will be paying a fully franked 0.8 cents per share final dividend to holders of fully paid ordinary shares on 7 October 2024.

Review of operations and results

The profit for the Group after providing for income tax amounted to $29.694 million (2023: $7.115 million profit after tax) from continuing operations.

The net profit after tax for the Group from continuing and discontinued operations amounted to $26.082 million (2023: $2.849 million).

A review of and information about the operations of the Group during the financial year and of the results of those operations is contained on pages 10 to 22 which form part of this Directors' report.

Significant changes in the state of affairs

Other than previously discussed, there were no significant changes in the state of affairs of the Group during the year.

Events after the reporting date

On 1 July 2024, the Company announced that it has reviewed and agreed a revised remuneration package for Austin's CEO and Managing Director, David Singleton, for the financial year ending 30 June 2025. Furthermore, that Mr Singleton had advised of his intention to remain as Austin's CEO and Managing Director until the end of FY25, after which time he has indicated an intention to retire from his executive position. Ending his tenure at the end of FY25 will permit sufficient time for a handover of the role and responsibilities to his successor, Mr Sybrandt Van Dyk. Mr Van Dyk will begin a handover period with Mr Singleton on 1 May 2025, officially commencing as CEO and Managing Director on 1 July 2025.

Likely developments and expected results of operations

Likely developments in the operations of the Group in future financial years and the expected results of those operations have been included generally within the financial report and on pages 57 to 105.

Information on directors

Jim Walker
Independent Non-Executive Chair

Experience and Expertise
Mr Jim Walker has been the Chair of Austin Engineering Ltd since July 2016. Jim has over 45 years of experience in the resources sector. Jim was formerly Chair of MLG Oz Ltd, Mader Group Limited, Australian Potash Limited, Macmahon Holdings Limited, Non-Executive Director of Programmed Maintenance Services Limited and Chief Executive Officer of WesTrac Pty Limited.

Qualifications
GAICD, FAIM

Directorships held in other listed entities
None.

Former directorships in last 3 years
Australian Potash Limited from 15 August 2018 to 16 December 2021.

Mader Group Limited from 1 January 2019 to 21 April 2023.

MLG Oz Limited from 30 April 2021 to 21 April 2023.

Special responsibilities
Member of the Audit and Risk Committee
Member of the Safety Committee
Member of the Nomination and Remuneration Committee.

Interest in shares, options and performance rights.
166,000 ordinary shares.

David Singleton
Managing Director and Chief Executive Officer

Experience and Expertise
David Singleton has been a Non-Executive Director since April 2019 and was appointed the interim Chief Executive Officer on 25 June 2021, and subsequently the Managing Director and Chief Executive Officer on 14 July 2021. David was recently the Chief Executive Officer and Managing Director of Austal Limited. Prior to this, David was Chief Executive Officer and Managing Director of mineral explorer, Poseidon Nickel and engineering and project services contractor of, Clough Limited. He has vast international business experience gained in senior executive roles in Europe and the USA. He was the Group Head of Strategy, Mergers and Acquisitions for BAE Systems based in London and spent three years as CEO of Alenia Marconi Systems, based in Italy. David has served as a member of the National Defence Industries Council in the United Kingdom, and as a board member and Vice-President (Defence) of Intellect, a leading trade association for the UK technology industry.

Qualifications
Honours degree in Mechanical Engineering from University College London and Honorary Doctor of Engineering, Edith Cowan University.

Directorships held in other listed entities
None.

Former directorships in last 3 years
Managing Director of Austal Limited from 4 April 2016 to 31 December 2020.

Special responsibilities
None

Interest in shares, options and performance rights.
318,685 ordinary shares
42,900,000 options

Chris Indermaur
Independent Non-Executive Director

Experience and Expertise
A Non-Executive Director since July 2016, Chris Indermaur has over 30 years of experience in large Australian companies in engineering and commercial roles. He is currently a Non-Executive Director of Austal Limited and Mayur Resources Limited. Chris was formerly the Engineering and Contracts Manager for the QNI Nickel Refinery at Yabulu, Company Secretary for QAL and General Manager for Strategy and Development at Alinta Limited. Chris previously held board positions at Poseidon Nickel Limited and Medibio Limited.

Qualifications
Bachelor of Engineering (Mechanical), Graduate Diploma of Engineering (Chemical), Curtin University; Bachelor of Laws, Master of Laws, QUT; Graduate Diploma in Legal Practice, ANU.

Directorships held in other listed entities
Austal Limited from 19 October 2018 and Mayur Resources Limited from 16 September 2021.

Former directorships in last 3 years
None.

Special responsibilities
Chair of the Safety Committee
Member of the Audit and Risk Committee
Member of the Nomination and Remuneration Committee.

Interest in shares, options and performance rights.
200,000 ordinary shares.

Sybrandt van Dyk
Independent Non-Executive Director

Experience and Expertise
A Non-Executive Director since February 2018, Sybrandt van Dyk brings over 30 years of experience primarily within the resources sector. Sybrandt is currently the President of Perenti's Drilling Services Division. He was Chief Executive Officer and Managing Director of DDH1 Ltd prior to its acquisition by Perenti in 2023. He has held the role of CEO and, prior to that, CFO of contract mining company Macmahon Holdings Limited. Sybrandt has also held a number of senior operational roles, including Chief Operating Officer Western Australia and Chief Financial Officer of mining equipment distributor WesTrac Group. Prior to WesTrac Group, Sybrandt's career spanned a number of senior positions within Kimberly-Clark, South Africa.

Qualifications
Bachelor of Commerce (Hons), University of South Africa, Member of The Institute of Chartered Accountants Australia and New Zealand.

Directorships held in other listed entities
None.

Information on directors
(continued)

Former directorships in last 3 years
Managing Director of DDH1 Limited from 8 February 2021 to 6 October 2023.

Special responsibilities
Chair of the Audit and Risk Committee
Member of the Nomination and Remuneration Committee
Member of the Safety Committee.

Interest in shares, options and performance rights.
213,500 ordinary shares.

Linda O’Farrell

Independent Non-Executive Director

Experience and Expertise
A Non-Executive Director since September 2022, Linda is a senior executive with extensive experience in the global resources sector. Linda is the founder of Go Higher Pty Ltd, a purpose driven consultancy inspiring companies and leaders to go higher and transform culture and contribution and was recently Director-Fortescue People at Fortescue Metals Group Ltd. Linda has shaped people and culture strategy for leading companies including Newcrest, BHP, Mount Gibson Iron and led the People and People Operations teams for Fortescue Metals Group (FMG), during a period of rapid growth both in the metals and energy business from 2013 to 2022. Linda is also the Chair of Remsmart and is on the Board of Lifeline Australia and the board of the Australian Institute of Management Western Australia.

Qualifications
Bachelor of Economics (Honours in Industrial Relations) from the University of Western Australia; Member of the Australian Institute of Company Directors and Chief Executive Women.

Directorships held in other listed entities
None.

Former directorships in last 3 years
None.

Special responsibilities
Chair of the Nomination and Remuneration Committee
Member of the Audit and Risk Committee
Member of the Safety Committee.

Interest in shares, options and performance rights.
Nil.

Information on company secretary

Katina Nadebaum

Company Secretary B.Comm, CA, AICD

Experience and Expertise
Katina Nadebaum joined the Company in April 2021 as Company Secretary. She is a Chartered Accountant and Company Secretary, with 20 years’ experience in company secretarial roles. Katina has held the position of Company Secretary with various ASX-listed companies, including Programmed Maintenance Services Limited and Macmahon Holdings Limited. She has also worked as a Chartered Accountant in public practice where she provided corporate and company secretarial advice.

Corporate governance statement

Austin Engineering Limited 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 Company complies with the Australian Securities Exchange Corporate Governance Council’s Corporate Governance Principles and Recommendations 4th Edition (‘the ASX Principles’).

The 2024 Corporate Governance Statement, which is available at www.austineng.com, reflects the corporate governance practices in place throughout the 2024 financial year.

Meetings of directors

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

	Standard Board Meetings		Special Board Meetings[1]		Audit & Risk Committee		Nomination & Remuneration Committee		Safety Committee		Other Committees[C]	
Name	A	B	A	B	A	B	A	B	A	B	A	B
J Walker	7	7	2	2	4	4	3	3	4	4	1	1
D Singleton	7	7	2	2	4	4	3	3	4	4	2	2
C Indermaur	7	7	2	2	4	4	3	3	4	4	1	1
S van Dyk	7	7	2	2	4	4	3	3	4	4	1	1
L O’Farrell	7	7	2	2	4	4	3	3	4	4	1	1

1. Special Board meeting was held during the financial year due to corporate activities.

Notes:
A. Number of meetings held during the time the Director held office during the year or was a member of the relevant committee.
B. Number of meetings attended by Director.
C. Other Committees includes sub-committees of the Board.

Message from the Chair of the Nomination & Remuneration Committee

Dear Shareholders,

As Chair of Remuneration Committee, and on behalf of the Board, I am pleased to present to you the Remuneration Report for the Financial Year Ended 30 June 2024 (Report).

This Report marks the conclusion of a specific remuneration cycle for Austin that began with the long-term incentives set on appointment of David Singleton as the Chief Executive Officer (CEO) and Managing Director in July 2021.

We are very pleased with the outcomes achieved over this cycle, with share price growth for Austin of 261% since 14 July 2021, against the ASX Emerging Companies Index being down 7.88% for the same period (Austin is a constituent of this index). All long-term incentives issued to the CEO have now vested,

given the significant outperformance against the targets set.

Review of 2021 remuneration structure

When considering how to structure the long-term incentives for the incoming CEO in mid-2021, Austin was clearly at a crossroads. The Company had excellent products, and a strong customer base, but had struggled to deliver meaningful margins and returns for shareholders for many years.

The Board was determined to change this and structured a remuneration package to reflect this aim. The total value of the remuneration plan for the incoming CEO was benchmarked by a leading external consultant but was structured differently such that much of it was put at risk.

The changes compared to the previous CEO were as follows:

- Base pay was set at $250,000, which was less than half of the previous CEO.
- Remuneration was fixed for three (3) years with no CPI adjustment.
- There was no short-term incentive (STI) plan.
- There was no issue of annual performance rights as would be normal for a position of this type.

The value of the package foregone was instead used to purchase share options struck at the share price at the time of 13 cents. Each share option was valued by an external consultant using the vesting conditions proposed (tenure and share price hurdles) and this was used to calculate the number of options awarded to the incoming CEO[1]. Vesting was set out over the coming three years up until 30 June 2024. The tiers for the LTI were set at respectively 143%, 171% and 200% of the then current share price.

1. Refer to ASX announcement dated 14 July 2021: Appointment of CEO and Managing Director

Shareholder feedback on the remuneration structure has been positive. In approving the initial LTI issue, shareholder votes cast in favour were 94.13%. These high approval rates continued in the FY22 and FY23 Remuneration Reports, where only 0.34% and 5.8% of votes were cast against respectively. The direct feedback we have received from major shareholders matches this sentiment, with shareholders generally very supportive of the package structure which was seen to be very aligned to shareholders objectives. We have also consistently offered engagement with the major proxy advisory firms to discuss remuneration.

Performance and feedback over the remuneration cycle

Looking at performance over the cycle, as well as the referenced TSR, Austin has seen NPAT growth of 98%, revenue growth of 17% and EBITDA margins improved from 7% to 15% from continuing operations over Mr Singleton’s tenure.

Just as importantly, the CEO’s consistent Austin 2.0 strategy has had time to be well entrenched within the business. In parallel, the Board and CEO have also ensured that the systems and processes necessary for the business to prosper in the long term have been, and continue to be, put into place. This includes a more integrated business approach across the different regions, return to profitability of units that had been operating below par, development of the leadership across the Group through succession planning and improving bench strength, and an overhaul of the IT systems necessary to run a well-managed and secure organisation.

In addition to the usual market rates of base salary, both the current COO and CFO had their incentive packages structured with a similar objective to that of the CEO in order to create clear alignment amongst the senior executive team.[2,3]

In the view of the Board, the remuneration plan has delivered a strong outcome for our shareholders. The plan itself was conceived at a time when the Board considered that an overhaul of the business strategy was required following a period of lacklustre performance and there is no doubt that performance of the business has improved dramatically.

Remuneration practices in coming periods

The CEO has indicated his intention to retire by the end of FY25.

This has given the Board sufficient time to put in place a succession plan for his replacement as we focus on the next stage of development for the company.

Given that the previous remuneration plan has come to an end, a new one-year plan has determined.[4] This plan includes a market-based fixed cash remuneration for the CEO, which has again been benchmarked by an external consultant, and a short-term incentive (STI) against Board set objectives outlined in the relevant ASX announcement.

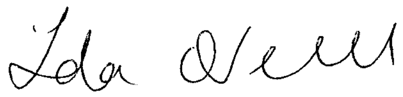
Given the limited tenure of the CEO, no long-term incentives (LTIs) have been issued. The maximum STI that can be awarded to the CEO has been set at 45% of base pay, with a strong performance incentive remaining a key feature of the plan.

Austin announced post period end (23 July 2024) the appointment of Sybrandt Van Dyk as the incoming CEO, along with details of the remuneration package for Mr Van Dyk. Full details will be covered in the remuneration report for the forthcoming year (or are available in the ASX announcement). Given the strong position of Austin post implementation of the Austin 2.0 strategy, the structure of the remuneration arrangements are more reflective of benchmarked market practice, given less need to drive a specific, turn around linked outcome. Mr Van Dyk has a market commensurate base salary, a capped STI and an LTI in the form of Options.

More broadly, we have commenced an activity to bring a single grading system to the group to ensure we remain competitive in all of the regions we operate in. The activity is being informed by an external remuneration consultancy and is due to be completed and implemented progressively through the new financial year.

2. Refer to ASX announcement dated 28 August 2023: 2023 Annual Report
3. Refer to ASX announcement dated 12 January 2023: ANG strengthens Mgmt Team, increases North American focus
4. Refer to ASX announcement dated 1 July 2024: CEO and Managing Director Arrangements

Our objective is to ensure that we have appropriately strong management and operational teams across the Company and that our pay and incentive systems are aligned to the direction of the Company and the needs of our shareholders. In particular, we are focused on ensuring we have a high-quality global workforce and leadership capable of further growing the Austin business.



Linda O’Farrell
Chair of the Nomination and Remuneration Committee

Audited remuneration report

This audited Remuneration Report (‘Report’) sets out information about the remuneration of the key management personnel (KMP) as defined by and in accordance with the requirement of the Corporations Act 2001 (the Act) and its regulations for the financial year ended 30 June 2024. The Report forms part of the Directors’ Report for the year ended 30 June 2024.

Key management personnel

The KMP during the 30 June 2024 financial year are set out below:

Name	Position
James (Jim) Walker	Non-Executive Chair
Christopher Indermaur	Non-Executive Director
Linda O’Farrell	Non-Executive Director
Sybrandt van Dyk	Non-Executive Director
David Singleton	Managing Director and Chief Executive Officer
Vincent D’Rozario	Chief Operating Officer
David Bonomini	Chief Financial Officer

1. Executive remuneration

Principles used to determine the nature and amount of remuneration

The objective of the Group’s remuneration policy is to ensure it is competitive and appropriate for the results delivered. The remuneration of executive KMP is reviewed annually by the Board through a process that considers individual and overall performance of the Group. In addition, external advisors and industry surveys may be used to ensure the KMP’s remuneration is competitive with the market and relevant industry peers. Korn Ferry, a globally recognised remuneration consultant was last engaged by the Group in January 2024. The policy attempts to align executive reward with the achievement of strategic objectives and the creation of value for shareholders. The major features are:

- Economic profit is a core component;
- Attract and retain high quality executives;
- Reward capability and experience;
- Reflect competitive rewards for contributing to growth in shareholder’s wealth; and
- Provide recognition for contribution.

Base pay and benefits

The fixed remuneration paid to executive KMP is based on the size and scope of their role, knowledge and experience, market benchmarks for that role, and to some extent the Group’s financial circumstances. Fixed remuneration comprises base salary, any applicable role specific allowances, and superannuation.

David Singleton

Mr David Singleton was appointed the Managing Director and Chief Executive Officer on 14 July 2021 and had been provided with a Fixed Annual Remuneration (FAR) equivalent to $250,000 per annum

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inclusive of superannuation fixed for 3 years. Mr Singleton's base pay has been set significantly below that normally associated with a role of this type and less than half that of his predecessor. In addition, Mr Singleton will receive no STI for the first 3 years of his tenure and will not be issued with annual LTI share grants for this period. The Company had agreed that Mr Singleton would be remunerated with a package weighted towards growing the Company's Share price by issuing share options at the prevailing price on or around the time he was appointed as Managing Director and Chief Executive Officer. This package is weighted towards variable pay based on the Company share price performance over 3 years thereby ensuring alignment with Shareholders. The total value of his package was benchmarked in January 2021 by Korn Ferry.

Mr Singleton's FAR has been fixed for three years. After this fixed three-year period, it was anticipated that the FAR would be reviewed annually on or about 30 September each year. At the end of the reporting period the Board has reviewed and agreed a revised remuneration package for Mr Singleton, for the financial year ending 30 June 2025. The total value of his package was benchmarked in June 2024 by Korn Ferry. As set out in the Company's ASX announcement of 1 July 2024, the revised arrangements are set out below and will apply with effect from 1 July 2024.

- Total fixed annual remuneration of $800,000 per annum (inclusive of superannuation). This remuneration applies for the 12-month period commencing on 1 July 2024.
- Mr Singleton will be awarded a short-term incentive (STI) in the form of a cash bonus of up to $300,000 for (and in respect of) the financial year commencing on 1 July 2024. This STI award is subject to the achievement of certain performance hurdles which are, at a high level, as follows:

Key Result Area	Key Performance Objectives
Safety	Continuous improvement in Group safety and compliance.
Financials	Deliver strong business outcomes including profit as defined by market guidance and develop growth opportunities.
Group	Deliver continuous improvement programs designed to strengthen capacity for growth in areas including people, systems, innovation and marketing.

- The Board has a discretion to disregard STI performance hurdles in the event of a change of control, or to amend performance hurdles if (for example) there are acquisitions or divestments during the course of the performance period.
- The Board also has a discretion to increase the STI award by up to 20% (or up to $360,000 in total) if it determines that the relevant performance hurdles have been materially exceeded over the performance period.
- The other provisions of Mr Singleton's employment agreement remain unchanged and no additional LTI award is being made.

Additionally, Mr Singleton has advised of his intention to remain as Austin's CEO and Managing Director until the end of FY25, after which time he has indicated an intention to retire from his executive position.

Furthermore, as set out in the Company's ASX announcement of 23 July 2024, Mr Sybrandt Van Dyk will be appointed as the Company's new Chief Executive Officer (CEO) and Managing Director. Mr Van Dyk will replace David Singleton who will retire as CEO and Managing Director on 30 June 2025. Mr Van Dyk will begin a handover period with Mr Singleton on 1 May 2025, officially commencing as CEO and Managing Director on 1 July 2025.

A summary of material terms of Mr Sybrandt Van Dyk's appointment is outlined below:

- The appointment is effective from 1 May 2025 (though officially commencing as CEO and Managing Director on 1 July 2025) and has no fixed term.
- The appointment may be terminated by either Mr Van Dyk or Austin by giving not less than 3 months' written notice. Austin will also be able to terminate the appointment immediately for cause.
- Mr Van Dyk's entitlement to receive director's fees will cease on 1 May 2025.
- Total fixed annual remuneration of $650,000 per annum (inclusive of superannuation). This remuneration will be reviewed annually in accordance with company policy.
- Mr Van Dyk will be offered a short-term incentive (STI) in the form of a cash bonus of up to $350,000 for and in respect of the financial year commencing on 1 July 2025. He will also be offered the pro-rata equivalent for the period between 1 May and 30 June 2025. This STI award will be subject to My Van Dyk's retention over that period and to the achievement of certain performance hurdles to be determined by the Board and notified to My Van Dyk prior to the commencement of the role. The Board has a discretion to increase the STI award (in respect of the financial year commencing on 1 July 2025) by up to 20% (to up to $420,000 in total for that year) if it determines that the relevant performance hurdles have been materially exceeded over the 12-month performance period. The offer (and frequency) of any further STI in the future will be at the discretion of the Board.
- The Board has a discretion to disregard STI retention and performance hurdles including in the event of a change of control, or to amend performance hurdles if (for example) there are acquisitions or divestments during the course of the performance period.
- Mr Van Dyk will be offered a long-term incentive (LTI) in the form of an offer of unlisted options in the Company (Incentive Options) pursuant to (and on the terms of) the Company's Incentive Option Plan. The details of such offer will be set out in an invitation letter under the Plan, which will be provided to Mr Van Dyk before or upon commencement of the role. However, the number of Incentive Options to be offered will be that determined by an independent third party (experienced in valuation methodology) to have a value of $300,000. To ensure retention, all Incentive Options will be subject to a retention condition (for three years from commencement). To drive performance, the exercise of the Incentive Options will also be subject to the satisfaction of share price hurdles. Those share price hurdles and the relevant exercise price(s) for the Incentive Options will be determined by the Board and notified to Mr Van Dyk.
- The grant of these Incentive Options will be subject to shareholder approval at the Company's 2025 Annual General Meeting. The offer (and frequency) of any further LTI in the future will be at the discretion of the Board.
- Mr Van Dyk will be entitled to receive a service bonus equal to nine months of his then base salary (excluding superannuation and additional benefits) payable upon the occurrence of a change of control in Austin. This payment is not connected with any actual or potential termination of the agreement. A change of control for these purposes is:
  - an entity (which does not control Austin) makes a takeover bid and both the bidder obtains voting power in Austin of more than 50% and the takeover offers are made or declared unconditional;
  - a scheme of arrangement transaction is approved by the requisite majorities at a scheme meeting pursuant to which an entity (which does not control Austin) will obtain voting power in Austin of more than 50%; or
  - an event or transaction by which an entity (which does not control Austin) becomes or is to become the registered holder of more than 50% of the total issued shares in Austin is approved or accepted by a majority of Austin shareholders.

Vincent D'Rozario

Mr Vincent D'Rozario was appointed the Chief Operating Officer on 4 January 2023 and has been provided with an Annual Remuneration equivalent to $475,000 per annum inclusive of superannuation. To incentivise performance and encourage retention, the Company issued share options to Mr D'Rozario at the prevailing price on or around the time he was appointed as Chief Operating Officer. The share options are based on the Company share price performance over 3 years thereby ensuring alignment with Shareholders. The material terms of the share options are outlined below.

David Bonomini

Mr David Bonomini was appointed the Chief Financial Officer 1 November 2022 and has been provided with an Annual Remuneration equivalent to $345,000 per annum inclusive of superannuation fixed. The Company has entered into a cash incentive arrangement with Mr Bonomini to reward him for achieving Austin's key financial, operational and strategic objectives in the medium to long term. This is in a form that aligns the interests of the Chief Financial Officer with the Company's key strategies and share price performance. The material terms of the cash incentive arrangement are outlined below.

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Short-term incentives ('STI')
For the year ended 30 June 2024, executive KMP had no short-term incentive opportunity in place and no short-term incentive payments were made to executive KMP.

Long-term incentives ('LTI')
Long-term incentive plan (LTI Plan) arrangements in place for key management personnel as at 30 June 2024 are set out below.

Options

David Singleton

The issue of Options to Mr David Singleton (Managing Director and Chief Executive Officer), in accordance with the terms of the Option Plan, were approved by shareholders at the 2021 Annual General Meeting on 26 November 2021. The Company issued 42,900,000 Options to Mr Singleton as a key component of his remuneration package and as a LTI to perform in his role as Managing Director and Chief Executive Officer of the Company, ensuring continued alignment to shareholders.

Material Terms of the Options
The Options have an exercise price of $0.13 and an expiry date of 3 years after the date of issue.

The Options are divided into nine tranches and are subject to two separate performance conditions, a share price hurdle and a retention condition. Both performance conditions must be satisfied in respect of a tranche of Options before Options in that particular tranche will vest. The applicable performance conditions in relation to the Managing Director are set out in the table below:

	Share Price Hurdle			
Retention Dates	**20 cents**	**24 cents**	**28 cents**	**Total**
30 June 2022	(Tranche 1) 4,400,000	(Tranche 2) 4,600,000	(Tranche 3) 5,300,000	14,300,000
30 June 2023	(Tranche 4) 4,400,000	(Tranche 5) 4,600,000	(Tranche 6) 5,300,000	14,300,000
30 June 2024	(Tranche 7) 4,400,000	(Tranche 8) 4,600,000	(Tranche 9) 5,300,000	14,300,000
Total	**13,200,000**	**13,800,000**	**15,900,000**	**42,900,000**

Share Price Hurdle
The company's 60-day volume weighted average share price must meet or exceed the relevant share price hurdle relating to the relevant tranche of Options in order for the vesting condition to be satisfied.

In relation to all nine tranches of Options relating to Mr Singleton, the share price hurdle can be met at any point between 14 July 2021, the date Mr Singleton was appointed as Managing Director and Chief Executive Officer, and 30 June 2024.

Retention Dates
In addition to meeting the share price hurdle, for each tranche of option to become capable of exercise, both Mr Singleton must remain in the employ of the company and must not have resigned or been given notice of termination, on the relevant retention date (set out in the table above).

Once Options become capable of exercise, they can be exercised by paying the exercise price in cash or by way of cashless exercise. The company has the right, in its absolute discretion, to elect to cash settle some or all of the Options exercised by Mr Singleton.

Vesting of Options
At the date of this report, all of the 42,900,000 Options (tranche 1 to 9) issued to the Mr Singleton vested on 30 June 2024 (14,300,000 options), on 30 June 2023 (14,300,000 options) and on 30 June 2022 (14,300,000 options) following satisfaction of the applicable retention and share price performance conditions. All 42,900,000 Options may be exercised into shares at an exercise price of $0.13 on or before 26 November 2024.

Vincent D'Rozario

The Company issued 5,000,000 Options to Mr Vincent D'Rozario (Chief Operating Officer), in accordance with the terms of the Option Plan, on 12 January 2023. The Options were issued as a key component of his remuneration package and as a LTI to perform in his role as Chief Operating Officer of the Company, ensuring continued alignment to shareholders.

Material Terms of the Options
The Options have an exercise price of $0.35 and an expiry date of 3 years and 3 months after the date of issue.

	Share Price Hurdle			
Retention Dates	**45 cents**	**55 cents**	**65 cents**	**Total**
4 January 2024	(Tranche 1) 510,000	(Tranche 2) 540,000	(Tranche 3) 616,666	1,666,666
4 January 2025	(Tranche 4) 510,000	(Tranche 5) 540,000	(Tranche 6) 616,667	1,666,667
4 January 2026	(Tranche 7) 510,000	(Tranche 8) 540,000	(Tranche 9) 616,667	1,666,667
Total	**1,530,000**	**1,620,000**	**1,850,000**	**5,000,000**

Share Price Hurdle
The company's 60-day volume weighted average share price must meet or exceed the relevant share price hurdle relating to the relevant tranche of Options in order for the vesting condition to be satisfied.

In relation to all nine tranches of Options relating to Mr D'Rozario, the share price hurdle can be met at any point between 4 January 2023, the date Mr D'Rozario was appointed as Chief Operating Officer, and 4 January 2026.

Retention Dates
In addition to meeting the share price hurdle, for each tranche of option to become capable of exercise, Mr D'Rozario must remain in the employ of the company and must not have resigned or been given notice of termination, on the relevant retention date (set out in the table above).

Once Options become capable of exercise, they can be exercised by paying the exercise price in cash or by way of cashless exercise. The company has the right, in its absolute discretion, to elect to cash settle some or all of the Options exercised by Mr D'Rozario.

Vesting of Options
At the date of this report, a total of 1,050,000 Options (tranche 1 and 2) issued to Mr D'Rozario vested on 2 May 2024 and 26 July 2024. The 1,050,000 Options may be exercised into shares at an exercise price of $0.35 on or before 12 April 2026.

Performance Rights Plan

At the discretion of the Board, the Company provides a LTI opportunity to executive KMP and senior executive through the grant of performance rights. These performance rights can vest into fully paid ordinary shares in the Company for no consideration, subject to meeting performance conditions or continued employment conditions. The purpose of the LTI opportunity is to incentivise executive KMP and senior executive to deliver sustained increases in shareholder value over the long-term.

There were no performance rights issued to executive KMP for the year ended 30 June 2024.

Cash Incentive Arrangement

David Bonomini

The Company entered into a cash incentive arrangement with Mr David Bonomini (Chief Financial Officer) on 21 November 2022. The Cash incentive is a key component of his remuneration package and as a LTI to perform in his role as Chief Financial Officer of the Company, ensuring continued alignment to shareholders.

Material Terms of the Cash Incentive

The Performance Criteria for each period is in the table below. The Chief Financial Officer must be employed with the Company at the end of each Performance Period.

Period	Performance Period	LTI Achievement Hurdle	Test Date
1	1 December 2022 to 30 June 2024	Max 60-day VWAP > 34 cents[1]	1 July 2024
2	1 July 2024 to 30 June 2025	Max 60-day VWAP > 41 cents	1 July 2025
		Un-earnt incentive from Period 1 can be earnt if the VWAP is above 34 cents	
3	1 July 2025 to 30 June 2026	Max 60-day VWAP > 47 cents	1 July 2026
		Un-earnt incentive from Period 1 and 2 can be earnt if the VWAP is above 34 and 41 cents respectively	

1. Where the VWAP is of the listed shares of Austin Engineering Limited.

The Incentive for each Performance Period will be calculated using the following formula:

Period	Incentive Calculation
1	[(Max 60-day VWAP) - 22 cents] x 972,094
2	[(Max 60-day VWAP) - 22 cents] x 613,953
3	[(Max 60-day VWAP) - 22 cents] x 613,953

Where:

Maximum 60-day VWAP = the lower of the actual maximum 60-day VWAP in dollars for the Performance Period or 75 cents.

For Performance Period 1 and 2, the amount earnt will be calculated and 'banked' until the end date of 1July 2026 at which point all vested incentives will be recalculated using the following formula. The recalculation will only occur based on the formula below if the Chief Financial Officer is in the employ of the Company at the end date of 1 July 2026.

Period	Incentive Calculation
1	[(Max 60-day VWAP) - $0.22] x 972,094
2	[(Max 60-day VWAP) - $0.22] x 613,953
3	[(Max 60-day VWAP) - $0.22] x 613,953

Where:

Maximum 60-day VWAP = the lower of the actual maximum 60-day VWAP in dollars for the period 1 December 2022 to 30 June 2025 or 75 cents.

The Maximum Incentive that can be earnt in each Performance Period is as follows:

Period	Performance Period	MAXIMUM INCENTIVE
1	1 December 2022 to 30 June 2024	($0.75 - $0.22) x 972,094 = $515,210
2	1 July 2024 to 30 June 2025	($0.75 - $0.22) x 613,953 = $325,395
3	1 July 2025 to 30 June 2026	($0.75 - $0.22) x 613,953 = $325,395
	TOTAL	$1,166,000

Incentive for performance period 1

The Incentive for Performance Period 1 as outlined above has been determined. The 60-day VWAP ending 30 June 2024 was 52.97 cents. The calculation is as per below:

Calculation = [$0.5297-$0.22] x 972,094 = $301,057.51

As outlined above, an amount of $301,057.51 will be 'banked' until the end date of 1 July 2026 at which point all vested incentives will be recalculated using the above formula. The recalculation will only occur based on the formula above if the Chief Financial Officer is in the employ of the Company at the end date of 1 July 2026.

Statutory Performance Indicators

The table below shows measures of the Group's financial performance over the past five years as required by the Corporations Act 2001. However, these measures are not all consistent with the measures used in determining the variable amounts of remuneration to be awarded to executive KMP. Consequently, there may not always be a direct correlation between statutory key performance measures and the variable remuneration awarded to executive KMP.

Continuing and discontinued operations

	30 June 2024 $000's	30 June 2023 $000's	30 June 2022 $000's	30 June 2021 $000's	30 June 2020 $000's
Revenue	313,240	258,298	205,999	207,260	231,556
Earnings before interest, tax, depreciation and amortisation (EBITDA)	45,356	17,333	29,548	9,733	20,864
Net profit/(loss) after tax	26,082	2,849	16,807	(540)	5,185
Basic earnings/(loss) per share (cents)	4.45	0.49	2.89	(0.10)	0.89
Diluted earnings/(loss) per share (cents)	4.22	0.45	2.80	(0.09)	0.88
Shareholder returns					
Interim dividend - fully franked (cents)	0.40	-	0.20	0.20	0.20
Final dividend - fully franked (cents)	0.80	-	0.30	0.30	0.30
Share price at end of year ($)	0.58	0.28	0.23	0.14	0.13

Service agreements

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.

Key details of the service agreements of the current executive KMP are set out below:

	Total Fixed Remuneration including Superannuation (TFR)[1]	Notice periods to terminate	Termination payments
Key Management Personnel during the financial year			
David Singleton Managing Director and Chief Executive Officer	$800,000 (fixed for 12 months effective from 1 July 2024)	3 months' notice by either party or payment in lieu, except in certain circumstances such as misconduct where no notice period applies.[2]	Statutory entitlements.
Vincent D'Rozario[3] Chief Operating Officer	$475,000	3 months' notice by either party or payment in lieu, except in certain circumstances such as misconduct where no notice period applies.	Statutory entitlements.
David Bonomini Chief Financial Officer	$345,000	3 months' notice by either party or payment in lieu, except in certain circumstances such as misconduct where no notice period applies.	Statutory entitlements.

1. KMP remuneration includes additional amounts over their FAR reflective of the increase in the superannuation legislative rates for the FY24 year.
2. Mr Singleton has advised of his intention to remain as Austin's CEO and Managing Director until the end of FY25, after which time he has indicated an intention to retire from his executive position.
3. Mr Vincent D'Rozario's TFR was fixed for 12 months from his appointment as Chief Operating Officer in January 2023. In accordance with his Executive Services Agreement, his TFR was reviewed in June 2024 and backdated to 1st January 2024. This required a back payment to be made of $9,500 attributable to FY24.

2. Non-executive director remuneration

The structure of the remuneration provided to Non-Executive Directors is distinct from that applicable to executives. Non-Executive Directors receive only fixed remuneration that is not linked to the financial performance of the Company.

Non-Executive Directors' fees are set at a level which enables the attraction and retention of experienced and skilled Board members to ensure an effective oversight role over the Company's operations. Non-Executive Directors' fees and payments are reviewed annually by the Board to ensure fee levels are appropriate and in-line with the market.

The annual fees paid, inclusive of superannuation, to Non-Executive Directors for the financial year ended 30 June 2024 are set out below:

	30 June 2024 $
Board Chair	159,611
Board Members	94,730
Committee Chair	9,740

The maximum aggregate amount that can be paid to Non-Executive Directors is $600,000 per annum, including superannuation (the Fee Pool). This Fee Pool amount was approved by shareholders at the 2022 Annual General Meeting.

3. Remuneration governance

The Board oversees the remuneration arrangements of the Company. In performing this function the Board is assisted by input and recommendations from the Nomination and Remuneration Committee ('Committee'), external consultants and internal advice as required. The Committee is responsible for the overview, and recommendation to the Board, of remuneration arrangements for Directors and executive KMP. The Managing Director and Chief Executive Officer, in consultation with the Board, sets remuneration arrangements for other executive KMP. No employee is directly involved in deciding their own remuneration (including the Managing Director and Chief Executive Officer).

Further details of the role and function of the Committee are set out in the Charter for the Nomination and Remuneration Committee on the Company's website at www.austineng.com.

The Committee obtains advice and market remuneration data from external remuneration advisors as required. When advice and market remuneration data is obtained, the Committee follows protocols regarding the engagement and use of external remuneration consultants to ensure ongoing compliance with executive remuneration legislation. These protocols ensure that any remuneration recommendation from an external consultant is free from undue influence by any member of the Company's key management personnel to whom it relates.

The protocols for any external consultant providing remuneration recommendations prohibit them from providing advice or recommendations to employees or Directors before recommendations are given to the Committee. These arrangements were implemented to ensure that any external party will be able to carry out its work, including information capture and formation of its recommendations, free from undue influence by the individuals to whom they relate.

4. Value provided to key management personnel

The following tables details of the remuneration provided to KMP for the current and previous financial year.

Amounts paid or payable (in round dollars) or otherwise made available to KMP as at the date of this report were:

		Fixed Remuneration			Variable Remuneration				
Name	Year	Cash salary & fees $	Super-annuation $	Move-ment in Annual Leave Provision $	Long Term benefits $	Other benefits $	Share based payments $	Total $	Per-formance Related %
Non-Executive Directors									
Jim Walker	**2024**	**143,794**	**15,817**	**-**	**-**	**-**	**-**	**159,611**	**-%**
	2023	138,887	14,583	-	-	-	-	153,470	-%
Chris Indermaur	**2024**	**94,117**	**10,353**	**-**	**-**	**-**	**-**	**104,470**	**-%**
	2023	91,991	9,660	-	-	-	-	101,651	-%
Sybrant van Dyk	**2024**	**94,117**	**10,353**	**-**	**-**	**-**	**-**	**104,470**	**-%**
	2023	90,906	9,545	-	-	-	-	100,451	-%
Linda O'Farrell	**2024**	**94,117**	**10,353**	**-**	**-**	**-**	**-**	**104,470**	**-%**
	2023	75,755	7,954	-	-	-	-	83,709	-%
Total compensation for Non-Executive Directors	**2024**	**426,145**	**46,876**	**-**	**-**	**-**	**-**	**473,021**	**-%**
	2023	397,539	41,742	-	-	-	-	439,281	-%
Executive Directors and Other Key Management Personnel									
David Singleton	**2024**	**227,273**	**25,000**	**20,994**	**2,391**	**-**	**397,565**	**673,223**	**59.1%**
	2023	227,273	23,864	14,860	3,786	-	995,343	1,265,126	78.7%
Vincent D'Rozario[1]	**2024**	**456,888**	**29,321**	**8,388**	**2,632**	**-**	**258,175**	**755,404**	**34.2%**
	2023	221,395	12,646	16,870	3,652	-	172,766	427,329	40.4%
David Bonomini[2]	**2024**	**319,708**	**29,037**	**-1,520**	**1,958**	**-**	**-**	**349,183**	**-%**
	2023	196,339	14,754	12,499	3,238	-	285,540	512,370	55.7%
Gareth Jones[3]	**2024**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-%**
	2023	112,633	7,856	13,822	-	-	-	134,311	-%
Total compensation for Senior Executives	**2024**	**1,003,869**	**83,358**	**27,862**	**6,981**	**-**	**655,740**	**1,777,810**	**36.9%**
	2023	757,640	59,120	58,051	10,676	-	1,453,649	2,339,136	62.1%
Total Key Management Personnel Remuneration	**2024**	**1,430,014**	**130,234**	**27,862**	**6,981**	**-**	**655,740**	**2,250,831**	**29.1%**
	2023	**1,155,179**	**100,862**	**58,051**	**10,676**	**-**	**1,453,649**	**2,778,417**	**52.3%**

1. Mr Vincent D'Rozario was appointed as Chief Operating Officer on 4 January 2023.
2. Mr David Bonomini was appointed as the Chief Financial Officer on 21 November 2022.
3. Mr Gareth Jones resigned as Chief Financial Officer on 31 October 2022 and was paid out his accumulated annual leave.
4. Share based payments included in the remuneration above relate to the accounting expense of cash settled share based payments and options issued.

No cash bonus payments were made during the year.

Other transactions with related parties

During the year, the Company engaged Remsmart, to provide remuneration consulting services to establish a job grading framework, remuneration benchmarking for top 50 roles, and recommending a go-forward remuneration framework. Linda O' Farrell is the Chair of Remsmart. An amount of $43,725 was paid in relation to these services. The remaining amount of $43,725 remains payable at 30 June 2024.

Other than those disclosed above, there were no transactions with related parties during the year (2023: Nil) and no amounts outstanding to related parties at 30 June 2024 (2023: Nil).

There were no other transactions with related parties during the year to 30 June 2024 (2023: Nil).

Loans to key management personnel

There were no loans made, guaranteed or secured, directly or indirectly, by Austin Engineering Limited and any of its subsidiaries to KMP, including their close family members and entities related to them.

5. Equity instruments

Equity Instruments held by key management personnel

The details of Shares, Options and Performance Rights over ordinary shares granted to and vested by KMP of the group are set out below:

Key Management Personnel	Balance at 30 June 2023	Granted	Lapsed/ Forfeited	Bought (Sold)	Balance at 30 June 2024	Vested and Exer-cisable	Un - vested	Granted - Fair Value	% vested during the year
David Singleton - Managing Director and Chief Executive Officer									
Shares[1]	133,485	-	-	185,200	318,685	-	-	-	-
Options[2]	42,900,000	-	-	-	42,900,000	42,900,000	-	3,529,000	33.3%
Total	**43,033,485**	**-**	**-**	**185,200**	**43,218,685**	**42,900,000**	**-**	**3,529,000**	**33.3%**
Jim Walker - Non Executive Officer									
Shares[1]	166,000	-	-	-	166,000	-	-	-	-
Total	**166,000**	**-**	**-**	**-**	**166,000**	**-**	**-**	**-**	**-**
Sybrant van Dyk - Non-Executive Director									
Shares[1]	213,500	-	-	-	213,500	-	-	-	-
Total	**213,500**	**-**	**-**	**-**	**213,500**	**-**	**-**	**-**	**-**
Chris Indermaur - Non-Executive Director									
Shares[1]	200,000	-	-	-	200,000	-	-	-	-
Total	**200,000**	**-**	**-**	**-**	**200,000**	**-**	**-**	**-**	**-**
Vincent D'Rozario – Chief Operating Officer									
Options[3]	5,000,000	-	-	-	5,000,000	510,000	4,490,000	576,550	10.2%
Total	**5,000,000**	**-**	**-**	**-**	**5,000,000**	**510,000**	**4,490,000**	**576,550**	**10.2%**
Total	**48,612,985**	**-**	**-**	**185,200**	**48,798,185**	**43,410,000**	**4,490,000**	**4,105,550**	

1. Ordinary shares in the Company held directly, indirectly or beneficially by Non-Executive Directors and executive KMP, including related parties, are outlined above and were acquired in accordance with the Company's Share Trading Policy.
2. Options granted on 26 November 2021 to the Managing Director.
3. Options granted on 12 January 2023 to the Chief Operating Officer.

No other key management personnel held shares, options or rights at 30 June 2024 and 30 June 2023.

Shares under option

The number of options over ordinary shares held by KMP at the date of this report are as follows:

Grant date	Expiry date	Type	Exercise price	Number of shares under option
26 November 2021	26 November 2024	Share price and Tenure	$0.13	42,900,000
12 January 2023	12 April 2023	Share price and Tenure	$0.35	5,000,000

No options were granted to, or exercised by, KMP since the end of the financial year.

Shares under performance rights

There are no Performance Rights over ordinary shares held by KMP at the date of this report and no Performance Rights were granted to KMP since the end of the financial year.

This concludes the audited remuneration report.

Insurance of officers and indemnities

(a) Insurance of officers

During the financial year, Austin Engineering Limited paid a premium in respect of a contract insuring the directors and officers of Austin Engineering Limited against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

(b) Indemnity of auditors

Austin Engineering Limited has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Group or of any related body corporate against a liability incurred as such an officer or auditor.

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 Group, or to intervene in any proceedings to which the Group is a party, for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

Non-audit services

The Directors have considered the position and, in accordance with advice received from the Audit and Risk Committee, are satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. Services provided related to taxation compliance and advisory services. The Directors are satisfied that the provision of non-audit services by the auditor, as set out in note 32 to the financial statements, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- All non-audit services have been reviewed by the Audit & Risk Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants (including Independence Standards) for APES 110 issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 54.

Rounding of amounts

The Group is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the Directors' report. Amounts in the Directors' report have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

This report is made in accordance with a resolution of Directors.

Jim Walker
Non - Executive Chair

27 August 2024
Perth

auditor's independence declaration

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DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF AUSTIN ENGINEERING LIMITED

As lead auditor of Austin Engineering Limited for the year ended 30 June 2024, 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 Austin Engineering Limited and the entities it controlled during the period.

Dean Just

Director

BDO Audit Pty Ltd

Perth

27 August 2024

annual financial report

For the year ended 30 June 2024

Consolidated financial statements

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Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

	Notes	2024 $'000	2023 $'000
Revenue from continuing operations	2	313,240	258,298
Other income	3	4,233	3,877
Expenses			
Raw materials and consumables used		(122,741)	(107,962)
Employment expenses		(72,765)	(62,628)
Subcontractor expenses		(30,522)	(27,377)
Occupancy and utility expenses		(7,434)	(6,039)
Depreciation expense		(7,989)	(6,911)
Amortisation expense	19	(1,140)	(994)
Production operational expenses	4b	(19,034)	(15,435)
(Loss) / Gain from disposal of property, plant and equipment		(103)	136
Other expenses	4c	(17,133)	(19,085)
Finance costs		(2,204)	(3,042)
Impairment expense	19	-	(3,481)
Profit before income tax		**36,408**	**9,357**
Income tax expense	6	(6,714)	(2,242)
Profit for the year from continuing operations		**29,694**	**7,115**
Loss from discontinued operation	5	(3,612)	(4,266)
Profit for the year		**26,082**	**2,849**
Other comprehensive income			
Item that may be reclassified to profit or loss			
Foreign currency translation differences, net of tax	23	(8,904)	4,483
Other comprehensive income for the year		**(8,904)**	**4,483**
Total comprehensive income for the year		**17,178**	**7,332**

	Notes	Cents	Cents
Earnings per share from continuing operations attributable to the owners of Austin Engineering Limited:			
Basic earnings per share (cents per share)	7	5.07	1.22
Diluted earnings per share (cents per share)	7	4.80	1.13
Earnings per share from continuing and discontinued operations attributable to owners of Austin Engineering Limited:			
Basic earnings per share (cents per share)	7	4.45	0.49
Diluted earnings per share (cents per share)	7	4.22	0.45

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
As at 30 June 2024

	Notes	2024 $'000	2023 $'000
Current assets			
Cash and cash equivalents	9	40,193	20,167
Trade receivables	10	46,012	43,371
Contract assets	11	8,547	1,062
Inventories	12	70,381	68,750
Current tax assets	6	502	406
Finance lease receivable	13	10,650	9,118
Other assets	14	5,685	8,452
		181,970	**151,326**
Assets classified as held for sale	5	3,386	4,513
Total current assets		**185,356**	**155,839**
Non-current assets			
Property, plant and equipment	18	42,923	47,736
Intangible assets	19	25,950	26,113
Deferred tax assets	6	11,103	5,907
Right-of-use assets	20	9,710	10,916
Finance lease receivable	13	17,756	14,457
Other assets	14	202	-
Total non-current assets		**107,644**	**105,129**
Total assets		**293,000**	**260,968**
Current liabilities			
Trade and other payables	15	73,596	50,883
Contract liabilities	16	22,361	19,303
Financial liabilities	21	33,358	33,712
Current tax liabilities	6	5,302	4,087
Provisions	17	6,185	9,623
Lease liabilities	20	4,502	4,525
		145,304	**122,133**
Financial liabilities directly associated with assets classified as held for sale	5	5,355	6,051
Total current liabilities		**150,659**	**128,184**
Non-current liabilities			
Contract liabilities	16	2,163	-
Financial liabilities	21	917	8,106
Provisions	17	1,676	1,380
Lease liabilities	20	7,241	9,100
Total non-current liabilities		**11,997**	**18,586**
Total liabilities		**162,656**	**146,770**
Net assets		**130,344**	**114,198**
Equity			
Share capital	22	155,952	155,052
Accumulated losses		(9,219)	(32,956)
Reserves	23	(16,389)	(7,898)
Total equity		**130,344**	**114,198**

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 2024

	Notes	Contributed equity $'000	Share based payment reserve $'000	Foreign currency translation reserve $'000	Accumulated losses $'000	Total $'000
Opening balance at 1 July 2022		**154,466**	**2,909**	**(15,996)**	**(34,059)**	**107,320**
Total comprehensive income for the year:						
Loss for the year		-	-	-	2,849	2,849
Other comprehensive income, net of tax:						
Currency translation differences		-	-	4,483	-	4,483
Total comprehensive income for the year		**-**	**-**	4,483	2,849	7,332
Transactions with owners in their capacity as owners:						
Shares issued under dividend reinvestment plan (net of share issue costs)	22	33	-	-	-	33
Share-based payments		-	1,259	-	-	1,259
Conversion of performance rights	22	553	(553)	-	-	-
Dividends provided for or paid	8	-	-	-	(1,746)	(1,746)
		586	**706**	**-**	**(1,746)**	**(454)**
Balance at 30 June 2023		**155,052**	**3,615**	**(11,513)**	**(32,956)**	**114,198**
Balance at 1 July 2023		155,052	3,615	(11,513)	(32,956)	114,198
Total comprehensive income for the year:						
Profit for the year		-	-	-	26,082	26,082
Other comprehensive income, net of tax:						
Currency translation differences		-	-	(8,904)	-	(8,904)
Total comprehensive income for the year		-	-	(8,904)	26,082	17,178
Transactions with owners in their capacity as owners:						
Shares issued under dividend reinvestment plan (net of share issue costs)	22	73	-	-	-	73
Share-based payments			1,240			1,240
Conversion of performance rights	22	827	(827)	-	-	-
Dividends provided for or paid	8	-	-	-	(2,345)	(2,345)
		900	**413**	**-**	**(2,345)**	**(1,032)**
Balance at 30 June 2024		**155,952**	**4,028**	**(20,417)**	**(9,219)**	**130,344**

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 2024

	Notes	2024 $'000	2023 $'000
Cash flows from operating activities			
Receipts from customers		298,937	270,975
Payments to suppliers and employees		(255,986)	(250,518)
Receipt from government grants – employee retention credits	3	1,651	3,190
Interest received		1,212	769
Finance costs		(3,875)	(4,295)
Income tax paid		(6,440)	(4,340)
Net cash provided by operating activities	31	**35,499**	**15,781**
Cash flows from investing activities			
Payments for property, plant and equipment		(4,488)	(10,932)
Payments for intangibles		(1,001)	(89)
Proceeds from sale of property, plant and equipment		93	180
Net payment for acquisition of subsidiary		(2,977)	(10,089)
Net cash used in investing activities		**(8,373)**	**(20,930)**
Cash flows from financing activities			
Proceeds from borrowings		-	14,974
Repayment of borrowings		(3,664)	(4,649)
Dividends paid to company's shareholders	8	(2,272)	(1,712)
Receipts from government grant – investment attraction fund		2,750	-
Repayment of lease liabilities		(4,052)	(3,257)
Net cash provided by / (used in) financing activities		**(7,238)**	**5,356**
Net increase/(decrease) in cash and cash equivalents		**19,888**	**207**
Cash and cash equivalents at the beginning of the financial year		20,167	20,781
Effects of exchange rate changes on cash and cash equivalents		138	(821)
Cash and cash equivalents at end of the year	9	**40,193**	**20,167**

Please refer note 5 for cash flows on discontinued operations.

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

1 Segment information

Management has determined that the strategic operating segments comprise of Asia-Pacific (for mining equipment, other products and repair and maintenance services located in Australia and Indonesia), North America (for mining equipment and other products located in the USA) and South America (currently Chile for mining equipment, other products and repair and maintenance services located in South America).

Executive management monitors segment performance based on EBITDA. Segment information for the years ended 30 June 2024 and 30 June 2023 is as follows:

	Asia-Pacific		North America		South America		Unallocated		Total	
	2024 $'000	2023* $'000	2024 $'000	2023* $'000	2024 $'000	2023* $'000	2024 $'000	2023* $'000	2024 $'000	2023* $'000
Continuing operations										
Total segment revenue from continuing operations - from external customers	166,137	141,918	95,527	75,320	51,576	41,060	-	-	313,240	258,298
EBITDA from continuing operations	18,112	5,760	17,415	16,662	14,086	3,751	(1,874)	(5,870)	47,739	20,303
Profit/(loss) before tax	9,856	(5,968)	16,435	15,917	14,395	3,394	(4,278)	(3,986)	36,408	9,357
Other segment information										
Depreciation and amortisation	6,787	5,898	1,189	766	744	871	409	370	9,129	7,905
Impairment	-	-	-	-	-	-	-	3,481	-	3,481
Continuing and discontinued operations										
Total segment assets	111,104	92,525	65,687	63,689	77,483	70,336	38,726	34,418	293,000	260,968
Total assets include: Additions to non-current assets (other than financial assets and deferred tax)	4,615	4,969	2,032	523	88	1,732	1,014	1,861	7,749	9,085
Total segment liabilities	71,317	58,013	36,003	27,001	17,531	17,210	37,805	44,546	162,656	146,770

*Balances for prior period have been re-presented to ensure consistency with current period presentation.

The unallocated amounts include Head office balances and discontinued operations including assets and liabilities held for sale that have not been allocated to the operating segments.
Group's borrowings are not considered to be segment liabilities but are managed by the treasury function.

Notes to the financial statements
For the year ended 30 June 2024

1 Segment information (continued)

Segment revenue and non-current assets

Continuing operations	2024 $'000	2023 $'000
Total revenues from customers based on geographical regions:		
- Australia	140,029	99,263
- Chile	51,452	41,060
- USA	59,898	27,207
- Canada	32,856	42,904
- Indonesia	15,651	38,532
- all other foreign countries	13,354	9,332
Revenues derived from a single external customer were attributable to Asia-Pacific and North America segments	81,379	42,253
Non-current assets, excluding financial instruments and deferred tax assets, located:		
- in Australia	33,879	39,688
- in Chile	11,956	14,922
- in USA	17,984	17,522
- in Indonesia	14,966	12,633

Corporate expenses

Corporate expenses are incurred in Australia and the majority of these costs are recharged across the group in accordance with group transfer pricing arrangements in place.

Segment assets and liabilities

Segment asset and liability amounts are measured in the same way that they are measured in the financial statements. Segment assets and liabilities are allocated based on the operations of the segment and the physical location of the assets and liabilities.

The reconciliation of EBITDA to profit before income tax is as follows:

	Continuing and discontinued operations		Continuing operations	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
EBITDA	**45,356**	**17,333**	**47,737**	**20,304**
Depreciation expense	(8,760)	(7,702)	(7,989)	(6,911)
Amortisation expense	(1,140)	(999)	(1,140)	(994)
Interest revenue	1,212	769	1,213	767
Interest expense	(3,872)	(4,295)	(3,413)	(3,809)
Profit before income tax	**32,796**	**5,106**	**36,408**	**9,357**

2 Revenue

The Group derives the following types of revenue from continuing operations:

	2024 $'000	2023 $'000
Revenue from contracts with customers	313,240	258,298
Total revenue from continuing operations	**313,240**	**258,298**

(a) Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following types and geographical regions:

Revenue from contracts with customers	Asia Pacific 2024 $'000	Asia Pacific 2023 $'000	North America 2024 $'000	North America 2023 $'000	South America 2024 $'000	South America 2023 $'000	Total 2024 $'000	Total 2023 $'000
Sale of Goods								
Truck Bodies	83,678	63,335	92,539	66,218	17,780	19,531	193,997	149,084
Buckets	28,643	18,914	674	6,110	-	-	29,317	25,024
Other Goods	32,780	44,542	2,314	2,992	2,684	2,473	37,778	50,007
Total Sale of Goods	**145,101**	**126,791**	**95,527**	**75,320**	**20,464**	**22,004**	**261,092**	**224,115**
Services								
Total Services	**21,036**	**15,127**	**-**	**-**	**31,112**	**19,056**	**52,148**	**34,183**
Revenue from contracts with customers	**166,137**	**141,918**	**95,527**	**75,320**	**51,576**	**41,060**	**313,240**	**258,298**
Timing of Revenue Recognition								
At a point in time – sale of goods	145,101	126,791	95,527	75,320	20,464	22,004	262,092	224,116
Over time - services	21,036	15,127	-	-	31,112	19,056	52,148	34,183
Revenue from contracts with customers	**166,137**	**141,918**	**95,527**	**75,320**	**51,576**	**41,060**	**313,240**	**258,298**

(b) Accounting policies

(i) Sale of goods

The Group derives revenue from the manufacture and sale of truck bodies, excavator buckets and other ancillary products. Contracts entered into may be for the manufacture and sale of one or several products. The manufacture of each individual body, bucket or other product is generally taken to be one performance obligation. Where contracts are entered into for the manufacture of several products the total transaction price is allocated across each product based on stand-alone selling prices net of any discounts provided.

Revenue is recognised as performance obligations are satisfied as control of the goods and services is transferred to the customer. For each performance obligation within a contract, the Group determines whether it is satisfied over time or at a point in time.

Performance obligations are satisfied at point in time as the entity transfers control of the product only after the completion of the product and when it is delivered to the customer. Control over the product remains with Austin throughout the manufacturing process and the customer will only consume the benefits after delivery of the product.

2 Revenue (continued)

(b) Accounting policies (continued)

(i) Sale of goods (continued)

Revenue is recognised at the point in time that control is transferred to the customer, which is usually when legal title passes to the customer and the business has the right to payment, for example, on delivery. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised immediately as an expense.

All goods sold include defect and warranty periods following transfer of control to the customer. These obligations are not deemed separate performance obligations and therefore recognised in accordance with *AASB 137 Provisions, Contingent Liabilities and Contingent Assets*.

The Group derives a portion of sale of goods revenue from the sale of truck bodies under finance lease arrangements in the capacity as lessor. The Group is considered to be a manufacturer lessor under *AASB 16 Leases* and therefore recognises selling profit or loss in the period in accordance with the policy for outright sale of goods. Revenue from these sales is recognised at the fair value of the asset disposed or, if lower, the present value of the minimum lease payments accruing to the Group, computed at a market rate of interest. During the financial year $10.444 million (2023: $7.963 million) of revenue was recognised from truck bodies sold on finance lease arrangements in South America.

(ii) Services

The Group derives revenue from on and off-site repair and maintenance services. Repair and maintenance performance obligations are fulfilled over time as the group enhances assets which the customer controls, for which the Group does not have an alternative use and for which the Group has right to payment for performance to date. Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or a variable price depending on the nature of repair and is recognised in the accounting period in which the services are rendered.

(c) Contract assets and liabilities

The Group has recognised the following assets and liabilities related to contracts with customers:

	Notes	2024 $'000	2023 $'000
Contract assets	11	8,547	1,062
Contract liabilities – current	16	(22,361)	(19,303)
Contract liabilities – non-current	16	(2,163)	-

The movement in the Group's Contract assets and liabilities during the financial year is disclosed below:

	Contract Assets 2024 $'000	Contract Assets 2023 $'000	Contract Liabilities 2024 $'000	Contract Liabilities 2023 $'000
At 1 July	**1,062**	**5,900**	**(19,303)**	**(12,529)**
Invoices issued in advance of performance	-	-	(29,103)	(10,269)
Transfers to trade receivables	(10,422)	(13,326)	-	-
Amounts recognised in revenue during the year	18,450	8,025	25,171	3,769
Amount received as Government grant	-	-	(2,704)	-
Grant amount recognised as income during the year	-	-	541	-
Effect of foreign exchange	(543)	463	874	(274)
At 30 June	**8,547**	**1,062**	**(24,524)**	**(19,303)**

Contract assets and liabilities

Contract assets are recognised when the Group has transferred goods or services to the customer and met the performance obligation but where the Group is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes. Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the customer.

3 Other income

	2024 $'000	2023 $'000
Employee retention credit (i)	-	4,841
Net foreign currency exchange gains / (losses)	1,132	(2,751)
Grant income (ii)	557	-
Other income	2,544	1,787
Total other income	**4,233**	**3,877**

(i) During the previous year, the USA operations recognised an amount of $4.755 million in relation to amounts received from the US government as compensation for Austin's costs of employee retention through the COVID-19 period. $3.214 million of this amount was received in June 2023 with the remaining amount of $1.541 million included within other receivables at 30 June 2023. This amount was subsequently received in July 2023.

(ii) During the current year, the group received grant from the WA Government for investment in advanced manufacturing equipment. The grant received is capitalised and amortised over the useful life of the assets purchased through utilisation of the grant funds. During the current period, $0.557 million has been recognised as grant income.

4 Expenses

(a) Profit for the year from continuing operations includes the following expenses:

	2024 $'000	2023 $'000
Cost of goods sold	198,517	190,953
Defined contribution superannuation costs	2,476	1,940
Share based payment expense	1,240	1,544

(b) Production operational expenses:

	2024 $'000	2023 $'000
Transport	11,005	11,750
Equipment hire / lease	2,042	1,535
Equipment repairs and maintenance	2,006	1,230
Other operational expenses	13,802	14,433
Recoveries	(9,821)	(13,513)
Total other expenses	**19,034**	**15,435**

(c) Other expenses:

	2024 $'000	2023 $'000
Consultancy	3,104	4,431
Insurance costs	3,339	2,948
Administration costs	2,161	1,881
Information technology costs	2,808	2,362
Travel expenses	1,355	875
Other expenses	4,366	6,588
Total other expenses	**17,133**	**19,085**

Notes to the financial statements
For the year ended 30 June 2024

5 Discontinued operations

(a) Discontinued operations

During the 2022 and prior years, the Group closed its operation in Peru and Canada including, retrenching staff, transferring assets to other Austin business units and disposing of assets. The decision to discontinue the operations was made based on the current and future expected market conditions in Peru and Canada as well as the overall Group strategy and hub and spoke model. During the prior year, the right-of-use asset and lease liability associated with the Canadian operations were reclassified as held for sale. Impairment testing was performed on the right of use asset and impairment was recognised on the right of use asset in Canada based on the estimated settlement price for exiting the lease arrangement. Refer to note 20.

The results of Austin Engineering Peru SAC, Austin Canada Inc, Austin Ingenieros Colombia S.A.S. and Chile crane business have been disclosed as discontinued operations. The comparative profit and cash flows from discontinued operations for the period are set out below.

	2024 $'000	2023 $'000
Revenue	-	-
Expenses	(3,612)	(4,251)
Income tax expense	-	(15)
(Loss) from discontinued operation	**(3,612)**	**(4,266)**
Net cash (outflow) from operating activities	(1,112)	(632)
Net cash (outflow) / inflow from investing activities	-	-
Net cash inflow from financing activities including related party funding	1,301	304
Net increase / (decrease) in cash generated by discontinued operations	**189**	**(328)**

The cash inflows from financing activities included $1.680 million funded by other entities within the Group.

The assets relating to the Peruvian operations and Canadian right of use asset are presented as held for sale. See (b) below. In 2023, the Canadian right of use asset was impaired by $2.292 million based on the estimated settlement price for exiting the lease arrangement. The carrying value of the remaining assets held for sale are expected to be recovered through sale.

(b) Assets and liabilities classified as held for sale

The Group intends to continue to dispose properties and equipment that it no longer requires in the next twelve months. The properties and equipment are located in Peru and Canada.

	Consolidated entity 2024 $'000	2023 $'000
Land and Building - Peru	**838**	885
Plant and Equipment – Australia (Mackay)	-	306
Right of use asset – Building (Canada) (net of impairment)	2,548	3,322
Total assets classified as held for sale	**3,386**	**4,513**
Lease Liability (Canada)	**5,355**	6,051
Financial liabilities directly associated with assets classified as held for sale	**5,355**	**6,051**

Assets are classified as held for sale when its carrying value will be recovered principally through a sale transaction rather than through continuing use. Assets held for sale are measured at the lower of the carrying amount and fair value less costs to sell.

Refer to note 36 to the financial statements on key estimates used in determining the fair value of assets held for sale.

The movement in assets classified as held for sale during the financial year is disclosed below:

	Consolidated entity 2024 $'000	2023 $'000
Opening assets classified as held for sale	**4,513**	**1,109**
Transfers from Property, Plant and Equipment (refer note 18)	-	68
Transfers from right of use assets (refer note 20)	-	3,322
Disposals	(306)	-
Depreciation on assets held for sale	(771)	-
Exchange differences	(50)	14
Closing assets classified as held for sale	**3,386**	**4,513**

6 Tax

(a) Income tax expense

	2024 $'000	2023 $'000
Components of income tax expense:		
Current tax - current period	8,848	6,158
(Over) provision in respect of prior years	(383)	-
Deferred tax - origination and reversal of temporary differences	(1,751)	(3,901)
	6,714	**2,257**
Income tax expense is attributable to:		
Profit from continuing operations	6,714	2,242
Loss from discontinued operation	-	15
	6,714	**2,257**

Numerical reconciliation of income tax expense to prima facie tax payable

	2024 $'000	2023 $'000
Profit from continuing operations before income tax expense	36,408	9,357
Loss from discontinuing operation before income tax expense	(3,612)	(4,251)
	32,796	**5,106**
Tax at the Australian tax rate of 30.0% (2023 - 30.0%)	9,839	1,532
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non-allowable items	242	1,237
Entertainment / donations	22	3
Withholding Tax Expense in relation to distributions from foreign subsidiaries	1,343	-
Differences in overseas tax rates	(1,287)	(983)
Non-assessable items and other allowances:		
Deferred tax assets not recognised on tax losses	(407)	468
Foreign sourced income from subsidiaries	-	-
Recognition of carried forward tax losses	(3,038)	-
Income tax expense	**6,714**	**2,257**

(b) Current tax asset and liability

	2024 $'000	2023 $'000
Current tax assets	502	406
Current tax liabilities	(5,302)	(4,087)
	(4,800)	**(3,681)**

Notes to the financial statements
For the year ended 30 June 2024

6 Tax (continued)

(c) Deferred Tax

Deferred tax asset comprises temporary differences attributable to:

	2024 $'000	2023 $'000
Deferred tax assets / (Deferred tax liabilities)		
Trade and other payables	1,651	1,472
Employee leave entitlements	1,030	804
Warranty and other provisions	1,986	1,119
Property, plant and equipment and intangible assets	202	(920)
Foreign exchange	73	(3,372)
Leases	596	764
Tax losses	4,749	6,042
Other	816	(2)
Total deferred tax assets	**11,103**	**5,907**

	Opening balance $'000	Recognised in goodwill $	Recognised in profit or loss $'000	Recognised in equity $'000	Closing balance $'000
Movements:					
2024					
Deferred tax assets / (Deferred tax liabilities)					
Trade and other payables	1,472	-	179	-	1,651
Employee leave entitlements	804	-	226	-	1,030
Warranty and other provisions	1,119	-	867	-	1,986
Property, plant and equipment and intangible assets	(920)	-	1,122	-	202
Foreign exchange	(3,372)	-	-	3,445	73
Leases	764	-	(168)	-	596
Tax losses	6,042	-	(1,293)	-	4,749
Other	(2)	-	818	-	816
Total deferred tax assets	**5,907**	**-**	**1,751**	**3,445**	**11,103**

	Opening balance $'000	Recognised in goodwill $	Recognised in profit or loss $'000	Recognised in equity $'000	Closing balance $'000
Movements:					
2023					
Deferred tax assets					
Trade and other payables	-	-	1,472	-	1,472
Employee leave entitlements	1,418	-	(614)	-	804
Warranty and other provisions	732	-	387	-	1,119
Property, plant and equipment and intangible assets	-	(2,280)	1,360	-	(920)
Foreign exchange	3,527	-	-	(6,899)	(3,372)
Leases	822	-	(58)	-	764
Tax losses	4,363	-	1,679	-	6,042
Other	323	-	(325)	-	(2)
Total deferred tax assets	**11,185**	**(2,280)**	**3,901**	**(6,899)**	**5,907**

Unused Australian tax losses / attributes for which no deferred tax asset has been recognised amount to $11.257 million of capital losses (2023: $11.257 million), $4.323 million of revenue losses (2023: $13.388 million) and $1.457 million of research and development tax offsets (2023: $1.457 million) at reporting date. Unused foreign tax losses for which no deferred tax asset has been recognised amount to $44.873 million of revenue losses (2023: $22.971 million) at reporting date. Temporary timing differences for which no deferred tax asset has been recognised amount to nil (2023: Nil) at reporting date.

Income tax

The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting year in the countries where the Group and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

6 Tax (continued)

Income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Report. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The Group's Australian subsidiaries, together with the Company, form a tax consolidated group for income tax purposes with Austin Engineering Limited as the Head Company. These entities form part of the tax funding and sharing agreement. In accordance with the tax funding agreement, the current and deferred tax balances are recognised by each party using a modified standalone payer allocation approach. The Head Company recognises current tax liabilities or assets, and deferred tax arising from unused tax losses and unused relevant tax credits, assumed from the tax funding contributing members. The contributing members recognise deferred taxes relating to temporary differences. The assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

7 Earnings per share

Basic earnings per share	2024 Cents	2023 Cents
From continuing operations	5.07	1.22
From discontinued operations	(0.62)	(0.73)
Total basic earnings per share	4.45	0.49
Diluted earnings per share		
From continuing operations	4.80	1.13
From discontinued operations	(0.58)	(0.68)
Total diluted earnings per share	4.22	0.45

Reconciliation of earnings to loss	2024 $'000	2023 $'000
Profit/(Loss) after tax:		
From continuing operations	29,694	7,115
From discontinued operation	(3,612)	(4,266)
Profit attributable to the ordinary equity holders of the Company used in calculating diluted earnings per share	26,082	2,849

Weighted average number of shares used as the denominator	2024 Number	2023 Number
Weighted average number of ordinary shares used in calculating basic earnings per share	585,916,125	582,818,251
Effect of dilutive securities - share based performance rights and options	32,956,672	47,322,448
Used to calculate diluted earnings per share	618,872,797	630,140,699

7 Earnings per share (continued)

Weighted average number of shares used as the denominator (continued)

(a) Performance Rights

Performance rights granted to employees under the performance rights plan whose conditions have been met at year end, excluding conditions only relating to time, are included in the calculation of diluted earnings per share assuming all outstanding rights will vest. The rights are not included in the determination of basic earnings per share. Further information about the performance rights is provided in Note 35.

(b) Options

Options granted to employees as part of their total remuneration package are considered to be potential ordinary shares. They have been included in the determination of diluted earnings per share if the required TSR hurdles would have been met based on the company's performance up to the reporting date, and to the extent to which they are dilutive. At the date of this report, a total of 42,900,000 Options (tranche 1, 2 and 3) were issued to the Mr Singleton vested on 30 June 2024 following satisfaction of the applicable retention and share price performance conditions. All 42,900,000 Options may be exercised into shares at an exercise price of $0.13 on or before 26 November 2024. Accordingly, these options were included in the calculation of diluted earnings per share.

Of the total 5,000,000 Options (tranche 1, 2 and 3) issued to the COO, 510,000 options have vested as at 30 June 2024.These Options may be exercised into shares at an exercise price of $0.35. As the exercise price is below the average share price of the Company during the year, all the 5,000,000 options are considered dilutive and included in the calculation of diluted earnings per share.

Further information about the Options is provided in Note 35.

8 Dividends

Recognised amounts

	30 June 2024 $'000	30 June 2023 $'000
Fully franked dividend for the year ended 30 June 2022 of 0.3 cents per share, paid on 27 October 2022	-	1,746
Interim fully franked dividend for the half-year ended 31 December 2023 of 0.4 cents per share, paid on 8 April 2024	2,345	-
Total Recognised amounts	**2,345**	**1,746**

A portion of shareholders participated in the Dividend Reinvestment Plan and reinvested $0.073 million of the amount declared (2023: $0.033 million). The cash outflow of the above dividends for the year was $2.345 million (2023: $1.746 million).

Dividends not recognised at the end of the reporting period

Subsequent to the end of the financial year, the directors declared a final dividend of 0.8 cents per share (2023: nil) per fully paid ordinary shares. The aggregate amount of the proposed dividend expected to be paid on 7 October 2024 out of retained earnings at 30 June 2024 but not recognised as a liability, is $4.687 million.

Franking credits

	2024 $'000	2023 $'000
Franking credits available for subsequent reporting periods based on a tax rate of 30.0% (2023 - 30.0%)	21,892	22,897

The above amounts represent the balance of the franking account as at the end of the reporting period, adjusted for:

(a) franking credits that will arise from the payment of the amount of the provision for income tax;
(b) franking debits that will arise from the payment of dividends recognised as a liability at the reporting date; and
(c) franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

9 Cash and cash equivalents

	2024 $'000	2023 $'000
Cash and cash equivalents	40,193	20,167
	40,193	**20,167**

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position. Refer to note 24 for foreign exchange risk.

The cash and cash equivalents disclosed above and in the statement of cash flows include Australian dollar equivalent of $3.812 million (2023: $1.657 million) which are held by PT Austin Engineering Indonesia. These deposits are subject to regulatory local exchange control regulations. These regulations provide for restrictions on exporting capital, other than normal dividends. No other restriction on cash and cash equivalents held by the Group.

10 Trade receivables

	2024 $'000	2023 $'000
Trade receivables	46,023	43,383
Allowance for expected credit losses	(11)	(11)
Trade receivables net of expected credit losses	**46,012**	**43,372**

The carrying amounts of the consolidated entity's trade receivables are denominated in the following currencies:

	2024 $'000	2023 $'000
Australian dollars	19,213	10,785
US dollars (Australian dollar equivalent)	16,832	25,604
Chilean pesos (Australian dollar equivalent)	7,396	6,983
Indonesian rupiah (Australian dollar equivalent)	2,571	-
	46,012	**43,372**

The carrying value of trade and other receivables classified at amortised cost approximates fair value.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Refer Note 24 for further details.

Refer to note 24 for more information on the consolidated entity's risk management policy, the credit quality and risk of trade receivables.

11 Contract assets

Contract assets relate to transferred goods or services where the Group is yet to establish an unconditional right to consideration. Refer to note 2 for further details.

	2024 $'000	2023 $'000
Contract assets	8,547	958
	8,547	**958**

The carrying amounts of the consolidated entity's contract assets are denominated in the following currencies:

	2024 $'000	2023 $'000
Australian dollars	469	-
US dollars (Australian dollar equivalent)	2,639	14
Chilean pesos (Australian dollar equivalent)	5,439	1,048
	8,547	**1,062**

12 Inventories

	2024 $'000	2023 $'000
At cost:		
Raw materials and consumables	43,326	47,804
Work in progress	26,743	20,566
Finished goods	312	380
	70,381	**68,750**

Raw materials, consumables and work in progress
Inventories are valued at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

13 Finance lease receivable

The Group entered into lessor finance lease arrangements with certain customers for the sale of truck bodies manufactured by the Group. The average term of finance leases entered into is 5 years. There are no unguaranteed residual values of assets under finance lease at the end of the reporting period. The average effective interest rate contracted is approximately 8% per annum. Please refer to note 24 for details on the Group's policy for impairment of financial assets, including finance lease receivables.

	Current 2024 $'000	Non-current 2024 $'000	Current 2023 $'000	Non-current 2023 $'000
Finance lease receivable				
Not later than one year	11,186	-	9,578	-
Later than one year and not later than five years	-	21,186	-	17,153
Later than five years	-	-	-	-
	11,186	21,186	9,578	17,153
Less: unearned finance income	(536)	(3,430)	(460)	(2,696)
Present value of minimum lease payments receivable	10,650	17,756	9,118	14,457
Allowance for uncollectible lease payments	-	-	-	-
	10,650	**17,756**	**9,118**	**14,457**

14 Other assets

	2024 $'000	2023 $'000
Current		
Prepayments	3,542	4,362
Other receivables (i)	2,143	4,090
	5,685	**8,452**
Non-current		
Other receivables (ii)	**202**	**-**
	202	**-**

(i) Current other receivables predominantly consist of amounts relating to value added tax balances.
(ii) Non-current other receivables relate to lease deposits.

15 Trade and other payables

	2024 $'000	2023 $'000
Current unsecured liabilities:		
Trade payables	51,994	41,164
Accrued expenses and other payables	21,602	9,719
	73,596	**50,883**

For information about the consolidated entity's exposure to foreign exchange risk refer to note 24.

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30-90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

All current trade and other payables are measured at nominal value.

The carrying amounts of the consolidated entity's trade and other payables are denominated in the following currencies.

	2024 $'000	2023 $'000
Australian dollars	11,098	17,510
US dollars (Australian dollar equivalent)	40,312	15,513
Chilean pesos (Australian dollar equivalent)	9,107	8,462
Colombian pesos (Australian dollar equivalent)	-	17
Peruvian nuevo soles (Australian dollar equivalent)	1,686	74
Indonesian rupiah (Australian dollar equivalent)	9,403	3,482
Singaporean dollars (Australian dollar equivalent)	1,777	1,499
Canadian dollars (Australia dollar equivalent)	62	88
Euro (Australian dollar equivalent)	151	4,141
New Zealand dollars (Australian dollar equivalent)	-	97
	73,596	**50,883**

16 Contract liabilities

	2024 $'000	2023 $'000
Current		
Contract liabilities – Customers	22,361	19,303
	22,361	**19,303**

Refer note 2 in relation to accounting policy on Contract liabilities. Current contract liabilities relate to performance obligations to be satisfied within the next 12 months from reporting date.

Non-current		
Government grant received	**2,704**	-
Less: recognised as income during the year	**(541)**	-
	2,163	**-**

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and they are credited to profit or loss on a straight- line basis over the expected lives of the related assets.

For information about the consolidated entity's exposure to foreign exchange risk refer to note 24.

Invoicing in advance of revenue recognition is treated as contract liabilities and presented as liabilities until revenue recognition criteria is met. All current trade and other payables are measured at nominal value. Refer to note 2 (c) for further details.

The carrying amounts of the consolidated entity's contract liabilities are denominated in the following currencies.

	2024 $'000	2023 $'000
Australian dollars	7,154	10,763
US dollars (Australian dollar equivalent)	12,040	7,561
Chilean pesos (Australian dollar equivalent)	2,082	606
Indonesian rupiah (Australian dollar equivalent)	1,085	373
	22,361	**19,303**

17 Provisions

	2024 $'000	2023 $'000
Current		
Employee leave entitlements and benefits	3,838	3,836
Warranty provisions	1,356	3,016
Other	991	2,771
	6,185	**9,623**
Non-current		
Employee leave entitlements and benefits	1,676	1,380
	1,676	**1,380**

A provision is recognised in the consolidated statement of financial position when there is a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Employee benefits - short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefit obligations

Liabilities for long service leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recorded as non-current. They are therefore recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of Australian Corporate Bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows.

Liabilities associated with the long term incentive scheme are included within the employee benefits obligations based on the fair value of these incentives at reporting date. Refer note 35 for further information.

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Warranties

Provision is made for potential warranty claims at the reporting date and is based on management assessments of the likelihood of claims arising from products delivered during the year as well as historical costs incurred on meeting warranty claims in prior years.

18 Property, plant and equipment

	2024 $'000	2023 $'000
Freehold land		
Cost	17,212	18,267
	17,212	**18,267**
Freehold buildings		
Cost	21,855	24,258
Accumulated depreciation	(7,854)	(7,900)
	14,001	**16,358**
Plant and equipment		
Cost	47,963	42,869
Accumulated depreciation	(36,463)	(34,359)
	11,500	**8,510**
Capital work in progress		
Cost	210	4,601
	210	**4,601**
Closing net book amount	**42,923**	**47,736**

	Freehold land $'000	Freehold buildings $'000	Plant and equipment $'000	Capital work in progress $'000	Total $'000
Year ended 30 June 2024					
Opening net book amount	**18,267**	**16,358**	**8,510**	**4,601**	**47,736**
Additions	-	300	1,918	1,951	4,169
Reallocation of capital work in progress	-	-	5,241	(5,241)	-
Expensed to profit or loss	-	-	-	(1,086)	(1,086)
Disposals	-	-	(750)	-	(750)
Exchange differences	(1,055)	(1,245)	203	(15)	(2,112)
Depreciation charge	-	(1,412)	(3,622)	-	(5,034)
Closing net book amount	**17,212**	**14,001**	**11,500**	**210**	**42,923**

	Freehold land $'000	Freehold buildings $'000	Plant and equipment $'000	Capital work in progress $'000	Total $'000
Year ended 30 June 2023					
Opening net book amount	16,910	13,262	4,526	2,549	37,247
Additions through acquisition of subsidiary	-	-	2,417	-	2,417
Other additions	-	1,877	5,367	2,021	9,265
Reallocation of capital work in progress	-	-	(15)	-	(15)
Disposals	-	-	(10)	-	(10)
Exchange differences	1,357	2,027	(163)	31	3,252
Depreciation charge	-	(808)	(3,544)	-	(4,352)
Transfers (to)/from assets classified as held for sale	-	-	(68)	-	(68)
Closing net book amount	**18,267**	**16,358**	**8,510**	**4,601**	**47,736**

(i) ***Non-current assets pledged as security***

Refer to note 21 for information on non-current assets pledged as security by the Group.

18 Property, plant and equipment (continued)

Cost

Property, plant and equipment are measured at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The depreciation rates used for each class of depreciable asset are:

Class of fixed asset	***Depreciation rate***
Buildings	2%-10%
Plant and equipment	5%-40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss.

Impairment

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Assets that have suffered an impairment are reviewed for possible reversal of impairment at the end of each reporting period.

19 Intangible assets

	Goodwill $'000	Customer Relationships $'000	Intellectual property $'000	Patents $'000	Software $'000	Total $'000
Year ended 30 June 2024						
Opening net book amount	17,932	4,989	1,979	835	378	26,113
Additions	-	-	-	165	900	1,065
Disposal	-	-	-	-	(12)	(12)
Transfers	-	-	-	-	-	-
Exchange differences	(15)	-	-	3	(64)	(76)
Amortisation charge	-	(544)	(216)	(161)	(219)	(1,140)
impairment charge	-	-	-	-	-	-
Closing net book amount	**17,917**	**4,445**	**1,763**	**842**	**983**	**25,950**
At 30 June 2024						
Cost	21,834	5,443	2,158	1,212	3,907	34,554
Accumulated amortisation and impairment	(3,917)	(998)	(395)	(370)	(2,924)	(8,604)
Net book amount	**17,917**	**4,445**	**1,763**	**842**	**983**	**25,950**

	Goodwill $'000	Customer Relationships $'000	Intellectual property $'000	Patents $'000	Software $'000	Total $'000
Year ended 30 June 2023						
Opening net book amount	6,501	-	-	828	4,259	11,588
Additions through acquisition of subsidiary	11,299	5,443	2,159	-	14	18,915
Other additions	-	-	-	96	65	161
Disposal	-	-	-	-	(168)	(168)
Transfers	-	-	-	-	-	-
Exchange differences	132	-	-	6	(46)	92
Amortisation charge	-	(454)	(180)	(95)	(265)	(994)
impairment charge	-	-	-	-	(3,481)	(3,481)
Closing net book amount	**17,932**	**4,989**	**1,979**	**835**	**378**	**26,113**
At 30 June 2023						
Cost	21,868	5,443	2,159	1,045	3,146	33,661
Accumulated amortisation and impairment	(3,936)	(454)	(180)	(210)	(2,768)	(7,548)
Net book amount	**17,932**	**4,989**	**1,979**	**835**	**378**	**26,113**

Goodwill

Goodwill is initially recorded at the amount by which the purchase price for a business combination exceeds the fair value attributed to the interest in the net fair value of identifiable assets, liabilities and contingent liabilities at date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to the cash generating units ("CGU") as follows:

Cash generating unit	**2024 $'000**	**2023 $'000**
Aust Bore Pty Ltd	2,563	2,563
Austin Engineering USA Inc.	4,054	4,070
Australia (excluding Austbore)	11,299	11,299
Net carrying value	**17,916**	**17,932**

Impairment charge

An impairment assessment was performed at the end of the financial year and no impairment recognised. Similarly, no impairment was recognised in the prior year.

19 Intangible assets (continued)

Customer contracts and Intellectual property

The customer contracts and Intellectual property were acquired as part of a business combination in the prior year. They are recognised at fair value at the date of acquisition and are subsequently amortised on a straight-line based on the timing of projected cash flows of the contracts over their estimated useful life of ten years.

Patents

Patents are recognised at cost less amortisation and any impairment. The cost of patent is recognised when it is first registered with the authorities and the useful life is determined as from the registration date to the next renewal date which usually is after five to eight years of the initial recognition. They are amortised on a straight-line basis.

Software

Software is recognised at cost less amortisation and any impairment. The cost of software is recognised when it is first put to use and is amortised over the expected useful life on a straight-line basis. Expected useful life is between three and five years.

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to profit or loss.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In the prior year, the Group impaired its ERP implementation costs by $3.481 million.

Key assumptions used for value in use calculations

The recoverable amount of the cash generating units is based on value-in-use calculations. These calculations use cash flow projections covering a five year period that are based on financial forecasts of how the business is expected to operate based on current performance consistent with previous experience and external data, excluding any benefit expected to arise from future restructuring or from improved asset performance. Cash flows beyond the five-year period are extrapolated using perpetual growth rates.

The calculation of value-in-use for the CGUs is most sensitive to the following assumptions:

(a) Revenue forecast and cash earnings assumptions;
(b) Growth rates used within the forecast period;
(c) Discount rates; and
(d) Growth rates used to extrapolate cash flows beyond the forecast period.

In performing value-in-use calculations, the Company has applied a pre-tax discount rate to discount the forecast future cash flows. The future cash flow calculations use cash flow projections based on the FY25 financial budgets approved by the Board. The FY25 cashflow projections then apply a growth rate between 2% and 4.2% depending on the region and covering a five-year period. Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest bearing borrowings the Group is obliged to service. A risk premium is included in each CGU's discount rate, reflecting the level of forecasting, size, country and financing risks for that CGU. The pre-tax WACC's are shown below:

Pre-tax WACC

Region	**2024 %**	**2023 %**
Australia	10.56	11.25
USA	9.28	9.94
Chile	13.19	13.80
Indonesia	12.89	13.84

Perpetual growth rates are applied based on the CGU's location. The average perpetual growth rates used for the CGU's are 2.67% (2023: 2.6%) based on the long-term growth rates experienced in the Group's end-markets and external forecasts.

20 Right-of-use assets and lease liabilities

(a) Leases

This note provides information for leases where the Group is a lessee. For leases where the Group is a lessor see note 13.

(i) Amounts recognised in the statement of financial position

The statement of financial position shows the following amounts relating to leases:

	2024 $'000	2023 $'000
Right-of-use assets		
Buildings	8,713	6,640
Equipment	548	4,096
Vehicles	449	180
	9,710	**10,916**
Lease liabilities		
Current	4,502	4,525
Non-current	7,241	9,100
	11,743	**13,625**

Additions to the right-of-use assets during the financial year ended 30 June 2024 were $2.503 million (2023: $3.922 million). The Group's leases primarily relate to real property leases, long term lease of equipment and motor vehicles. During the prior year, the Canadian right-of-use property asset was impaired by $2.292 million based on the estimated settlement price for exiting the lease arrangement. The carrying value of the remaining assets of $2.548 million (2023: $3.322 million) is carried as an asset held for sale at the end of the reporting period. Refer note 5 for further details.

(ii) Amounts recognised in the statement of profit or loss and other comprehensive income

The statement of profit or loss and other comprehensive income shows the following amounts relating to leases:

	2024 $'000	2023 $'000
Depreciation charge of right-of-use assets		
Buildings	3,440	2,119
Equipment	154	797
Vehicles	130	180
	3,724	3,096
Interest expense (included in finance cost)	1,633	2,247

The total cash outflow for leases in fiscal year ended 30 June 2024 was $5.686 million (2023: $5.503 million).

The Group has not classified any leases as short-term leases. (2023: Nil)

20 Right-of-use assets and lease liabilities (continued)

(a) Leases (continued)

(iii) The group's leasing activities and how these are accounted for

(i) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or rate are recognised as an expense in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(ii) Right-of-use assets

The group recognises right-of-use assets at cost at the commencement date of the lease (i.e., the date the underlying asset is available for use).

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are subsequently measured at cost, less any accumulated depreciation and impairment losses, and are adjusted for any remeasurement of lease liabilities.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the term and conditions of the lease, a provision is recognised and measured under AASB 137 Provisions, Contingent Liabilities and Contingent Assets. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

Right-of-use assets are subject to impairment in accordance with AASB 136 Impairment of Assets. Any identified impairment loss is accounted for in line with our accounting policy for 'Property, plant and equipment'.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of plant and equipment (i.e. those leases that have a lease of 12 months or less from the commencement date and do not contain a purchase option). It also applies the low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

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21 Financial liabilities

	Current 2024 $'000	Non-current 2024 $'000	Current 2023 $'000	Non-current 2023 $'000
Secured liabilities				
Facilities associated with continuing operations				
Bank borrowings (i)	29,644	917	29,641	4,583
Deferred consideration (ii)	3,500	-	3,500	3,368
Hire purchase liabilities	214	-	571	155
	33,358	917	33,712	8,106
Facilities associated with discontinued operations				
Finance liabilities associated with assets held for sale (note 5)	5,355	-	6,051	-
	38,713	917	39,763	8,106

(i) Bank borrowings:
In November 2023, the Group refinanced its $35.000 million facility with HSBC Bank Australia Limited. This facility is used to support the working capital requirements of the Group. The facility has a number of financial covenants being, a borrowing base ratio > 1.00, interest cover ratio > 4 times, leverage ratio < 2.25 times and debt service cover ratio of >1.5. As at 30 June 2024, the Group has complied with all covenants. In addition, in October 2022, the Group borrowed an additional $11.000 million as a term loan facility to fund the acquisition of Mainetec Pty Ltd ("Mainetec"). $4.583 million (2023: $8.249 million) of this amount remains outstanding at the reporting date.

Borrowings and hire purchase liabilities are initially recognised at fair value, net of transaction costs incurred. Borrowings and hire purchase liabilities are subsequently measured at amortised cost.

(ii) Deferred consideration:
On 23 August 2022, Austin Engineering Limited acquired 100% of the issued shares in Mainetec Pty Ltd, an engineering and fabrication business, for consideration of $17.847 million. Transfer of Mainetec shares was completed on 11 October 2022 after the transfer of the initial cash consideration of $11.120 million to the vendors of Mainetec.

Deferred consideration relates to the amounts payable to the former shareholders of Mainetec over a two-year period to 11 October 2024. An amount of $3.499 million (2023: $6.868 million) remains outstanding at the reporting date.

Deferred consideration is initially recognised at fair value and subsequently remeasured at each reporting period based on the net present value of the amounts payable. The difference in fair value is recognised in the consolidated statement of profit or loss.

Post completion arrangements
In addition to the deferred consideration noted above, under the terms of the acquisition agreement Austin also entered into a post-completion arrangement to incentivise continued employment and further performance over a three-year period. Under this arrangement, up to $6.0 million can be paid (in Austin shares) if various performance hurdles are met. Those incentive hurdles relate, respectively, to:

General revenue – up to $3.0 million

Revenue from Mainetec's buckets business must equal or exceed an agreed annual revenue target in any financial year prior to 30 June 2025 (for the full earn-out amount to be paid). Revenue below a lower (but still substantial) baseline figure will not qualify for any payment, and payment will be pro-rated for revenue that exceeds the baseline (but is less than the target).

Dipper revenue – up to $2.0 million

Aggregate revenue for the period 1 July 2022 to 30 June 2025 from worldwide sales of Mainetec sourced new dippers and related sales (but excluding sales that relate to existing work in progress and any further Australian refurbishing or rebuild work) must equal or exceed an agreed revenue hurdle. If aggregate revenue is below this, no amount is payable.

New business offering – up to $1.0 million

Mainetec entering into a new (Australia wide) contract (for a new business line) at prices acceptable to Austin with a large Australian mining company (or any of its related bodies corporate) and four other operators prior to 30 June 2025. If these contracts are not entered into, no amount is payable.

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21 Financial liabilities (continued)

The number of shares that may be issued are calculated by dividing the revenue earnout amount under the three categories described above divided by the Issue Price. Issue price is the price per Austin Share equal to the volume weighted average price of fully paid ordinary shares in Austin traded on the ASX, measured over the 30 days prior to the third anniversary date, but subject to the minimum issue price equal to the floor price. If when determining the number of shares to be issued under the agreement, the issue price is less than the floor price, then Austin is required to make a cash payment on the day on which the earn out shares are issued to each vendor equal to the shortfall relevant to the vendor.

The binding agreement was entered into between Austin, the three individual founders of Mainetec, and the three shareholders of Mainetec at the acquisition date (each of which is associated with one of the founders). Each of the three founders will be required to continue to be employed by Austin at the end of the three-year incentive period in order for the associated vendor to receive any earn-out shares. In accordance with the requirements of accounting standards, these post completion arrangements are considered share-based payments for employment services and will be expensed over the three-year service period, with the expense weighted based on management's assessment of the probability that the relevant conditions will be met. As at the end of the reporting period, Management has assessed the probability of the earn out shares vesting. No expense has been recorded for 30 June 2024 (2023: Nil).

Assets pledged as security - fixed/floating charge

	2024 $'000	2023 $'000
Current		
Floating charge		
Cash and cash equivalents	30,329	16,304
Receivables	35,413	27,655
Inventories	31,580	36,254
Other assets	2,819	3,726
Fixed charge		
Assets held for sale	2,548	3,628
Total current assets pledged as security	**102,688**	**87,567**
Non-current		
Fixed charge		
Property, plant and equipment	19,104	23,754
Intangible assets	25,884	26,056
Total assets pledged as security	**147,677**	**137,377**

Financing facilities

The Group had access to the following financing facilities at the reporting date:

	Consolidated entity 2024 $'000	2023 $'000
Total facilities		
Bank facilities - revolving credit	28,000	28,000
Bank facilities - bank guarantees	7,000	7,000
Bank facilities - term loan*	11,000	11,000
	46,000	**46,000**
Utilised facilities		
Bank facilities - revolving credit	26,000	26,000
Bank facilities - guarantees	6,147	5,475
Bank facilities - term loan	11,000	11,000
	43,147	**42,475**
Unused		
Bank facilities - revolving credit	2,000	2,000
Bank facilities - guarantees	853	1,525
Bank facilities - term loan	-	-
	2,853	**3,525**

*The term loan balance at 30 June 2024 was $4.583 million (2023: $8.249 million).

22 Equity - share capital

	2024 No.	2024 $'000	2023 No.	2023 $'000
Ordinary shares				
Opening balance	583,339,584	155,052	581,727,804	154,466
Conversion of performance rights	3,062,295	827	1,515,152	553
Share issued for dividend reinvestment plan (net of share issue costs)	153,864	73	96,628	33
Balance at end of year	586,555,743	155,952	583,339,584	155,052

Ordinary shares entitle the holder to participate in dividends and the proceeds of winding up of the Company in proportion to the number of and amounts paid on the shares held. Every holder of ordinary shares present at a meeting, in person or by proxy, is entitled to one vote per share. Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Options and Performance Rights Plan

For information relating to Austin Engineering Limited's employee option plan and performance rights plan, including details of options and rights issued, exercised, and lapsed during the financial year and the options and rights outstanding at the year-end, refer to note 35.

Capital management

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

The Group's total capital is defined as the shareholders' net equity plus net debt and amounted to $120.712 million at 30 June 2024 (30 June 2023: $128.255 million). The objective when managing the Group's capital is to safeguard the business as a going concern, to maximise returns to shareholders and to maintain an optimal capital structure in order to reduce the cost of capital.

The gearing ratios for the years ended 30 June 2024 and 30 June 2023 are as follows:

	Notes	2024 $'000	2023 $'000
Total borrowings		(30,561)	(34,224)
Cash and cash equivalents	9	40,193	20,167
Net cash / (debt)		**9,632**	**(14,057)**
Total equity		130,344	114,198
Total capital		**120,712**	**128,255**
Net gearing ratio		**8%**	**-11%**

23 Equity – reserves

Share-based payments

The option/performance rights reserve records items recognised as expenses on the valuation of director and employee performance rights.

Foreign currency translation

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income and accumulate in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

24 Financial risk management

The Group's activities expose it to a variety of financial risks including market risk, credit risk and liquidity risks. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the business. The Group uses, when necessary, derivative financial instruments such as foreign exchange contracts to hedge certain market risk exposures. The Group has no derivatives at the end of the financial year. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk. The Group's policy is to centralise debt and surplus cash balances and also to match the assets and liabilities currency exposure whenever possible.

Risk management is carried out by the finance function under principles and parameters approved by the Board of Directors. The finance function identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings in financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising returns.

(i) ***Foreign exchange risk***

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar, Chilean peso, Colombian peso, Peruvian nuevo soles and Indonesian rupiah as a result of its operations in the Americas and Indonesia.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities that are denominated in a currency that is not the Group's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting. The Australian dollar is the functional currency for a large part of the Group's entities and business activities.

Management has put in place a policy requiring business units and group entities to manage their foreign exchange risk against their functional currency. The Group companies are required to bring significant foreign currency transactions to the attention of the central finance function for evaluation as to the use of hedging using forward foreign currency contracts, no such contracts were used during the year.

Sensitivity

A sensitivity analysis was performed at 30 June 2024, to determine how the measurement of financial instruments denominated in a foreign currency would be affected if the Australian dollar weakened or strengthened by 10%. The analysis was performed on the same basis as at 30 June 2023, as indicated below:

	Strengthening by 10%		Weakening by 10%	
	Equity $'000	Profit or loss $'000	Equity $'000	Profit or loss $'000
30 June 2024				
US dollar	(1,662)	(1,050)	2,031	1,284
Chilean peso	4,187	566	(5,118)	(692)
Indonesian rupiah	(2,572)	(584)	3,144	714
Colombian peso	452	174	(552)	(212)
Peruvian nuevo soles	31	22	(38)	(27)
Canadian dollar	676	144	(826)	(176)
Total	**1,112**	**(728)**	**(1,359)**	**891**

24 Financial risk management (continued)

Market risk (continued)

(i) Foreign exchange risk (continued)

Sensitivity (continued)

	Strengthening by 10%		Weakening by 10%	
	Equity $'000	Profit or loss $'000	Equity $'000	Profit or loss $'000
30 June 2023				
US dollar	(2,079)	(1,003)	2,542	1,226
Chilean peso	4,751	(1,692)	(5,807)	2,068
Indonesian rupiah	(2,834)	(282)	3,463	345
Colombian peso	283	22	(346)	(27)
Peruvian nuevo soles	10	(1)	(13)	1
Canadian dollar	556	353	(679)	(432)
Total	**687**	**(2,603)**	**(840)**	**3,181**

There is a finance lease receivable of US$18.822 million at 30 June 2024 included in Austin's Chilean operation, a 10% strengthening of the US dollar against the Chilean peso would result in a profit of AUD $2.822 million, whereas a 10% weakening would result in a loss of AUD $2.318 million.

(ii) ***Price risk***

The Group is not exposed to material price risk relating to equity securities and it has therefore not been included in the sensitivity analysis.

(iii) ***Cash flow and fair value interest rate risk***

The Group's interest rate risk predominantly arises from long-term borrowings. Borrowings at variable rates expose the group to cash flow interest rate risk and fixed interest rates expose the Group to fair value interest rate risk. The Group analyses its interest rate exposure on an ongoing basis. Various interest rate shifts are simulated taking into account refinancing, renewal of existing positions and facilities, alternative financing and hedging. Based on these interest rate shifts, the Group calculates the impact on profit or loss. The interest rate shift scenario is run only for assets and liabilities that represent the major interest-bearing positions.

The following table analyses the group's financial assets and liabilities that are subject to interest rate risk.

	Consolidated entity			
	Weighted Average Interest Rate %	2024 $'000	Weighted Average Interest Rate %	2023 $'000
Cash	0.2%	40,193	0.5%	20,167
Finance lease receivable	8.0%	28,406	8.0%	23,574
Financial liabilities – bank borrowings	7.0%	(30,561)	6.2%	(34,224)
Net exposure to cash flow interest rate risk		38,038		9,517

The Group's fixed rate borrowings relating to the deferred consideration and hire purchase liabilities and lease liabilities are carried at amortised cost. They are therefore not subject to interest rate risk as defined in AASB 7.

Sensitivity

Based on the simulations performed, the annual impact on profit or loss of a one per cent shift in interest rates, with all other variables held constant, is estimated to be a maximum increase or decrease of $0.306 million (2023: $0.337 million). The simulation is performed on a bi-annual basis to estimate the maximum loss potential.

Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or contract, leading to a financial loss. Credit risk arises principally from cash deposits, trade receivables and finance lease receivables. Credit risk is co-operatively managed by the finance function and the operating units for customers, including outstanding receivables and committed transactions and at a Group level for credit risk arising from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions. Only reputable banks and financial institutions are dealt with.

24 Financial risk management (continued)

Credit risk (continued)

Definition of default

The Group considers information developed internally or obtained from external sources that indicate whether a debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group) as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet this criteria are generally not recoverable. Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is significantly past due (over 120 days) unless the Group has reasonable and supportable information to demonstrate that a longer default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:
- significant financial difficulty of the customer;
- a breach of contract, such as a default or past due event;
- it is probable that the customer will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Trade and other receivables:

The Group's exposure to credit risk for trade and other receivables (including contract assets) as well as finance lease receivables is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk. The Group enters into transactions with a number of high quality customers within the resources industry sector thereby minimising concentration of credit risk for trade and other receivables. The Group has multiple contracts with its significant customers, across a number of their subsidiaries, divisions within those subsidiaries and locations. The Group's activities are largely focused on the mining and mining services industry sectors and as a result its credit risk for trade and other receivables as well as finance lease receivables is concentrated in this sector.

Individual risk exposures are set for customers in accordance with specified limits established by management based on independent credit reports, financial information, credit references and the group's credit and trading history with the customer. Outstanding customer receivables are regularly monitored and any credit concerns highlighted to senior management.

The maximum exposure to credit risk, without taking into account the value of any collateral or other security, in the event that other parties fail to perform their obligations under financial instruments for each class of reporting recognised financial asset at the reporting date is the carrying amount of those assets as indicated in the statement of financial position.

Impairment loss on financial assets

The Group applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables, finance lease receivables and contract assets. To measure expected credit losses on a collective basis, trade receivables, finance lease receivables and contract assets are grouped based on similar credit risk and aging. The contract assets and finance lease receivables have similar risk characteristics to the trade receivables for similar types of contracts.

The expected loss rates are based on the Group's historical credit losses experienced over the three-year period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on economic factors affecting the Group's customers.

The Group's historical losses are very low as a proportion of the Group's trade receivables as the Group's customer base is made up primarily of large, investment grade credit rated mining and manufacturing companies. In addition to this, it is standard business practice for the Group to receive deposits in advance of work being performed for a portion of sales, this lowers the Group's exposure to trade receivables credit risk.

24 Financial risk management (continued)

Credit risk (continued)

Cash and cash equivalents:

The credit risk on cash and cash equivalents is limited because the counterparties are banks and financial institutions with high credit-ratings assigned by international credit-rating agencies.

Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due.

The objective of managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions. The Group has established a number of policies and processes for managing liquidity risk. These include:

- Continuously monitoring cash flows on a daily basis as well as forecasting cash flows on a medium and long-term basis;
- Monitoring the maturity profiles of financial assets and liabilities in order to match inflows and outflows;
- Maintaining adequate reserves and support facilities;
- Monitoring liquidity ratios and all constituent elements of working capital; and
- Maintaining adequate borrowing and finance facilities.

The Group maintains backup liquidity for its operations and currently maturing debts through a combination of revolving finance facilities, of which $2.000 million were undrawn at 30 June 2024 (2023: $2.000 million). The principal terms of repayment are detailed in note 21.

The table below analyses the Group's financial liabilities into maturity groupings based on the remaining period from the reporting date to the contractual maturity date. As amounts disclosed in the table are the contractual undiscounted cash flows including future interest payments, these balances will not necessarily agree with the amounts disclosed on the statement of financial position.

At 30 June 2024	No later than one year $'000	Between one and five years $'000	Greater than five years $'000	Contractual cash flows $'000	Carrying value $'000
Trade and other payables	73,596	-	-	73,596	73,596
Financial liabilities	33,358	917	-	34,275	34,275
Lease liabilities	4,636	8,618	-	13,254	11,743
Total	**111,590**	**9,535**	**-**	**121,124**	**119,613**
At 30 June 2023					
Trade and other payables	50,883	-	-	50,883	50,883
Financial liabilities	33,712	8,238	-	41,950	41,818
Lease liabilities	6,702	11,345	278	18,325	13,626
Total	**91,297**	**19,583**	**278**	**111,158**	**106,328**

25 Fair value measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. Fair values are categorised into different levels in a fair value hierarchy based on inputs used in the valuation techniques as follows:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
(b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

At 30 June 2024 the Group measured deferred consideration at fair value based on the net present value of future payments using an appropriate discount rate. The Group did not have any other financial instruments that were measured and recorded at fair value. The following methods and assumptions are used to determine the fair values of financial assets and financial liabilities.

Cash and cash equivalents and other receivables

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

Receivables and other assets

The carrying value approximates their fair value as they are short term in nature.

Short-term borrowings and other payables

The carrying value approximates their fair value as they are short term in nature.

Long-term borrowings

The fair value of variable rate borrowings, repriced within twelve months, approximates the carrying value.

26 Contingent liabilities

From time to time, the Group receives legal claims from former employees. The Directors are of the opinion that the likelihood of economic loss for the Group from claims pending at reporting date is low and that the potential quantum of these claims is not material.

Other than the matters noted above and guarantees that are issued to third parties arising out of dealings in the normal course of business, there are no contingent liabilities.

27 Events occurring after the reporting period

On 1 July 2024, the Company announced that it has reviewed and agreed a revised remuneration package for Austin's CEO and Managing Director, David Singleton, for the financial year ending 30 June 2025. Furthermore, that Mr Singleton had advised of his intention to remain as Austin's CEO and Managing Director until the end of FY25, after which time he has indicated an intention to retire from his executive position. Ending his tenure at the end of FY25 will permit sufficient time for a handover of the role and responsibilities to his successor, Mr Sybrandt Van Dyk. Mr Van Dyk will begin a handover period with Mr Singleton on 1 May 2025, officially commencing as CEO and Managing Director on 1 July 2025.

There have not been any other matters or circumstances, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial period, that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

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28 Interests in other entities

	Place of business/ country of incorporation	Percentage Owned 2024	2023
Parent entity			
Aust Bore Pty Ltd	Australia	100%	100%
Mainetec Pty Ltd	Australia	100%	100%
Austbuy Pty Ltd (previously Austin Engineering Treasury Pty Ltd)	Australia	100%	100%
Austin Engineering Singapore Pte Ltd	Singapore	100%	100%
Austin Engineering Offshore Pte Ltd	Singapore	100%	100%
Austin Engineering Batam Pte Ltd	Singapore	100%	100%
PT Austin Engineering Indonesia	Indonesia	100%	100%
Austin Canada Inc.	Canada	100%	100%
Austin Engineering USA Holding, Inc.	USA	100%	100%
Austin Engineering USA Services, Inc.	USA	100%	100%
Austin Engineering USA, Inc.	USA	100%	100%
Austin Engineering South America (No.1) Pty Ltd	Australia	100%	100%
Austin Engineering South America (No.2) Pty Ltd	Australia	100%	100%
Austin Inversiones Chile Ltda	Chile	100%	100%
Austin Ingenieros Chile Ltda	Chile	100%	100%
Austin Arrendamientos Chile Ltda	Chile	100%	100%
Austin Engineering Peru S.A.C	Peru	100%	100%
Austin Ingenieros Colombia S.A.S	Colombia	100%	100%
Austin Engineering Employee Share Trust	Australia	100%	100%

29 Deed of cross guarantee

Austin Engineering Limited and Mainetec Pty Ltd are parties to a deed of cross guarantee under which each company guarantees the debts of the others. By entering into a deed, the wholly owned entities have been relieved from the requirement to prepare a financial report and directors' report under ASIC Corporations *(Wholly-owned Companies) Instrument 2016/785*. The Deed of Cross Guarantee was lodged with ASIC on 27 February 2024, nominating Austin Engineering Limited as the holding entity.

The above companies represent a 'closed group' for the purposes of the instrument, and as there are no other parties to the deed of cross guarantee that are controlled by Austin Engineering Limited, they also represent the 'extended closed group'.

Set out below is a consolidated statement of profit or loss, a consolidated statement of comprehensive income and a summary of movements in consolidated retained earnings for the year ended 30 June 2024 of the closed group consisting of Austin Engineering Limited and Mainetec Pty Ltd.

Consolidated statement of comprehensive income

	Closed group 2024 $'000
Revenue from continuing operations	141,161
Other income	1,617
Expenses	(125,432)
Profit before income tax	17,346
Income tax benefit	4,724
Profit for the year	**22,070**
Other comprehensive income	-
Item that may be reclassified to profit or loss	-
Foreign currency translation differences, net of tax	-
Other comprehensive income for the year	-
Total comprehensive income for the year	**22,070**

29 Deed of cross guarantee (continued)

Below is a consolidated statement of financial position of the Closed Group and represents the entities subject to the Deed of Cross Guarantee.

Consolidated statement of financial position

	Closed group 2024 $'000
Assets	
Current assets	
Cash and cash equivalents	9,049
Trade and other receivables	18,416
Inventories	15,729
Other receivables and other assets	1,448
Related party receivables	60,517
Total current assets	**105,159**
Non-current assets	
Property, plant and equipment	4,595
Intangible assets	1,664
Deferred tax assets	10,511
Right-of- use assets	4,313
Investment	27,374
Total non-current assets	**48,457**
Total assets	**153,616**
Current liabilities	
Trade and other payables	19,646
Financial liabilities	33,247
Provisions	4,204
Lease liabilities	3,096
Total current liabilities	**60,193**
Non-current liabilities	
Financial liabilities	917
Provisions	680
Lease liabilities	2,935
Total non-current liabilities	**4,532**
Total liabilities	**64,725**
Net assets	**88,891**
Equity	
Share capital	155,953
Retained earnings	(82,662)
Profit reserve	15,115
Other reserves	(3,543)
Share based payment reserve	4,028
Total equity	**88,891**

30 Parent entity financial information

Summary financial information

The individual financial report for the parent entity shows the following aggregate amounts:

Statement of financial position	2024 $'000	2023 $'000
Current assets	101,089	96,210
Non-current assets	42,984	45,164
Total assets	**144,073**	**141,374**
Current liabilities	48,578	63,830
Non-current liabilities	4,412	11,087
Total liabilities	**52,990**	**74,917**
Net assets	**91,083**	**66,457**
Equity		
Contributed equity	155,952	155,052
Share-based payment reserve	4,028	3,615
Accumulated losses	(94,156)	(94,111)
Profits Reserve	25,259	1,901
	91,083	**66,457**
Profit/(loss) for the year	25,657	(4,934)
Other comprehensive income	-	-
Total comprehensive income	**25,657**	**(4,934)**

Contractual commitments for the acquisition of property, plant or equipment

There was no significant capital expenditure contracted for at the end of the reporting year but not recognised as liabilities (2023: nil).

Contingent liabilities

The Parent entity is part of the closed group as disclosed in Note 29. Except for this, the parent entity does not have any contingent liabilities as at 30 June 2024. (2023: nil).

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost in the financial report of Austin Engineering Limited. Dividends received from subsidiaries are recognised in the parent entity's profit or loss when its right to receive the dividend is established.

Impairment of investments in subsidiaries by the parent entity is undertaken in the same manner as impairment of intangible assets as disclosed in note 19. In FY2024, the Company did not recognise any impairments in respect of investments in, and loans to, subsidiary companies (2023: nil).

Profits reserve

There was a transfer to the profit reserve of $15.560 million for the period 1 July 2023 to 31 December 2023 in accordance with Board approval. The 2024 interim dividend of $2.272 million was paid out of the profit reserve during the year. Another transfer of $10.144 million was made to the profit reserve for the period 1 January 2024 to 30 June 2024 as approved by the Board. Remaining distributable profits available to the Group at 30 June 2024 was $25.259 million.

31 Cash flow information

(a) Reconciliation of profit after income tax to net cash flow from operating activities

	2024 $'000	2023 $'000
Profit for the year	**26,082**	**2,849**
Adjustment for -		
Depreciation and amortisation	9,900	8,701
Unrealised foreign exchange gain	(1)	(719)
Impairment expense	-	5,773
Profit on disposal of property, plant and equipment	103	(170)
Share based payment expense	1,240	1,544
Finance costs	-	4,295
Change in operating assets and liabilities -		
Decrease / (Increase) in receivables	(21,786)	14,232
Decrease / (Increase) in other assets	1,001	(6,286)
(Increase) in inventories	(6,863)	(22,310)
(Decrease) / Increase in payables	28,137	(504)
(Decrease) / Increase in income taxes payable and deferred	371	5,170
Increase) /(decrease) in other provisions	(2,685)	3,206
Net cash inflow from operating activities	**35,499**	**15,781**

(b) Non-cash investing and financing activities

	2024 $'000	2023 $'000
Acquisition of property, plant and equipment by means of leases	2,503	3,923

(c) Net debt reconciliation

Net debt	2024 $'000	2023 $'000
Cash and cash equivalents	40,193	20,167
Financial liabilities – repayable within one year	(33,358)	(33,712)
Financial liabilities – repayable after one year	(917)	(8,107)
Lease liabilities - repayable within one year	(4,502)	(4,525)
Lease liabilities - repayable after one year	(7,241)	(9,100)
Net debt	**(5,825)**	**(35,277)**

31 Cash flow information (continued)

(c) Net debt reconciliation (continued)

	Cash and cash equivalents $'000	Lease liabilities due within 1 year $'000	Lease liabilities due after 1 year $'000	Financial liabilities - repayable within one year $'000	Financial liabilities - repayable after one year $'000	Total $'000
Net debt as at 30 June 2023	20,167	(4,525)	(9,100)	(33,712)	(8,107)	(35,277)
Cash flows	19,888	5,686	-	4,068	(917)	28,725
Acquisitions	-	(583)	(2,332)	(3,714)	-	(6,629)
Foreign exchange movements	138	(444)	(445)	-	8,107	7,356
Transfer in maturity category	-	(4,636)	4,636	-	-	-
Net debt as at 30 June 2024	40,193	(4,502)	(7,241)	(33,358)	(917)	(5,825)

	Cash and cash equivalents $'000	Lease liabilities due within 1 year $'000	Lease liabilities due after 1 year $'000	Financial liabilities - repayable within one year $'000	Financial liabilities - repayable after one year $'000	Total $'000
Net debt as at 30 June 2022	**20,781**	**(2,998)**	**(11,264)**	**(22,000)**	**-**	**(15,481)**
Cash flows	207	5,503	-	(7,641)	(4,583)	(6,514)
Acquisitions	-	(456)	(3,004)	(4,071)	(3,524)	(11,055)
Foreign exchange movements	(821)	128	(1,534)	-	-	(2,227)
Transfer in maturity category	-	(6,702)	6,702	-	-	-
Net debt as at 30 June 2023	20,167	(4,525)	(9,100)	(33,712)	(8,107)	(35,277)

32 Remuneration of auditors

	Consolidated entity 2024 $	2023 $
Auditor of the parent entity (BDO Audit Pty Ltd) for:		
Auditing or reviewing the financial reports of any entity in the Group	283,500	289,000
Network firms of BDO Audit Pty Ltd:		
Auditing or reviewing the financial reports	290,813	272,750
Taxation services (income tax return lodgement)	26,263	26,695
Other services	-	-
	317,076	299,445
Total auditors' remuneration	**600,576**	**588,445**

33 Related party transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties.

Ultimate parent company

Austin Engineering Limited is the ultimate parent company.

33 Related party transactions (continued)

Controlled entities

Interests in subsidiaries are set out in note 28.

Transactions with other related parties and outstanding balances

During the year, the Group engaged Remsmart to provide remuneration consulting services to establish a job grading framework, remuneration benchmarking for top 50 roles, and recommending a go-forward remuneration framework. Linda O' Farrell is the Chair of Remsmart. An amount of $43,725 was paid in relation to these services. The remaining amount of $43,725 remains payable at 30 June 2024. (2023: nil).

34 Key management personnel compensation

	2024 $	2023 $
Short-term employee benefits	1,457,876	1,213,230
Post-employment benefits	130,234	100,862
Long-term benefits	662,721	1,464,325
	2,250,831	**2,778,417**

Detailed remuneration disclosures are provided in the remuneration report on pages 43 to 52.

35 Share-based payments

Equity settled share-based payments form part of the remuneration of employees (including executives) of the Group. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options and performance rights with the relative TSR performance measure is calculated at the grant date using the Monte-Carlo simulation model, taking into account, amongst other things, the impact of the TSR condition and that right holders are not entitled to dividends during the vesting period. The fair value of performance rights with the relative EPS performance measure is calculated using the Black-Scholes pricing model, taking into account that right holders are not entitled to dividends during the vesting period.

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

The Group has the following share-based payment arrangements:

- Performance rights
- Options
- Cash incentive arrangements
- Share based payments relating to post completion arrangements following Mainetec acquisition. Refer note 21 for details regarding the valuation of these shares-based payments.

The net expense arising from share-based payment transactions recognised during the period as part of employee benefits expense was $1.240 million (2023: $1.544 million).

35 Share-based payments (continued)

Performance rights

On 23 November 2018, the shareholders of the company voted to approve the Austin Engineering Limited (Austin) Performance Rights Plan. The Performance Rights Plan is a long-term incentive aimed at creating a stronger link between employee performance and reward and increasing shareholder value by enabling senior executives to have greater involvement with and share in the future growth and profitability of the Company.

As at reporting date, outstanding Performance Rights granted on the terms and conditions of the Company's Performance Rights Plan and vesting details are set out below:

Grant Date	Performance Conditions	Performance Period	Test Date	Number of Rights	Expiry Date
25-July-22	Tenure	1-Jun-22 to 30-Jun-23 1-Jun-22 to 30-Jun-24 1-Jun-22 to 30-Jun-25	30-Jun-23 30-Jun-24 30-Jun-25	230,166	1-Aug-27
06-Nov-23	EPS and TSR	1-Jul-23 to 30-Jun-26	30-Jun-26	957,000	06-Nov-28
08-Apr-24	EPS and TSR	1-Jul-23 to 30-Jun-26	30-Jun-26	240,096	08-Apr-29
		Forfeited/Converted/Lapsed in respect of the above		(181,722)	
			Total	**1,245,540**	

On 31 August 2023, 2,367,851 performance rights were converted into 2,367,851 ordinary shares at an exercise price of nil.
On 01 September 2023, 694,444 performance rights were converted into 694,444 ordinary shares at an exercise price of nil.
These conversions were made in accordance with the terms of the Group's performance rights plan.

The following table shows the performance rights granted, expired/forfeited, exercised, outstanding and exercisable at the reporting date:

	2024 No.	Weighted Average Exercise Price 2024 $	2023 No.	Weighted Average Exercise Price 2023 $
Outstanding at beginning of year	3,292,461	-	7,090,073	-
Granted	1,197,096	-	230,166	-
Expired	-	-	-	-
Exercised	(3,062,295)	-	(1,515,152)	-
Forfeited/lapsed	(181,722)	-	(2,512,626)	-
Outstanding at end of year	**1,245,540**	**-**	**3,292,461**	**-**
Total exercisable at end of year	**-**	**-**	**-**	**-**

The valuation model inputs used to determine the fair value at the grant date are as follows:

Grant date	Performance Rights	Expiry date	Exercise price	Share Price Grant date	Est. volatility	Risk free interest rate	Weighted average fair value rights granted	Fair Value TSR	Fair Value EPS	Fair Value Tenure
25/07/22	Tenure	01/08/27	-	$0.245	N/A	3.1%	$0.225	N/A	N/A	$0.225
06/11/23	EPS and TSR	06/11/28	-	$0.25	50%	4.36%	$0.175	N/A	N/A	$0.175
08/04/24	EPS and TSR	08/04/29	-	$0.47	50%	3.71%	$0.393	N/A	N/A	$0.393

The expected price volatility is based on the historic volatility (based on the remaining life of the rights), adjusted for any expected changes to future volatility due to publicly available information.

35 Share-based payments (continued)

Options

At the Annual General Meeting held on 26 November 2021, shareholders approved the issue of 42,900,000 Options as part of the Chief Executive Officer's remuneration package. The valuation model inputs used to determine the fair value at the grant date are as follows:

Grant date	Number of Options	Expiry Date	Share price at grant date	Exercise price	Hurdle rate	Est. volatility	Risk-free interest rate	Dividend yield	Fair value of option
26/11/2021	13,200,000	30/06/2024	$0.21	$0.13	$0.20	48%	0.10%	2.85%	$0.088
26/11/2021	13,800,000	30/06/2024	$0.21	$0.13	$0.24	48%	0.10%	2.85%	$0.084
26/11/2021	15,900,000	30/06/2024	$0.21	$0.13	$0.28	48%	0.10%	2.85%	$0.076

The Options are divided into nine tranches and are each subject to two separately considered performance conditions, both of which must be satisfied in respect of each tranche and before that particular tranche will vest and become capable of exercise. The applicable performance conditions are set out in the following table:

		Share Price Hurdle			
		20 cents	24 cents	28 cents	Total
Retention Dates	30 June 2022	(Tranche1) 4,400,000	(Tranche 2) 4,600,000	(Tranche 3) 5,300,000	**14,300,000**
	30 June 2023	(Tranche 4) 4,400,000	(Tranche 5) 4,600,000	(Tranche 6) 5,300,000	**14,300,000**
	30 June 2024	(Tranche 7) 4,400,000	(Tranche 8) 4,600,000	(Tranche 9) 5,300,000	**14,300,000**
	Total	**13,200,000**	**13,800,000**	**15,900,000**	**42,900,000**

As of 30 June 2024, all the above 42,900,000 Options have vested on satisfaction of the performance conditions.

5,000,000 Options were issued to the Chief Operating Officer, in accordance with the terms of the Option Plan on 12 January 2023. The valuation model inputs used to determine the fair value at the grant date are as follows:

Grant date	Number of Options	Expiry Date	Share price at grant date	Exercise price	Hurdle rate	Est. volatility	Risk-free interest rate	Dividend yield	Fair value of option
04/01/23	1,530,000	04/01/2026	$0.35	$0.35	$0.45	50%	3.04%	2.5%	$0.121
04/01/23	1,620,000	04/01/2026	$0.35	$0.35	$0.55	50%	3.04%	2.5%	$0.116
04/01/23	1,850,000	04/01/2026	$0.35	$0.35	$0.65	50%	3.04%	2.5%	$0.110

The Options are divided into nine tranches and are each subject to two separately considered performance conditions, both of which must be satisfied in respect of each tranche and before that particular tranche will vest and become capable of exercise. The applicable performance conditions are set out in the following table:

		Share Price Hurdle			
		45 cents	55 cents	65 cents	Total
Retention Dates	4 January 2024	(Tranche 1) 510,000	(Tranche 2) 540,000	(Tranche 3) 616,666	**1,666,666**
	4 January 2025	(Tranche 4) 510,000	(Tranche 5) 540,000	(Tranche 6) 616,667	**1,666,667**
	4 January 2026	(Tranche 7) 510,000	(Tranche 8) 540,000	(Tranche 9) 616,667	**1,666,667**
	Total	**1,530,000**	**1,620,000**	**1,850,000**	**5,000,000**

35 Share-based payments (continued)

Of the above options issued to the Chief Operating Officer, 510,000 options vested on 2 May 2024 and 540,000 options vested on 26 July 2024 following satisfaction of the applicable retention and share price performance conditions.

The following table shows the Options granted, expired/forfeited, exercised, outstanding and exercisable at the reporting date:

	2024 No.	Weighted Average Exercise Price 2024 $	2023 No.	Weighted Average Exercise Price 2023 $
Outstanding at beginning of year	47,900,000	0.13	42,900,000	0.13
Granted	-	-	5,000,000	0.35
Expired	-	-	-	-
Exercised	-	-	-	-
Forfeited/lapsed	-	-	-	-
Outstanding at end of year	47,900,000	0.13	47,900,000	0.15
Exercisable at end of year	42,900,000	0.13	28,600,000	0.13
Exercisable at end of year	510,000	0.35		

Cash Incentive Arrangement

The Company entered into a cash incentive arrangement with the CFO on 21 November 2022. The valuation model inputs used to determine the fair value are as follows.

Grant date	Share price at grant date	Est. volatility	Risk-free interest rate
21/11/22	$0.27	60%	3.20%

The applicable performance conditions are set out below. The CFO must be employed with the Company at the end of each Performance Period.

Period	Performance period	LTI achievement hurdle	Test date
1	1 December 2022 to 30 June 2024	Max 60-day VWAP > 34 cents	1 July 2024
2	1 July 2024 to 30 June 2025	Max 60-day VWAP > 41 cents *Un-earnt incentive from Period 1 can be earnt if the VWAP is above 34 cents*	1 July 2025
3	1 July 2025 to 30 June 2026	Max 60-day VWAP > 47 cents *Un-earnt incentive from Period 1 and 2 can be earnt if the VWAP is above 34 and 41 cents respectively*	1 July 2026

Notes to the financial statements
For the year ended 30 June 2024

36 Critical accounting estimates and judgements

Key estimates

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of intangibles

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates and require the Group to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate present value. For information relating to the value-in-use calculations refer to note 19.

Taxation - Carried forward tax losses

The Group has tax losses that have the potential to reduce tax payments in future years. Deferred tax assets have been recognised to the extent that their recovery is probable, having regard to the projected future taxable income of these taxable entities and after taking account of specific risk factors that affect the recovery of these assets.

Fair value of held for sale

The Group assesses fair value of assets held for sale each period with reference to external valuation information. In respect to property assets, the Group utilise a valuation from a third-party independent valuations expert to assess fair value. Valuations take into account comparable sales in the area and physical condition of the facilities. In respect to plant and equipment relating to discontinued operations, the Group valued this equipment based on the highest offer received at reporting date for these assets, less estimated costs to sell.

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset). The average incremental borrowing rate across leases is 8.69%.

Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them. For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Group uses a Black Scholes model to value the rights with the EPS performance conditions or tenure performance conditions and a Monte-Carlo simulation to value the rights with the TSR performance conditions. Options and cash settled incentives are valued using a Monte-Carlo simulation. Refer to notes 21 and 35 for key assumptions used in the valuation.

Impairment of right-of-use asset

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates and require the Group to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate present value. For more information relating to the value-in-use calculations refer to note19.

Business combinations

Business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Warranty provision

In determining the level of provision required for warranties the consolidated entity has made judgements in respect of the expected performance of the products, the number of customers who will actually claim under the warranty and how often, and the costs of fulfilling the conditions of the warranty. The provision is based on estimates made from historical warranty data associated with similar products and services.

36 Critical accounting estimates (continued)

Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

Revenue from contracts with customers involving sale of goods

When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the Group is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

Bill and Hold Transactions

The company occasionally enters into bill and hold arrangements with customers at their request, recognising revenue when the goods are billed and physically segregated in the holding yard, as this is when the performance obligation is satisfied and the risks and rewards of ownership have transferred to the customer. Key considerations include the transaction being initiated at the customer's request, the goods being clearly identified and set aside, the customer's acknowledgement of the arrangement, and the maintenance of relevant documentation.

37 Material accounting policy information

The accounting policies that are material to the consolidated entity are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The Financial report are for the Group consisting of Austin Engineering Limited and its subsidiaries.

(a) New accounting standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2024 reporting period and have not been early adopted by the group. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

(b) Basis of preparation

The general purpose financial report has been prepared on a going concern basis in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Austin Engineering Limited is a for-profit entity for the purpose of preparing the financial report. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

In preparing the financial report on the going concern basis management has considered the following factors:

- As at 30 June 2024, the Group has net current assets of $34.697 million (2023: $27.656 million)
- As at 30 June 2024, the Group has a net asset position of $130.344 million (2023: $114.197 million)
- The Group generated positive cashflows from operating activities of $35.499 million for the year ended 30 June 2024 (2023: $15.781 million)
- The Group has a net cash position of $9.632 million as at 30 June 2024 (2023: Net debt position of $14.058 million). The Group's current financing facility with HSBC has a maturity date of 30 September 2024. The Group is in the process of refinancing this facility and management is comfortable that the existing facility will be extended for a period of 12 months from September 2024. The Group has sufficient cash reserves to pay its debts as and when they become due.

(c) Principles of consolidation and equity accounting

(i) ***Subsidiaries***

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group 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 to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

37 Material accounting policy information (continued)

(d) Foreign currency translation

(i) ***Functional and presentation currency***

Items included in the Financial report of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated Financial report are presented in Australian dollars ($), which is Austin Engineering Limited's functional and presentation currency.

(ii) ***Transactions and balances***

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the Consolidated statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the Consolidated statement of profit or loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

(iii) ***Group companies***

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the reporting date,
- income and expenses for each Consolidated statement of profit or loss and Consolidated statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

37 Material accounting policy information (continued)

(e) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority 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 taxation authority, are presented as operating cash flows.

(f) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the noncurrent asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised. Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

(g) Rounding of amounts

All amounts disclosed in the Financial report and notes have been rounded off to the nearest thousand currency units unless otherwise stated.

(h) Comparative figures

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

Consolidated entity disclosure statement

Name of entity	Type of entity	Trustee	% of share capital	Country of Incorporation	Australian resident or foreign resident	Foreign jurisdiction(s) of foreign residents
Austin Engineering Limited	Body Corporate	n/a	100	Australia	Australian	n/a
Aust Bore Pty Ltd	Body Corporate	n/a	100	Australia	Australian	n/a
Mainetec Pty Ltd	Body Corporate	n/a	100	Australia	Australian	n/a
Austbuy Pty Ltd (previously Austin Engineering Treasury Pty Ltd)	Body Corporate	n/a	100	Australia	Australian	n/a
Austin Engineering South America (No.1) Pty Ltd	Body Corporate	n/a	100	Australia	Australian	n/a
Austin Engineering South America (No.2) Pty Ltd	Body Corporate	n/a	100	Australia	Australian	n/a
Austin Engineering Singapore Pte Ltd	Body Corporate	n/a	100	Singapore	Australian	n/a *
Austin Engineering Offshore Pte Ltd	Body Corporate	n/a	100	Singapore	Australian	n/a *
Austin Engineering Batam Pte Ltd	Body Corporate	n/a	100	Singapore	Australian	n/a *
PT Austin Engineering Indonesia	Body Corporate	n/a	100	Indonesia	Foreign	Indonesia
Austin Canada Inc.	Body Corporate	n/a	100	Canada	Foreign	Canada
Austin Engineering USA Holding, Inc.	Body Corporate	n/a	100	USA	Australian	n/a*
Austin Engineering USA Services, Inc.	Body Corporate	n/a	100	USA	Foreign	USA
Austin Engineering USA, Inc.	Body Corporate	n/a	100	USA	Foreign	USA
Austin Inversiones Chile Ltda	Body Corporate	n/a	100	Chile	Foreign	Chile
Austin Ingenieros Chile Ltda	Body Corporate	n/a	100	Chile	Foreign	Chile
Austin Arrendamientos Chile Ltda	Body Corporate	n/a	100	Chile	Foreign	Chile
Austin Engineering Peru S.A.C	Body Corporate	n/a	100	Peru	Foreign	Peru
Austin Ingenieros Colombia S.A.S	Body Corporate	n/a	100	Colombia	Foreign	Colombia
Austin Engineering Employee Share Trust	Trust	CPU Share Plans Pty Limited	100	Australia	Australian	n/a

* These entities are also a tax resident in their respective countries of incorporation. However, they are assessed as an Australian resident under the Income Tax Assessment Act 1997 and therefore not classified as a foreign resident under that Act. *(voluntary disclosure)*

Consolidated entity disclosure statement (continued)

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 Austin 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.

Foreign tax residency

Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in determining tax residency and ensure compliance with applicable foreign tax legislation.

In the Directors' opinion:

(a) the Financial report and notes set out on pages 57 to 102 are in accordance with the *Corporations Act 2001*, including:

(i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and

(ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the financial year ended on that date, and

(b) the remuneration disclosures contained in the Remuneration Report in the Directors' Report comply with section 300A of the *Corporations Act 2001*.

(c) there are reasonable grounds to believe that the Austin Engineering Limited will be able to pay its debts as and when they become due and payable.

(d) the information disclosed in the attached consolidated entity disclosure statement on pages 102 to 103 is true and correct.

Note 37 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

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

J. a. Walker

Jim Walker
Non - Executive Chair

27 August 2024
Perth

independent auditor's report

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INDEPENDENT AUDITOR'S **REPORT**

To the members of Austin Engineering Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Austin Engineering Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial 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 2024 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 *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We 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.

Impairment assessment

Key audit matter	How the matter was addressed in our audit
Note 19 in the financial report discloses the assets and the assumptions used by the Group in testing these assets for impairment. This was determined to be a key audit matter as management's assessment of the recoverability of the intangible assets is supported by a value in use model which requires the use of estimates and judgements about future operating performance. These include judgements and estimates over the expectation of future revenues, anticipated budgeted costs, growth rates and the discount rate applied.	Our audit procedures included, but were not limited to: • Evaluating the Group's identification of Cash Generating Units ("CGUs") and the allocation of goodwill to the carrying value of CGUs based on our understanding of the Group's business; • Challenging key inputs used in the value in use calculations including the following: ○ Assessing the discount rate used by involving internal valuation experts and comparing to market data and industry research; ○ Comparing growth rates with historical data and economic and industry growth forecasts; ○ Assessing the Group's forecast cash flows is consistent with our knowledge of the business, board approved budget and corroborating our work with external information where possible; ○ Performing sensitivity analysis on the revenue, growth rates, gross profit margins and discount rates; and • Assessing the adequacy of the related disclosures in the financial report.

Revenue recognition

Key audit matter	How the matter was addressed in our audit
Revenue is disclosed in Note 2 of the financial report. We identified revenue recognition as a key audit matter. This is due to the significance of revenue as a key driver of the organisation and the complexity involved in ensuring compliance with Australian Accounting Standard AASB 15 *Revenue from Contracts with Customers* ("AASB 15") across different geographic locations and multiple revenue streams.	Our procedures included, but were not limited to the following: • Assessing the Group's accounting policy for revenue to assess for compliance with AASB 15 *Revenue from Contract with Customers ("AASB 15")*; • Performing substantive testing of revenue transactions throughout the year to ensure they were recorded in the correct period and in accordance with AASB 15; • Conducting cut-off procedures around the reporting period to verify that revenue was recognised in the appropriate financial year and where applicable, contract liabilities have been appropriately recorded at year end; • Testing bill and hold revenue transactions to ensure they met the criteria for revenue recognition under AASB 15; • Engaging our internal IFRS specialist to assist in reviewing the revenue recognition for key customer contracts to assess their compliance with AASB 15; and • Assessing the adequacy of the related disclosures in the financial report.

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 2024, 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/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 43 to 52 of the directors' report for the year ended 30 June 2024.

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

Responsibilities

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

BDO Audit Pty Ltd

BDO

Dean Just

Director

Perth, 27 August 2024

shareholder information

as at 15 August 2024

A. Distribution of equity securities

Range of Holding	Number of Shareholders	No of Shares
1 - 1000	680	198,483
1,001 - 5,000	828	2,314,558
5,001 - 10,000	453	3,466,428
10,001 - 100,000	988	33,205,247
100,001 and over	288	547,371,027
	3,237	**586,555,743**

B. Substantial holders at 15 August 2024

	Number held	Percentage
Thorney Investment Group Australia Pty Ltd	118,781,343	20.3%
Wilson Asset Management (International) Pty Ltd	44,920,583	7.9%

C. Voting rights

All ordinary shares issued by the company carry one vote per share without restriction.

D. Twenty largest shareholders at 15 August 2024

	Ordinary shares	
Name	Number held	Percentage of issued shares
UBS NOMINEES PTY LTD	123,498,501	21.05
CITICORP NOMINEES PTY LIMITED	108,452,577	18.49
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	83,124,127	14.17
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	53,068,549	9.05
BNP PARIBAS NOMS PTY LTD	8,548,554	1.46
PRECISION OPPORTUNITIES FUND LTD <INVESTMENT A/C>	8,509,000	1.45
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	6,228,099	1.06
CIRCUMFERENCE CAPITAL CT PTY LTD <CIRCUMFERENCE CAPITAL A/C>	5,963,491	1.02
BNP PARIBAS NOMS PTY LTD <GLOBAL MARKETS>	5,668,605	0.97
ACE PROPERTY HOLDINGS PTY LTD	4,700,000	0.80
SUPER SMART INVESTMENTS PTY LTD <BARRY & NAOMI KING S/F A/C>	4,150,000	0.71
WARBONT NOMINEES PTY LTD <UNPAID ENTREPOT A/C>	3,928,334	0.67
UPTON TRADING PTY LTD	3,675,319	0.63
CERTANE CT PTY LTD <CHARITABLE FOUNDATION>	3,381,476	0.58
EST MR PETER HOWELLS	3,095,874	0.53
CERTANE CT PTY LTD <BIPETA>	2,718,524	0.46
S J QUINLIVAN PTY LTD	2,642,453	0.45
MR BARRY PAUL KING	2,500,000	0.43
PINDAN INVESTMENTS PTY LTD <PINDAN INVESTMENT A/C>	2,500,000	0.43
RESEARCHED INVESTMENTS PTY LTD <RICHARD CRUICKSHANK S/F A/C>	2,499,712	0.43
	438.853.195	**74.82%**

E. Additional information

There is no on-market buy-back currently in effect

Company information

Austin Engineering Limited

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Auditors

BDO
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Perth WA 6000

Principal Bankers

HSBC bank Australia
Level 33, QV1
250 St Georges Terrace
Perth WA 6000

Company Secretary

Katina Nadebaum

Stock Exchange

Australian Securities Exchange

ASX Code

ANG

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DESIGN MATTERS

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