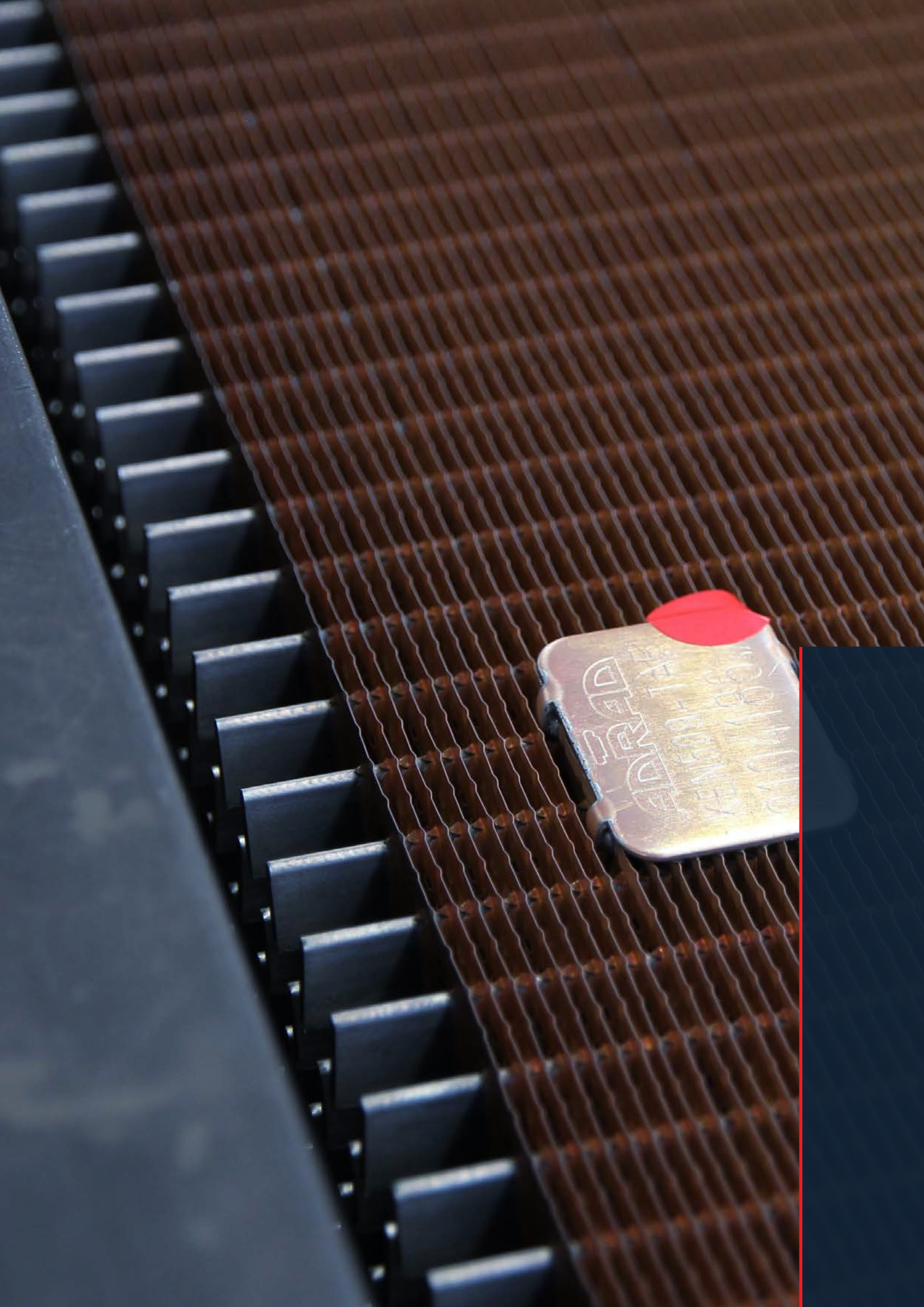




ADRAD

ANNUAL **20** REPORT **25**

Adrad Holdings Limited
ABN 51 121 033 396



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CORPORATE DIRECTORY

Directors

Mr. Glenn Davis (Independent Non-Executive Chairman)

Mr. Donald McGurk (Independent Non-Executive Director)

Mr. Darryl Abotomey (Independent Non-Executive Director)

Mr. Gary Washington (Non-Executive Director)

Chief Executive Officer

Mr. Kevin Boyle (resigned 28 July 2025)

Mr. Paul Proctor (appointed 28 July 2025)

Company Secretaries

Ms. Kaitlin Smith

Mr. Roderick Hyslop

Registered office and principal place of business

26 Howards Road

Beverley, SA, 5009

Auditor

William Buck (SA)

Level 6, 211 Victoria Square

Adelaide SA 5000

Share register

Computershare Investor Services Pty Limited

Bankers

Bank SA

Level 5, 97 King William Street

Adelaide SA 5000

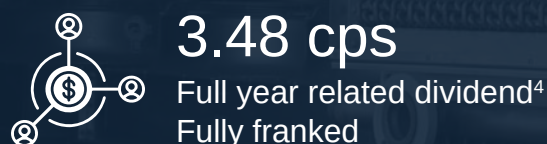
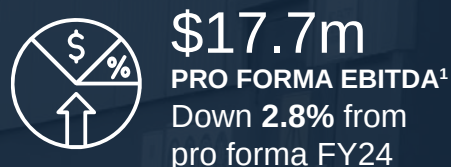
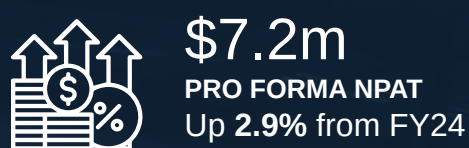
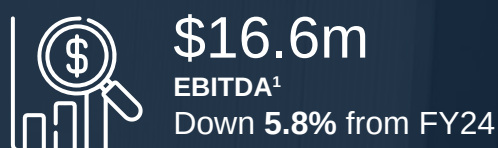
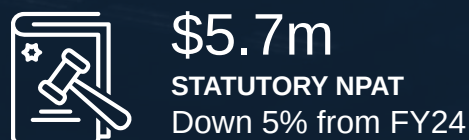
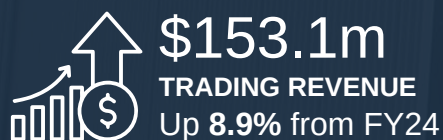
Website

www.adradholdings.com.au

Stock exchange listing

Australian Stock Exchange (ASX Code: AHL)

FY25 FINANCIAL HIGHLIGHTS



1 Earning Before interest, Tax and Depreciation & Amortisation ("EBITDA") is presented on a post AASB-16 - Leases basis.

2 Increased expenditure or inventory to meet data centre and project customer demand.

3 Lower FY25 capex versus prior comparative period (pcp) following substantial completion of Thailand office facility and factory re-lay initiated in FY24.

4 Equates to 50% of statutory full year Net Profit After Tax ("NPAT"), fully franked. Final declared dividend of 2.08cps and has a record date of 8 September 2025 and a payment date of 29 September 2025.

OVERVIEW OF ADRAD

VISION

1st Choice for
Industrial & Engine
Cooling Solutions

Two major segments
servicing all aspects of the
engine cooling market:



HEAT TRANSFER SOLUTIONS (AIR RADIATORS)

A vertically integrated designer and manufacturer of industrial and automotive radiator and cooling solutions.



DISTRIBUTION (ADRAD)

Importer and distributor of radiators and other products for the Australasian automotive and industrial aftermarket.



LETTER FROM THE CHAIR

Welcome to the 2025 Adrad Holdings annual report.

As we have done since listing, the past year saw further improvement in revenue with 9% year on year growth. Our challenge remains to capture the benefit of that growth in improved bottom line performance. Investment has been made to do so, but we must now see results.

After just over a year in the role our CEO, Kevin Boyle, recently resigned. Kevin has during his time overseen the continued growth of Adrad's revenue and rationalisation of its manufacturing facilities. On behalf of the board, I thank Kevin for his contribution to Adrad and we wish him well in his future endeavours.

At the same time, we have been able to move quickly and are fortunate to have appointed a new CEO in Mr Paul Proctor. Paul is a very experienced and seasoned CEO having previously held senior and managing director roles at Air International, Cooper Standard Automotive, Tenneco Automotive (Monroe Australia) and Seeley International. Paul's disciplined approach to market development, operational excellence and driving results will, we believe, allow the company to improve operational and financial performance from the platform that has been built.

“Adrad is full of great people on the factory floor, in distribution centres, on the road selling and in corporate services providing heat transfer solutions and aftermarket support across a broad range.”

In addition to the benefits that discipline will bring we also expect to see benefits from our product development initiatives in HTS as well as growth in data centre demand in that segment and the expansion of our network in Distribution as referred to in the annual report.

Adrad is full of great people on the factory floor, in distribution centres, on the road selling and in corporate services providing heat transfer solutions and aftermarket support across a broad range. The board is appreciative of all of their hard work and commitment, and we thank them for all that they do.

In closing, thank you to you our shareholders for your continued support.



Glenn Davis

**Non-Executive Chairman
Adrad Holdings Ltd**

18 August 2025





ADRAD

DIRECTORS' REPORT

DIRECTORS' REPORT

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Adrad Holdings Limited (referred to hereafter as the 'Company' or 'Adrad') and the entities it controlled at the end of, or during, the year ended 30 June 2025.

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

Directors

Name	Position
Non-Executive Directors	
Glenn Davis	Independent Non-Executive Chairman
Donald McGurk	Independent Non-Executive Director
Darryl Abotomey	Independent Non-Executive Director
Executive Director(S)	
Gary Washington	Executive Director ¹
1. On 24 July Mr Washington transitioned to Non-Executive Director	

PRINCIPAL ACTIVITIES

Adrad is an Australian-based business specialising in the design and manufacture of innovative heat transfer solutions for industrial applications and the manufacture, importation and distribution of automotive cooling components and parts for the aftermarket segment.

The Company has two key business segments:

Heat Transfer Solutions – Designs and manufactures industrial cooling solutions for use in road transport and heavy vehicles, mining, power generation, data centres and rail industries.

Distribution– Imports and distributes radiators, mobile and stationary heat exchange products and a variety of automotive parts for the automotive and industrial markets.

During the reporting period the Company operated across Australia, New Zealand and Thailand. This included warehousing, manufacturing and the provision of services and facilities capable of responding to urgent customer needs. The Company has approximately 500 employees.

Aside from the announced closure of New Zealand Distribution operations there has been no significant change in the nature of the Company's activities during the year.

OPERATING AND FINANCIAL REVIEW

The Company's financial results for FY25 and a review of operations during the financial year are set out below.

		FY25	FY24 (Restated) ¹	Change
Statutory financial performance				%
Statutory sales revenue from continuing operations	\$ m	153.1	140.6	8.9%
EBITDA ² from continuing operations	\$ m	16.6	17.6	(5.8%)
Net profit after tax (NPAT)	\$ m	5.7	6.0	(5.0%)
Interim dividend	cps	1.40	1.33	5.3%
Final dividend	cps	2.08	1.61	29.2%
Basic EPS	cps	6.95	7.36	(5.5%)
Pro forma³ financial performance				
Pro forma sales revenue from continuing operations	\$ m	153.1	140.6	8.9%
Pro forma EBITDA from continuing operations	\$ m	17.7	18.2	(2.8%)
Pro forma NPAT	\$ m	7.2	7.0	2.9%
Cash Flow				
Operating cash flow	\$ m	13.9	14.7	(5.1%)
Financial position				As at 30 June
Cash (including term deposit)	\$ m	18.2	15.8	15.0%
Net assets	\$ m	126.2	120.8	4.5%

1. FY24 financial results have been restated to report the operating results (net of tax) of the National Radiators Ltd subsidiary as a Discontinued Operation; refer to Note 11.

2. Earnings before interest, tax, depreciation and amortisation

3. Pro forma results in the table above are categorised as non-IFRS financial information provided to assist readers to better understand the financial performance of the underlying operating business. They have not been subject to audit or review by the Company's external auditors.

- Statutory sales revenue from continuing operations in FY25 of \$153.1 million, an increase of 8.9% on the prior year (FY24: \$140.6 million) was driven largely by growth in the HTS data centre market.
- Pro forma earnings before interest, taxes, depreciation and amortisation (EBITDA) in FY25 was \$17.7 million (FY24: \$18.2 million).
- Statutory Net Profit after Tax in FY25 was \$5.7 million, down from \$6.0 million in the prior year.
- Pro forma Net Profit after Tax in FY25 of \$7.2 million was up 2.9% from prior year (FY24: \$7.0 million).

The net assets of the Company increased to \$126,249,909 as at 30 June 2025 (30 June 2024: \$120,766,314). The Company had net cash inflows from operating activities for the period of \$13,946,778 (30 June 2024: inflows of \$14,698,704).

NON-IFRS FINANCIAL INFORMATION

This report contains non-IFRS financial information provided to assist readers to better understand the business.

Pro forma EBITDA is presented post AASB 16 Leases and before significant or abnormal items including one-off costs associated with divestment activity and non-recurring costs incurred that are not reflective of underlying business activity.

Pro forma NPAT is presented before significant and abnormal items at the Company's statutory Australian tax rate of 30% unless otherwise noted.

The Directors believe the presentation of non IFRS financial measures is useful as they provide additional and relevant information that reflects the underlying financial performance and trends of the business. Non IFRS financial measures contained within this report are not subject to audit or review.

PRO FORMA NPAT

The Company reported statutory NPAT of \$5.7 million (FY24: \$6.0 million). After adjusting for abnormal items and discontinued operations, pro forma NPAT was \$7.2 million representing a 2.9% increase compared to FY24 pro forma NPAT of \$7.0 million.

The reconciliation between statutory NPAT and pro forma NPAT is:

Directors Report reconciliation between NPAT and pro-forma NPAT				
	FY25	FY24 (Restated) ¹	Change	Change
	\$m	\$m	\$m	%
Statutory NPAT	5.7	6.0	(0.3)	(5.0%)
<i>Significant and abnormal items (net of tax at 30%)</i>				
National Radiators Ltd (NZ) - Discontinued Operation ¹	0.6	0.5	0.1	20.0%
Impairment loss on R&D asset ²	0.9	0.0	0.9	N/A
IPO costs net of recovery ³	0.0	0.5	(0.5)	(100.0%)
Pro forma NPAT	7.2	7.0	0.2	2.9%

1. FY24 financial results have been restated to report the operating results (net of tax) of the National Radiators Ltd subsidiary as a Discontinued Operation; refer to Note 11.

2. The Company has elected to take up an impairment loss on an internally developed R&D asset related to the development of a new product and manufacturing technique that in its present form is not economically viable.

3. Non-recurring IPO cost.

PRO FORMA EBITDA

The Company recorded a statutory EBITDA from continuing operations of \$16.6 million (FY24: \$17.6 million). After adjusting for significant abnormal costs, a pro forma EBITDA of \$17.7 million was generated representing a 2.8% decrease from FY24 restated pro forma EBITDA of \$18.2 million.

During the year the Company elected to impair an internally developed R&D asset related to the development of a new product and manufacturing technique that in its present form is not economically viable.

The reconciliation between continuing operations' statutory EBITDA and pro forma EBITDA is:

Directors Report reconciliation between EBITDA and pro-forma EBITDA				
	FY25	FY24 (Restated) ¹	Change	Change
	\$m	\$m	\$m	%
Operating profit from continuing operations	9.4	10.7	(1.3)	(12.1%)
Add back depreciation	7.2	6.9	0.3	4.4%
EBITDA	16.6	17.6	(1.0)	(5.8%)
<i>Abnormal items not in the ordinary course of operations</i>				
Impairment loss on R&D asset	1.1	0.0	1.1	N/A
IPO related costs net of recovery	0.0	0.6	(0.6)	(100.0%)
Pro forma EBITDA	17.7	18.2	(0.5)	(2.8%)

1. FY24 financial results have been restated to report the operating results (net of tax) of the National Radiators Ltd subsidiary as a Discontinued Operation; refer to Note 11.

HEAT TRANSFER SOLUTIONS (HTS)

The HTS business segment specialises in the development of custom designed and manufactured heat transfer solutions predominately for customers with operations across the Australian and Asian market. Our market includes cooling applications for data centre backup power systems, power generation at remote facilities, mining and transport vehicles and machinery, rail and other industrial equipment.

HTS has four main manufacturing facilities: three in Australia, being Lara (Victoria), Beverley and Gilman (South Australia) and one-site in Thailand. The segment underwent a site rationalisation programme across the year including the closure of the WA



manufacturing facility. Each facility was reviewed for configuration and production optimisation, with changes executed to deliver efficiencies and streamline each facility's operational capabilities.

Investments were made within the HTS segment across sales and marketing through the addition of specialised resources and the introduction of new, innovative products positioning the Company to expand its market presence particularly in Southeast Asia.

Continued development of the operational capabilities in the HTS Thailand facility was a focus in FY25. New products were delivered to meet the demands of new customers' as the Company continues to develop and strengthen its product offering for the Southeast Asian market.

The engineering team is working on the development of new products, with a particular focus on aluminium and datacentre cooling solutions.

Adrad's commitment to innovation and customer-driven design was witnessed via the deployment of extensive in-field testing of Adrad's Alu Fin product range. The testing was in collaboration with major global Original Equipment Manufacturers (OEMs) and reached key milestones in underground mining applications, with surface mining validation trials expected to commence in the first half of FY26. Product trials for Alu Fin, for use in the heavy-duty on-highway transport sector, began during the year. Additionally, Alu Fin completed its eighth year of continuous operation within the Victorian VLocity Regional Rail Network, further strengthening its market credibility.

The Company's commitment to excellence was reflected in being awarded the Supplier Excellence Recognition award by Caterpillar for the second year in a row. This is an award which recognises top-performing suppliers who have met or exceeded rigorous requirements and achieved world-class certification levels under Caterpillar's Supplier Excellence Recognition program. HTS continues to focus on achieving world class quality from all manufacturing facilities.

DISTRIBUTION

Improved market penetration and a focus on share of wallet growth to existing customers drove top line revenue in the distribution segment. While this delivered the desired revenue outcome it added short-term cost and margin pressure. This pressure eased towards the end of the second half of FY25, which was aided by a new freight recovery policy, introduced during January 2025 to offset increasing freight costs.



Range expansion has been an ongoing strategy within Distribution; with the addition of control arms, diesel particulate filters and inter cooler hoses in the year. Importantly the segment was able to maintain stable inventory levels during the expansion through better ordering process and lead times. The focus on the collision repair segment was initiated late in the first half and started to gain traction towards the end of the second half of the financial year.

GROUP SUPPORT

The IT team delivered several key initiatives to strengthen the Company's infrastructure, improve security, and support business efficiency. This included a full audit and cybersecurity risk assessment of the Group's infrastructure, a redesign and upgrade of core server systems, and development and roll-out of critical operational and cybersecurity policies.

The People and Culture (P&C) team continued to play a pivotal role in shaping and strengthening the corporate culture, with a strong emphasis on building high-performing teams. A central focus has been on embedding Adrad Holding's Limited's aspirational values—Caring, Trustworthy, One Team, Innovative, and We Deliver—throughout the organisation. A key initiative in this area was the successful launch of the Living the Values awards program, designed to recognise and celebrate employees who consistently exemplify these core values in their day-to-day work.

In alignment with the organisation's strategic objectives around growth and innovation, targeted development programs have been introduced to enhance leadership, sales, and engineering capabilities. These programs are aimed at equipping teams with the skills needed to drive performance and innovation.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Board and management are positive about the prospects for FY26. A series of actions have been implemented to ensure the Company continues to become more proactive in addressing sell price movements and purchase cost pressures. Substantial work has taken place in identifying and implementing manufacturing process enhancements with the goal to drive out costs and reduce warranties. Expansion of our Distribution footprint is planned for FY26. The HTS segment invested in its southeast Asia market development through the employment of a dedicated business development manager and refinement of fit-for-market products. In-field testing of above ground, below ground and on-highway alu-fin prototypes are expected to be substantially completed during FY26 with the aim of then commercialising these products.

The data centre market outlook remains robust with our power generation cooling product being a critical component. And we will continue our push into service work in rail and remote power generation.

MATERIAL BUSINESS RISKS

The Board is committed to meeting the expectations of shareholders by leading a company culture that embodies good corporate governance and ethical business practice. Our risk management practices are guided by the Company's Risk Management Policy, Risk Appetite Statement and Risk Management Framework. The Company is committed to maintaining and continually improving systems and processes to identify and effectively manage risk. Embedding robust risk management into our Company is continuously improving as we consistently prioritise risk management and continually review our culture, people, processes and technology.

Key strategic risks faced by the Company that could have a material impact on its financial prospects include:

Risk Management

Product risk

- Customers continuously seek lighter, stronger or cheaper products and we need to ensure our products remain in demand to meet our sales objectives.
- We are working more closely with key customer accounts to better manage these relationships.
 - We understand the role the Company plays in electric, hybrid and nontraditional power plants versus internal combustion engine (ICE) vehicles.
 - We invest considerable engineering effort in developing a product portfolio that is sought by our customers. We are adapting our product portfolio to meet the preferences of customers, who are moving to non-fossil fuel, electrified powertrains.
 - We have invested in improving the manufacturing capabilities a world class manufacturer.

Safety risk

- Workplace injuries impact performance.
- We have implemented systems and processes for compliance with Work Health and Safety laws and regulations and to effectively manage safety-related risks.
 - We monitor and report on key workforce personal safety.
 - We complete safety incident investigations and learn from incidents to help drive further improvements in safety. We also use leading indicators, such as employee engagement surveys, hazard identification, inspections, and risk assessments to monitor the strength of controls to prevent incidents.
 - We continued to take action to create workplaces where people can talk openly about mental health and get help if they need it, with campaigns focused on psychosocial wellbeing.

Human capital risk

- Inability to attract, develop and retain people with necessary skills, capabilities could negatively impact delivery of our strategy and our financial performance.
- We continue to build a culture that supports all of our employees and promotes our core values, inclusion, wellbeing and development.
 - Our people are crucial to delivering our strategy. We ensure we have the right people with the right skills from diverse backgrounds, and we provide training, development and competitive rewards for them.
 - We are progressing a strategy to be recognised as an 'Employer of Choice', including developing action plans to address feedback we received from our employees in our employee engagement survey.

Competitor risk

- We operate in a dynamic globally competitive market, and we want to ensure that we understand and manage the factors that can make us vulnerable to competitors.
- We regularly review our pricing strategies, keep abreast of market intelligence, and monitor the service and pricing strategies of our larger competitors.
 - We continue to invest in improving manufacturing capabilities and operating efficiencies to reduce overall costs.
 - We continue to invest in developing our product portfolio (e.g. aluminium products) and in other innovative product development, new technology, and design and engineering support for future income streams, to meet changing customer demands and leverage from our competitive advantages and value proposition.

Technology risk

- Failure of critical information technology (IT) infrastructure and protecting against and dealing with cybersecurity threats is an ever-evolving issue.
- Our technology team aims to mitigate risks and identify opportunities associated with evolving and emerging technologies.
 - Our annual insurance package includes cyber cover. The severity, sophistication and scale of cyber-attacks continue to evolve. Increasing digitization, the emergence of new technology such as generative artificial intelligence, and reliance on IT systems and cloud platforms makes managing cyber risk a priority. We seek to manage this risk through a range of measures, which include alignment to cyber security and data protection framework and standards, security protection tools, ongoing detection and monitoring of threats and digital response and recovery procedures.

FY25 DIVIDENDS

On 25 February 2025 the Directors declared a fully franked interim dividend of 1.40 cents per ordinary share in relation to the financial half-year ending 31 December 2024.

On 18 August 2025 the Directors declared a fully franked final dividend of 2.08 cents per ordinary share with a record date of 8 September 2025 to be paid on 29 September 2025. The estimated distribution of is \$1.7 million and it is not reflected in the consolidated financial statements for the year ending 30 June 2025.

The final dividend takes total dividends declared in relation to FY25 to 3.48 cents per share, fully franked: an increase of 18% over FY24. The total FY25 dividend represents 50% of statutory NPAT for the full year ending 30 June 2025.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

As announced on 11 June 2025, the Company took the decision to sell the assets of the distribution operations in New Zealand, cease trading and wind up the National Radiators Ltd (NZ) subsidiary. The agreement entered into with the counterparty was agreed in FY25 with the operation to wind up during Q1FY26. The financial impact of this decision has been taken to account in the FY25 results.

There were no other significant changes in the state of affairs of the consolidated entity during the year.

ENVIRONMENTAL LEGISLATION

The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

EXECUTIVE PERFORMANCE RIGHTS

No Key Management Personnel (KMP) received any share-based remuneration during FY25; details of KMP remuneration are included in the Remuneration Report which has been audited and included in this Directors' Report.

SHARES UNDER OPTION

During FY23 the Company issued 403,268 options to Adelaide Equity Partners Ltd upon successful listing on the ASX; admission to the Official List took place on 30 September 2022. The Options are unquoted and will be exercisable at \$2.10, being a 40% premium to the Offer Price. They are exercisable for a period of three years from the date of Admission (exercisable prior to 30 September 2025). The options had been valued using a Black-Scholes model at a total value of \$37,504 (\$0.093 per option) and charged to share based payment reserve during the year ended 30 June 2023.

SHAREHOLDINGS OF KEY MANAGEMENT PERSONNEL

Details of shareholdings of KMP as at 30 June 2025 and movements during FY25 are contained in the Remuneration Report which has been audited. KMP are restricted from trading in Company shares during closed periods as outlined in the Company's Share Trading Policy; this includes the period from 30 June to the day after the lodgement of the Company's results. There has been no change in the shareholdings of any KMP since 30 June 2025.





INFORMATION ON DIRECTORS

The names of the Directors of Adrad who held office during the financial year and at the date of this report are:



GLENN DAVIS

Independent Non-Executive Chairman – LLB, BEc, FAICD

EXPERIENCE AND EXPERTISE

Mr Davis has practiced as a solicitor in corporate and risk throughout Australia for over 30 years initially in a national firm and then a firm he founded. He has expertise and experience in the execution of large transactions, risk management and in corporate activity regulated by the Corporations Act (2001) and ASX Limited. Mr Davis has broad director and industry experience across manufacturing, retail, energy resources and primary production.

CURRENT AND FORMER LISTED COMPANY DIRECTORSHIPS IN THE LAST 3 YEARS

Mr Davis is currently a director of ASX listed company SkyCity Entertainment Group Ltd (since 2022), iTech Minerals Ltd (ITM) (since 2021) and Elders Ltd (since 2024).

Mr Davis resigned as a director of Beach Energy Ltd on 14 November 2023.

RESPONSIBILITIES

Mr Davis's special responsibilities include Chairman of the Board; member of the People, Culture and Governance Committee and member of the Audit and Risk Committee.

DATE OF APPOINTMENT

Mr Davis joined Adrad as Chair of the Company on 17 January 2022.



GARY WASHINGTON

Executive Director¹

EXPERIENCE AND EXPERTISE

Mr Washington founded Adrad in 1985 and has successfully led significant growth in the Company's business since its establishment, both organically and by way of acquisition, including the acquisition of the Natra group of companies in 2006.

Mr Washington has over 50 years' experience in the industrial and automotive heat exchange industries and in manufacturing in Australia.

Mr Washington was Chair of the Company from its establishment until the appointment of Mr Davis to the role in January 2022.

CURRENT AND FORMER LISTED COMPANY DIRECTORSHIPS IN THE LAST 3 YEARS

None.

RESPONSIBILITIES

Mr Washington was not a member of any committee of the Board during the reporting period.

DATE OF APPOINTMENT

Since inception in 1985.

1. Mr Washington transitioned to a Non-executive Director role on 24 July 2025.



DONALD MCGURK

Independent Non-Executive Director

EXPERIENCE AND EXPERTISE

Mr McGurk is the former Managing Director and Chief Executive Officer of Codan Limited, a global electronic solutions company developing technology solutions such as metal detection, tactical and critical communication solutions for government, military, public safety, non-government organisations and consumer markets internationally.

Mr McGurk has an extensive background in change management applied to manufacturing operations and has held senior manufacturing management positions in several industries.

CURRENT AND FORMER LISTED COMPANY DIRECTORSHIPS IN THE LAST 3 YEARS

Mr McGurk resigned as a non-executive director of Aerometrex Limited (ASX:AMX) on 31 December 2023.

Mr McGurk was managing director of Codan Limited until resigning in February 2022.

RESPONSIBILITIES

Mr McGurk's special responsibilities include Chairman of the Audit and Risk Committee plus member of the and People, Culture and Governance Committee.

DATE OF APPOINTMENT

Mr McGurk joined the Board of the Company on 23 March 2022.



DARRYL ABOTOMEY

Independent Non-Executive Director

EXPERIENCE AND EXPERTISE

Mr Abotomey brings over 30 years of executive leadership and financial expertise having held Board and executive leadership roles across manufacturing, global paper and packaging distribution and automotive aftermarket industries. Mr Abotomey was most recently Chief Executive Officer and Managing Director of Bapcor Limited, Asia Pacific's leading provider of vehicle parts, accessories, equipment, service and solutions, where during his 10 years in that role he was instrumental to the successful growth and expansion of the business in line with its strategic growth plan.

CURRENT AND FORMER LISTED COMPANY DIRECTORSHIPS IN THE LAST 3 YEARS

Mr Abotomey is a director of Metal Powder Works Limited appointed 4 April 2022.

RESPONSIBILITIES

Mr Abotomey's special responsibilities included member of the Audit and Risk Committee and Chairman of the People, Culture and Governance Committee.

DATE OF APPOINTMENT

Mr Abotomey joined the Board of the Company on 11 April 2023.

JOINT COMPANY SECRETARY



MS KAITLIN SMITH
B.Comm (Acc.), CA, FGIA

Ms Smith provides company secretarial and accounting services to various public and proprietary companies; she is a chartered accountant and a fellow member of the Governance Institute of Australia and holds a Bachelor of Commerce (Accounting).



MR ROD HYSLOP
B.A. (Econ.), CA

Mr Hyslop was appointed Joint Company Secretary on 24 January 2023 and has previous company secretary experience for both public and proprietary companies. Mr Hyslop also serves as the Group CFO.

MEETINGS OF DIRECTORS

The number of meetings of the Company's Board of Directors ('the Board') and each Board committee held during the year ended 30 June 2025, and the number of meetings attended by each Director was:

Name	Board Meeting		Audit and Risk Committee		People, Culture and Governance committee	
	Held ¹	Attended	Held ¹	Attended	Held ¹	Attended
Glenn Davis	8	8	4	4	2	2
Donald McGurk	8	8	4	4	2	2
Gary Washington	8	8	-	-	-	-
Darryl Abotomey	8	8	4	4	2	2

1. Number of meetings held during the time that the director was appointed to the Board or Committees

BOARD COMMITTEES

Chairmanship and membership of each Board committee throughout the year and at the date of this report are as follows:

Committee	Chairman	Members
Audit and Risk	Donald McGurk	Glenn Davis, Darryl Abotomey ¹
People, Culture and Governance	Darryl Abotomey ¹	Glenn Davis ² , Donald McGurk

1. Mr Abotomey resumed his positions on the Audit and Risk Committee and as Chairman of the People, Culture and Governance Committee on 1 July 2024.
2. Mr Davis relinquished his position as Chairman of the People, Culture and Governance committee on 1 July 2024.

REMUNERATION REPORT (AUDITED)

The Remuneration Report details the key management personnel (KMP) remuneration arrangements for the consolidated entity for the financial year ended 30 June 2025, in accordance with the requirements of the Corporations Act 2001 (Cth) and its Regulations. It has been audited and forms part of the Directors' Report.

KEY MANAGEMENT PERSONNEL

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. They include the Company's Non-Executive Directors (NED), Executive Director(s) (ED) and Executive KMP and are listed in the table below.

Directors and executive KMP covered in this report

Name	Position	Period as KMP during the year
Non-Executive Directors		
Glenn Davis	Independent Non-Executive Chairman; Member of the Audit and Risk Committee; and, Member of the People, Culture and Governance Committee	All of FY25 All of FY25 All of FY25
Donald McGurk	Independent Non-Executive Director; Chairman of the Audit and Risk Committee; and Member of the People, Culture and Governance Committee	All of FY25 All of FY25 All of FY25
Darryl Abotomey	Independent Non-Executive Director; Member of the Audit and Risk Committee; and Chairman of the People, Culture and Governance Committee	All of FY25 All of FY25 All of FY25
Executive Director(s)		
Gary Washington	Executive Director	All of FY25
Executive KMP		
Kevin Boyle	Chief Executive Officer	All of FY25
Rod Hyslop	Chief Financial Officer	All of FY25

PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION

The Board is responsible for determining and reviewing Director and Executive KMP compensation arrangements. The Board assesses the appropriateness of the nature and amount of remuneration of KMP yearly by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality board and executive team. The expected outcome of this remuneration structure is to retain and motivate KMP aligned with the Company's strategic and business objectives.

The Board has adopted a formal People, Culture and Governance Committee Charter as part of its Corporate Governance Policies. The remuneration structure adopted by the Company consists of the following components:

- Fixed remuneration being annual base salary and associated benefits (annual leave, long service leave and superannuation); and
- At risk remuneration being short term and long-term incentives in the form of cash bonuses and performance rights.

The Board is responsible for setting and assessing performance against key performance indicators (KPIs) and determining short term (STI) and long term (LTI) incentives to be paid, if any.

In accordance with best practice corporate governance, the structure of Non-Executive Director and Executive Director remuneration is separate.

NON-EXECUTIVE DIRECTORS' REMUNERATION

Under the Constitution, the Board decides the total amount paid to each Non-Executive Director as remuneration for their services as a Director. However, under the ASX Listing Rules, the total amount of fees paid to all Directors for their services (excluding, for these purposes, the salary of any Executive Director) must not exceed in aggregate in any financial year the amount fixed by the Company's shareholders in general meeting. This amount has been fixed initially via a shareholder's resolution passed in accordance with the Company's Constitution at \$600,000 per annum in aggregate and may be varied by further ordinary resolution in general meeting.

Non-Executive Directors do not receive performance-based pay.

RETIREMENT ALLOWANCES FOR DIRECTORS

Superannuation contributions are made as required under the Australian Superannuation Guarantee Legislation.

EXECUTIVE REMUNERATION

The Company's compensation policies and practices are designed to:

- align executive remuneration with shareholder interests;
- retain, motivate and reward appropriately qualified executive talent for the benefit of the Company;
- to achieve a level of remuneration that reflects the competitive market in which the Company operates;
- to ensure that individual remuneration is linked to performance criteria where appropriate; and
- to ensure that executives are rewarded for both financial and non-financial performance.

The Board aims to satisfy these objectives by adopting a compensation program for Executive KMP that combines base remuneration, which is market-related, with performance-based remuneration, which is determined annually.

Remuneration assessments are based on the Board's knowledge and experience in executive compensation matters. The Company did not retain a remuneration consultant in determining the remuneration of any of the KMP.

Overall remuneration decisions are subject to the discretion of the Board. They can be changed to reflect competitive and business conditions in the Company's and shareholders' interests. KMP remuneration and other terms of employment are reviewed annually by the Board regarding the performance and relevant comparative information.

COMPENSATION COMPONENTS

Executive KMP compensation currently consists of three elements: fixed remuneration being base salary in the form of cash plus superannuation, STIs and LTIs. Each element of compensation is described in more detail below.

Fixed remuneration

The primary element of the Company's fixed remuneration is base salary plus superannuation. The Company believes a competitive base salary is necessary to attract and retain qualified Executive KMP. Accordingly, the amount payable to an Executive KMP is determined based on the scope of their responsibilities and prior experience while considering an informal evaluation of competitive market compensation for similar positions and overall market demand for such executives at the time of hire.

Base salaries are reviewed annually and increased for merit reasons, based on the Executive KMP's success in meeting or exceeding Company and individual objectives. Additionally, base salaries can be adjusted as warranted throughout the year to reflect promotions or other changes in the scope or breadth of the Executive KMP's role or responsibilities and market competitiveness.

At risk remuneration

Short term incentives (STI): Executive KMP are entitled to an annual STI benefit of up to a maximum gross value of 25% (50% for CEO) of their base salary amount for each financial year during which they are employed. 50% of the STI benefit is in the form of a cash bonus and 50% of the STI benefit is in the form of performance rights issued under the terms and conditions of the Company's Performance Rights Plan.

Any STI benefit will be determined according to the Board's assessment of the level of achievement of performance metrics for each financial year to be established annually by the Board.

During the year ended 30 June 2025 no STI benefits were paid or declared to any KMP.

Long-term incentives (LTI): equity-based awards are a variable element of compensation that allows Executive KMP to be rewarded for their sustained contributions to the Company's overall performance. LTIs reward continued employment by Executive KMP, with an associated benefit of attracting employees, continuity and retention.

Executive KMP may be entitled to a LTI benefit of up to a maximum value of 25% (50% for CEO) of their base salary. Any LTI benefit will be in the form of performance rights and determined according to the Board's assessment of the level of achievement



of personal and Company performance metrics for each financial year to be established by the Board.

The performance metrics for assessment of any LTI benefit from time to time will be determined by the Board having regard to considerations of long-term shareholder value creation.

Any LTI benefit must be determined by the Board, within a reasonable period of the end of the relevant financial year as determined by the Board.

During the year ended 30 June 2025 no LTI performance rights were granted to KMP nor were any benefits paid or declared in relation to either the FY24 or FY25 year.

DETAILS OF REMUNERATION

Details of the Company's remuneration of KMP are set out in the following tables. During FY25 there was no remuneration paid to KMP that was directly linked to the financial performance of the Company under either the STI or LTI incentive schemes. The value of remuneration received or receivable by KMP for the financial year is as follows:

Director and executive KMP remuneration details

		Short term benefits	Share based payments ²	Post employ- ment benefits	Long term benefits					
		Fixed remuner- ation ¹	Perform- ance rights	Super- annua- tion	Long service leave ⁽³⁾	Total	Total fixed	At risk - LTI	At risk - STI	Total issued in equity
		\$	\$	\$	\$	\$	%	%	%	%
Non-Executive Directors										
Glenn Davis ⁴	FY25	150,000	-	-	-	150,000	100%	-	-	-
	FY24	150,000	-	-	-	150,000	100%	-	-	-
Donald McGurk	FY25	105,000	-	10,350	-	115,350	100%	-	-	-
	FY24	105,000	-	9,900	-	114,900	100%	-	-	-
Executive Director(s)										
Darryl Abotomey ⁵	FY25	105,000	-	10,350	-	115,350	100%	-	-	-
	FY24	529,152	-	27,399	-	556,551	100%	-	-	-
Gary Washington	FY25	116,884	-	13,110	2,250	132,244	100%	-	-	-
	FY24	114,001	-	12,540	(483)	126,058	100%	-	-	-
Executive KMP										
Kevin Boyle ⁶	FY25	518,327	-	29,932	-	548,259	100%	-	-	-
	FY24	116,657	-	6,850	-	123,507	100%	-	-	-
Rod Hyslop ⁷	FY25	296,269	-	30,000	-	326,269	100%	-	-	-
	FY24	294,941	-	27,500	-	322,441	100%	-	-	-
Total										
	FY25	1,291,480	-	93,742	2,250	1,387,472	100%	0%	-	-
	FY24	1,309,751	-	84,189	(483)	1,393,457		-	-	-

1. Fixed remuneration comprises base salary, annual leave and other contractual payments treated as remuneration where applicable. It includes the value of the movement in the relevant annual leave entitlement provision during the year.

2. In accordance with the requirements of the Australian Accounting Standards, remuneration includes a proportion of the notional value of equity compensation granted or outstanding during the year. The fair value of equity instruments is determined at grant date and progressively expensed over the vesting period. The amount included as remuneration is not related to or indicative of the benefit (if any) that individuals may ultimately realise should the rights vest. The fair value of any rights granted has been determined in accordance with principles set out in the Fair Value of Performance Rights section of this report.

3. This amount represents the movement in the relevant long service leave entitlement provision during the year.

4. No superannuation contributions were made on behalf of Mr Davis. Director's fees for Mr Davis are paid to a related entity. Mr Davis does not receive additional fees for committee work.

5. Mr Abotomey was appointed Executive Director and interim CEO on 15 August 2023; he relinquished these positions and resumed his positions as a Non-Executive Director, member of the Audit and Risk Committee and Chairman of the Remuneration and Nominations Committee on 1 July 2024.

6. Mr Boyle was appointed Chief Executive Officer on 12 April 2024. Mr Boyle was not eligible to participate in the Company's LTI plan in FY24; he is eligible to participate in the plan in FY25. No executive KMP performance rights were issued to KMP during FY25.

7. Mr Hyslop is eligible to participate in the Company's LTI performance rights plan. No executive KMP performance rights have been issued during during FY24 or FY25.

PERFORMANCE RIGHTS HELD BY KMP

The Company has a Performance Rights Plan to align the interests of eligible employees with shareholders through the sharing of a personal interest in the future growth and development of the Company and to provide a means of attracting and retaining skilled and experienced eligible persons.

The number of performance rights offered to an eligible participant will be specified in any invitation made by the Board to that eligible participant.

Each performance right carries a right to receive a share (subject to satisfaction of any performance criteria within any performance period as set by the Board).

Performance rights granted become exercisable if certain performance requirements are achieved. A performance right will only vest if the Board determines that the performance criteria (if any) have been satisfied within the performance period.

No STI or LTI benefit scheme linked performance rights were granted to KMP or vested during the year ending 30 June 2025.

Any future offers of performance rights will be made pursuant to the terms and conditions of the Company's Performance Rights Plan as part of Executive KMP's STI and LTI incentive schemes.

There are no KMP performance rights outstanding.

SHAREHOLDINGS OF KMP

The following table details the movements during the reporting period in ordinary shares in the Company held directly, indirectly or beneficially by each KMP and their related entities:

Director interest in ordinary shares

	Balance at start of the year	Issued during the year	Purchased	Sold	Balance at end of the year
2023	#	#	#	#	#
Non-Executive Directors					
Glenn Davis	-	-	-	-	-
Donald McGurk	-	-	-	-	-
Darryl Abotomey	-	-	-	-	-
Executive Director(s)					
Gary Washington ¹	49,320,114	-	-	-	49,320,114
Executive KMP					
Kevin Boyle	-	-	-	-	-
Rod Hyslop	4,915	-	14,662	-	19,577
Total	49,325,029	-	14,662	-	49,339,691

1. Held by entities in which a relevant interest is held.

No ordinary shares were issued to Directors and Executive KMP as part of compensation during the year ended 30 June 2025.

EMPLOYMENT AND SERVICE AGREEMENTS

Non Executive Directors

The Company has entered into a Director appointment agreement with DMAW Lawyers Pty Ltd (DMAW Lawyers), of which the Chairman, Mr Davis is a principal, under which the Company pays DMAW Lawyers \$150,000 plus GST to procure the appointment of Mr Davis as the Chairman of the Board.

Other Non-Executive Directors enter into appointment letter agreements with the Company confirming the terms of appointment and their roles and responsibilities. The appointment letter agreements are otherwise on standard commercial terms. Non-Executive Directors receive fees of \$90,000 per annum (plus superannuation guaranteed contribution) as at the reporting date and are subject to periodic re-election at shareholder meetings.

Additional fees may be payable to Directors in consideration of their role as Chair of a Board Committee or membership on a committee. As at the reporting date, the Chair of the People, Culture and Governance Committee and Audit and Risk Committee respectively receive an additional \$10,000 per annum (exclusive of superannuation) while members of the Committees receive an additional \$5,000 per annum (exclusive of superannuation).

Executive Director(s) and Executive KMP

It is the Company's policy that employment agreements for the Executive Director(s) and Executive KMP are unlimited in term but capable of termination on one to three months' notice, and that the Company retains the right to terminate the agreement immediately by making payment in lieu of notice. The Company has entered into an employment agreement with the Executive Director and each Executive KMP. The Executive Director and Executive KMP are also entitled to receive on termination of employment their statutory entitlements of accrued annual and long service leave, as well as any entitlement to incentive payments and superannuation benefits.

A summary of employment arrangements is as follows:

Directors and Executive KMP contractual agreements

Position	Fixed remuneration ¹	Duration	Termination notice period
Executive Director			
Executive Director	\$ 90,000	Unlimited	1 month
Executive KMP			
CEO	\$ 500,000	Unlimited	6 months
CFO	\$ 298,823	Unlimited	3 months
1. Salary or fee plus allowances exclusive of superannuation and additional fees that may be payable to Directors in consideration of their role as Chair of a Board Committee or membership on a Committee			

OTHER TRANSACTIONS WITH KMP

The Company may engage DMAW Lawyers for the provision of legal services from time to time but is not party to any ongoing retainer or other agreement with DMAW Lawyers. Any legal services provided by DMAW Lawyers have, to date, not been material.

The Company has entered into the following related party transactions:

- (a) letters of appointment with each of its Non-Executive Directors on standard arm's length terms, and legal fees paid to DMAW Lawyers, of which Mr Davis is a principal;
- (b) deeds of indemnity, access and insurance with each of its Directors and Executive KMP on standard arm's length terms;
- (c) an employment agreement with Mr Washington in relation to his appointment as Executive Director;
- (d) an employment agreement with Mrs Washington, the wife of Mr Washington, in relation to her appointment as Co-Founder Relationship Manager;
- (e) supply arrangements with Harrop Engineering Australia Pty Ltd ACN 134 196 080 (Harrop Engineering). Harrop Engineering is controlled by Mr and Mrs Washington; and
- (f) various leases with Harlaxton Pty Ltd ACN 058 185 760 (Harlaxton) and Arlyngton Pty Ltd (ACN 058 716 573) (Arlyngton), both of which are controlled by Mr and Mrs Washington, who are Directors and controlling shareholders of each entity.

There have been no loans to KMP or their related parties during the financial year.

At the date of this report, no other material transactions with related parties or Directors' interests exist of which the Directors are aware, other than those disclosed in this report.

CHANGES SINCE THE END OF THE REPORTING PERIOD

On 24 July 2025 Mr Gary Washington transitioned from Executive Director to Non-Executive Director.

On 28 July 2025 Mr Kevin Boyle resigned as CEO and Mr Paul Proctor was appointed CEO.

There have been no other changes since the end of the reporting period.

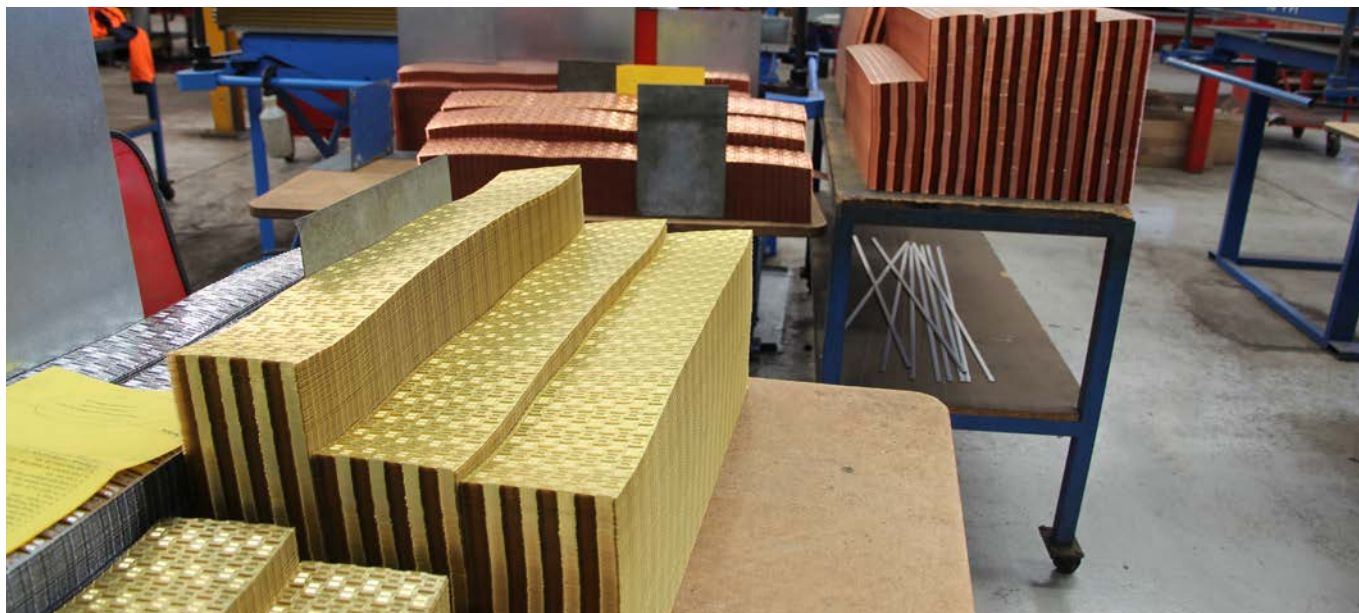
THIS CONCLUDES THE REMUNERATION REPORT, WHICH HAS BEEN AUDITED.

INDEMNITY AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has indemnified the Directors and Executives of the Company for costs incurred in their capacity as a Director or Executive, for which they may be held personally liable, except where there is a lack of good faith. During the financial year, the Company paid a premium in respect of a contract to insure the Directors and Executives of the Company against liability to the extent permitted by the Corporations Act 2001. The insurance contract prohibits disclosure of the liability's nature and the premium's amount.

AUDITOR

William Buck (SA). William Buck was appointed auditor of Adrad Holdings Limited in November 2023 having received approval by members via ordinary resolution at the Annual General Meeting held on 17 November 2023.



NON-AUDIT SERVICES

There was a total of \$100K in non-audit services provided during the financial year by the audit firm (30 June 2024: \$67K).

The Directors are satisfied that the provision of non-audit services during the financial year by the audit firm (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed in Note 30 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the audit firm; and
- none of the services undermines the general principles relating to auditor independence as set out in APES 110 – Code of Ethics for Professional Accountants (including Independence Standards) 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 an advocate for the Company or jointly sharing economic risks and rewards.

INDEMNITY OF AUDITOR

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor. During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

PROCEEDINGS ON BEHALF OF THE COMPANY

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

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

As announced on 11 June 2025, the Company took the decision to sell the assets of the distribution operations in New Zealand, cease trading and wind up the National Radiators Ltd (NZ) subsidiary. The completion date for this transaction agreed with the counterparty is 1 July 2025. The financial impact of this decision has been taken to account in the FY25 results. Please refer to Note 11 – Discontinued Operations for more information.

On 24 July 2025 Mr Gary Washington transitioned from Executive Director to Non-Executive Director.

On 28 July 2025 Mr Kevin Boyle resigned as CEO and Mr Paul Proctor was appointed CEO.

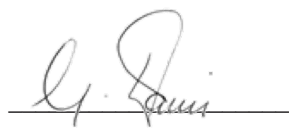
No other matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

AUDITORS INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a Directors' resolution pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'G. Davis', is written over a horizontal line.

Glenn Davis

Non-Executive Chairman

18 August 2025



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AUDITORS INDEPENDENCE DECLARATION

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the directors of Adrad Holdings Limited

As lead auditor for the audit of Adrad Holdings Limited for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Adrad Holdings Limited and the entities it controlled during the year.

William Buck

William Buck (SA)
ABN: 38 280 203 274

M. D. King

M. D. King
Partner

Adelaide, 18th August 2025

Level 6, 211 Victoria Square, Adelaide SA 5000
GPO Box 11050, Adelaide SA 5001

+61 8 8409 4333

sa.info@williambuck.com
williambuck.com

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FINANCIAL STATEMENTS

Statement of profit or loss and other comprehensive income

	Note	Consolidated	
		2025 \$	2024 \$ Restated*
Revenue			
Sales revenue	5	153,085,226	140,597,953
Other income	6	226,568	730,442
Expenses			
Raw materials and other manufacturing expenses		(73,013,599)	(64,904,103)
Employee expenses		(41,964,298)	(38,89,610)
Depreciation expenses	7	(7,187,498)	(6,869,007)
Other expenses	8	(21,769,180)	(19,579,500)
Share-based payment expense		(11,021)	(456,115)
Operating profit		9,366,198	10,700,060
Finance income		303,284	302,704
Finance costs	9	(1,261,565)	(1,466,289)
Net finance cost		(958,281)	(1,163,585)
Profit before income tax expense from continuing operations		8,407,917	9,536,475
Income tax expense	10	(2,185,104)	(3,095,003)
Profit after income tax expense from continuing operations		6,222,813	6,441,472
Loss after income tax expense from discontinued operations	11	(568,880)	(468,320)
Profit after income tax expense for the year attributable to the owners of Adrad Holdings Limited		5,653,933	5,973,152
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		2,478,591	(147,335)
Net change in the fair value of cash flow hedges and cost of hedging		(212,980)	-
Other comprehensive income for the year, net of tax		2,265,611	(147,335)
Total comprehensive income for the year attributable to the owners of Adrad Holdings Limited		<u>7,919,544</u>	<u>5,825,817</u>
Total comprehensive income for the year is attributable to:			
Continuing operations		8,488,424	6,294,137
Discontinued operations		(568,880)	(468,320)
Total comprehensive income for the year		<u>7,919,544</u>	<u>5,825,817</u>

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

Statement of profit or loss and other comprehensive income

		Cents	Cents
Earnings per share for profit from continuing operations attributable to the owners of Adrad Holdings Limited			
Basic earnings per share	39	7.65	7.94
Diluted earnings per share	39	7.65	7.94
Earnings per share for loss from discontinued operations attributable to the owners of Adrad Holdings Limited			
Basic earnings per share	39	(0.70)	(0.58)
Diluted earnings per share	39	(0.70)	(0.58)
Earnings per share for profit attributable to the owners of Adrad Holdings Limited			
Basic earnings per share	39	6.95	7.36
Diluted earnings per share	39	6.95	7.36

*The above consolidated statement of comprehensive income for the year ended 30 June 2024 has been restated for discontinued operations.

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

Statement of financial position

	Note	Consolidated	
		2025	2024
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	12	18,222,297	15,840,359
Receivables	13	22,296,362	24,522,581
Contract Assets	14	5,909,169	2,752,239
Inventories	15	45,659,900	44,508,239
		92,087,728	87,623,785
Non-current assets classified as held for sale	17	604,964	-
Total current assets		92,692,692	87,623,785
Non-current assets			
Property, plant and equipment	18	19,021,882	17,662,778
Right-of-use assets	16	36,324,329	43,472,352
Intangible assets	19	36,965,654	36,965,654
Deferred tax assets	10	4,216,446	4,831,228
Total non-current assets		96,528,311	102,932,012
Total assets		189,221,003	190,555,797
Liabilities			
Current liabilities			
Trade and other payables	20	12,873,679	11,922,511
Borrowings and interest-bearing liabilities	21	166,434	807,301
Derivative financial instruments	22	212,980	-
Lease liabilities	23	3,475,945	3,663,157
Income tax		(1,162,632)	(729,976)
Provisions	24	9,189,469	9,430,896
Total current liabilities		24,755,875	25,093,889
Non-current liabilities			
Borrowings and interest-bearing liabilities	21	394,215	585,277
Lease liabilities	23	37,312,829	43,714,998
Provisions	24	508,175	395,319
Total non-current liabilities		38,215,219	44,695,594
Total liabilities		62,971,094	69,789,483
Net assets		126,249,909	120,766,314
Equity			
Contributed equity	25	43,704,760	43,693,739
Reserves	26	(430,701)	(2,696,312)
Retained profits		82,975,850	79,768,887
Total equity		126,249,909	120,766,314

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

Statement of changes in equity

	Contributed Equity	Foreign Currency Translation Reserve	Common Control Acquisition Reserve	Acquisition of Non- Controlling Reserve	Share based Payment Reserve	Retained Profits	Total Equity
Consolidated	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2023	42,986,191	(2,064,295)	4,804,650	(5,326,836)	288,937	76,197,567	116,886,214
Profit after income tax expense for the year	-	-	-	-	-	5,973,152	5,973,152
Other comprehensive income for the year, net of tax	-	(147,335)	-	-	-	-	(147,335)
Total comprehensive income for the year	-	(147,335)	-	-	-	5,973,152	5,825,817
<i>Transactions with owners in their capacity as owners:</i>							
Vesting of performance rights (note 26)	-	-	-	-	114,300	-	114,300
Exercise of performance rights (note 26)	365,733	-	-	-	(365,733)	-	-
Shares issued from employee share scheme (note 26)	341,815	-	-	-	-	-	341,815
Dividends Paid (note 27)	-	-	-	-	-	(2,401,832)	(2,401,832)
Balance at 30 June 2024	<u>43,693,739</u>	<u>(2,211,630)</u>	<u>4,804,650</u>	<u>(5,326,836)</u>	<u>37,504</u>	<u>79,768,887</u>	<u>120,766,314</u>

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

Statement of changes in equity

	Contributed Equity	Foreign Currency Translation Reserve	Hedging Reserve	Common Control Acquisi- tion Reserve	Acquisition of Non- Controlling Reserve	Share based Payment Reserve	Retained Profits	Total Equity
Consolidated	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2024	43,693,739	(2,211,630)	-	4,804,650	(5,326,836)	37,504	79,768,887	120,766,314
Profit after income tax expense for the year	-	-	-	-	-	-	5,653,933	5,653,933
Other comprehensive income for the year, net of tax	-	2,478,591	(212,980)	-	-	-	-	2,265,611
Total comprehensive income for the year	-	2,478,591	(212,980)	-	-	-	5,653,933	7,919,544
<i>Transactions with owners in their capacity as owners:</i>								
Share based payment (note 26)	11,021	-	-	-	-	-	-	11,021
Dividends Paid (note 27)	-	-	-	-	-	-	(2,446,970)	(2,446,970)
Balance at 30 June 2025	<u>43,704,760</u>	<u>266,961</u>	<u>(212,980)</u>	<u>4,804,650</u>	<u>(5,326,836)</u>	<u>37,504</u>	<u>82,975,850</u>	<u>126,249,909</u>

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

Statement of cash flows

		Consolidated	
	Note	2025	2024
		\$	\$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		172,333,949	155,030,787
Payments to suppliers, employees and others (inclusive of GST)		(155,417,618)	(134,772,814)
Finance cost		(36,282)	(141,388)
Interest income		311,645	312,811
Finance charges on lease liabilities		(1,241,839)	(1,354,494)
Income tax paid		(2,003,077)	(4,376,198)
Net cash from operating activities	37	13,946,778	14,698,704
Cash flows from investing activities			
Payments for property, plant & equipment		(4,167,636)	(5,425,221)
Proceeds from disposal of property, plant and equipment		100,377	183,117
Net cash used in investing activities		(4,067,259)	(5,242,104)
Cash flows from financing activities			
Dividends paid	27	(2,446,970)	(2,401,832)
Repayment of borrowings		(831,929)	(1,479,690)
Repayment of lease liabilities (principal)		(4,218,682)	(3,665,864)
Net cash used in financing activities		(7,497,581)	(7,547,386)
Net increase in cash and cash equivalents		2,381,938	1,909,214
Cash and cash equivalents at the beginning of the financial year		15,840,359	13,931,145
Cash and cash equivalents at the end of the financial year	12	18,222,297	15,840,359

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

Notes to the financial statements 30 June 2025

Note 1. General information

The financial statements cover Adrad Holdings Limited as a consolidated entity consisting of Adrad Holdings Limited and the entities it controlled (collectively "consolidated entity") at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Adrad Holdings Limited's functional and presentation currency.

Adrad Holdings Limited is a Company limited by shares, incorporated and domiciled in Australia and listed on Australian Securities Exchange ("ASX"). The principal activities of the Company during the year ended 30 June 2025 were the design and manufacture of heat transfer solutions for OE customers globally and the manufacture, importation and distribution of automotive parts and radiators for the aftermarket.

The registered office and principal place of business of Adrad Holdings Limited is located at 26 Howards Road, Beverley SA 5009.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 14 August 2025. The Directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policies information

The material accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

NEW OR AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS ADOPTED

The consolidated entity has adopted all new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

BASIS OF PREPARATION

The financial statements have been prepared in accordance with 'Accounting Standards (including Australian Accounting Interpretations)' issued by the Australian Accounting Standards Board and the Corporations Act 2001. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

The financial statements are presented in Australian dollars, which is also the consolidated entity's functional currency.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Adrad Holdings Limited ('Company' or 'parent entity') as at 30 June 2025 and the results of all subsidiaries for the year then ended. Adrad Holdings Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity 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 consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Note 2. Material accounting policies information (continued)

REVENUE RECOGNITION

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of goods - Distribution

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery. The customers also have the right to return faulty parts for repair or replacement dependant on the type of fault, during goods' warranty period as specified in the company's terms and conditions and in accordance with consumer rights under applicable legislation. An estimated cost for returns is recognised in the consolidated entity's provisions and expense account and is based on past experience and projections.

Sale of goods – Heat Transfer Solutions

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery. Revenue from the manufacture of power generation products is recognised using the percentage of completion method based on the actual cost of material and labour as a portion of the total materials and labour to be performed. The customers also have the right to return faulty parts for repair or replacement dependant on the type of fault, during goods' warranty period as specified in the company's terms and conditions and in accordance with consumer rights under applicable legislation. An estimated cost for returns is recognised in the consolidated entity's provisions and expense account and is based on past experience and projections.

Construction revenue

The contractual terms and the way in which the Group operates its construction contracts is predominantly derived from projects containing one performance obligation. Due to the high degree of independence between the various elements of these projects, they are accounted for as a single performance obligation. Contracted revenue is recognised over time by comparing costs incurred in total estimated costs required to deliver the project to measure progress. Estimated costs are reviewed on a monthly basis. The requirements of over time measurement are met as the construction creates assets with no alternative use to the Group and there is an enforceable right to payment for performance completed.

Contract variations are assessed to determine whether they represent a separate contract with the customer or are modifications to the original contract.

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other income

Other income is recognised when it is received or when the right to receive payment is established.

Notes to the financial statements 30 June 2025

Note 2. Material accounting policies information (continued)

INCOME TAX

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability excluding a business combination that at the time of the transaction did not affect either accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is recognised in profit or loss except where it relates to items which are recognised directly in equity, in which case the deferred tax is recognised directly in equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences and tax losses can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse changes will occur in income taxation legislation and the anticipation that the consolidated entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Adrad Holdings Limited and its wholly owned subsidiaries are consolidated for tax purposes under the Tax Consolidation System. Adrad Holdings Limited is responsible for recognising the current tax assets and liabilities of the consolidated entity. The group notified the Australian Taxation Office on 5 December 2007 that it had formed an income tax consolidated group to apply from the date of incorporation of the Company. The tax consolidated group has entered into tax sharing and tax funding agreements whereby each company in the group contributes to the income tax payable in proportion to their contribution to the taxable profit of the tax consolidated group.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

INVENTORY

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

Manufactured Inventory

Manufactured inventory includes raw materials, work-in-progress, and finished goods produced by the entity.

- Cost of manufactured inventory comprises direct materials, direct labour, and an appropriate proportion of fixed and variable production overheads incurred in converting materials into finished goods. Overheads are allocated based on normal operating capacity. The cost is determined using the first-in, first-out (FIFO) method.

Purchased Inventory

Purchased inventory consists of goods acquired for resale or use in production that are not yet processed.

- The cost of purchased inventory includes the purchase price, import duties, non-recoverable taxes, and transport and handling costs directly attributable to the acquisition. Costs of purchased inventory are determined after deducting rebates and discounts. Cost is assigned using the average cost method.

Initial cost of inventories includes the transfer of gains and losses on qualifying cash flow hedges, recognised in OCI, in respect of the purchases of raw materials.

Net Realisable Value

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Inventory is written down to net realisable value when events or changes in circumstances indicate that the carrying amount may not be recoverable.

Note 2. Material accounting policies information (continued)

DERIVATIVE FINANCIAL INSTRUMENTS

The consolidated entity has entered into derivative financial instruments to hedge its exposure to variability in cash flows arising from highly probable forecast purchases denominated in foreign currencies. These forecast transactions are expected to occur within the next 12 months and will be recognised in profit or loss as part of the cost of inventory.

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

At inception of the hedge relationship, the consolidated entity documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The consolidated entity documents its risk management objective and strategy for undertaking its hedge transactions. A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- there is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for as described below:

Cash flow hedges

Cash flow hedges are used to cover the consolidated entity's exposure to variability in cash flows that is attributable to particular risks associated with a recognised asset or liability or a firm commitment which could affect profit or loss. The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income through the cash flow hedges reserve in equity, whilst the ineffective portion is recognised in profit or loss. Amounts taken to equity are transferred out of equity and included in the measurement of the hedged transaction when the forecast transaction occurs. Cash flow hedges are tested for effectiveness both retrospectively and prospectively to ensure that each hedge is highly effective and continues to be designated as a cash flow hedge. If the forecast transaction is no longer expected to occur, the amounts recognised in equity are transferred to profit or loss. If the hedging instrument is sold, terminated, expires, exercised without replacement or rollover, or if the hedge becomes ineffective and is no longer a designated hedge, the amounts previously recognised in equity remain in equity until the forecast transaction occurs.

Notes to the financial statements 30 June 2025

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of financial statements requires the Directors of the Company to make judgements, estimates and assumptions that affect the application of accounting policies and the report amounts of the assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. All significant judgements, estimates and assumptions made during the year have been considered for significance. No significant critical judgement or accounting estimates have been made during the period, with the exception of the following:

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down. Refer to note 18 for accounting policy of depreciation of property, plant and equipment.

Recognition of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and carried forward losses, only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Income tax

The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Provision for impairment of inventories

Inventory is valued at the lower of net realisable value and cost. There is a significant amount of judgement involved in determining a fair provision for obsolescence with respect to slow moving stock.

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Provision for warranty

A provision is taken up for expected future warranty claims, usually based on past claims. This involves significant judgement, particularly with respect to newly acquired entities or changes in the trading conditions of existing entities.

Employee benefits provision

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Construction contracts

Construction contract revenue is recognised over the life of the contract on a percentage of completion basis. Estimations are made of the final contract value including the likelihood of unapproved variations being accepted. Estimating the percentage of completion requires an estimate of the costs to fulfil the contract.

Fair value of derivative financial instruments designated as cash flow hedges

The fair value of derivative financial instruments designated as cash flow hedges are obtained from third party valuations. The fair value is determined using valuation techniques which maximise the use of observable market data.

Note 4. Operating segments

Identification of reportable operating segments

The consolidated entity is organised into two operating segments based on differences in products and services provided: automotive aftermarket parts and heat transfer solutions (original equipment (OE)) manufacturing. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

The below segment and geographical information for the year ended 30 June 2024 has been restated for discontinued operations.

Types of products and services

The principal products and services of each of these operating segments are as follows:

Heat Transfer Solutions	Original equipment manufacturing
Distribution	Automotive aftermarket radiators and parts

Notes to the financial statements 30 June 2025

Note 4. Operating segments (continued)

Operating segment information

	Distribution	Heat Transfer Solutions	Total
Consolidated - 2025	\$	\$	\$
Revenue			
Sales to external Customers	63,203,611	89,881,615	153,085,226
Total segment revenue	<u>63,203,611</u>	<u>89,881,615</u>	<u>153,085,226</u>
Discontinued NRL revenue			1,898,843
Total revenue			<u>154,984,069</u>
EBITDA from continuing operations	<u>8,386,972</u>	<u>13,076,732</u>	<u>21,463,704</u>
Corporate EBITDA			(4,910,009)
Discontinued NRL EBITDA			(427,963)
Total EBITDA including discontinued operations			<u>16,125,732</u>
Depreciation and amortisation			(7,320,125)
Finance income			311,646
Finance costs			(1,278,120)
Profit before income tax expense			<u>7,839,133</u>
Income tax			(2,185,200)
Profit after income tax expense			<u><u>5,653,933</u></u>
Assets			
Segment Assets	<u>32,455,774</u>	<u>54,219,036</u>	<u>86,674,810</u>
Corporate assets			1,669,339
			<u>88,344,149</u>
Discontinued NRL segment assets			777,448
Unallocated assets:			
Cash and cash equivalents			18,222,297
ROU assets			36,324,329
Land and buildings			4,370,680
Intangible assets			36,965,654
Deferred tax asset			4,216,446
Total assets			<u><u>189,221,003</u></u>
Liabilities			
Segment liabilities	<u>7,455,902</u>	<u>14,303,001</u>	<u>21,758,903</u>
Corporate liabilities			613,737
			<u>22,372,640</u>
Discontinued NRL segment liabilities			411,663
Unallocated liabilities:			
Lease liabilities			40,788,774
Provision for income tax			(1,162,632)
Bank loans			560,649
Total liabilities			<u><u>62,971,094</u></u>

Note 4. Operating segments (continued)

	Distribution	Heat Transfer Solutions	Total
Consolidated - 2024 (Restated*)	\$	\$	\$
Revenue			
Sales to external Customers	62,275,497	78,322,456	140,597,953
Total segment revenue	<u>62,275,497</u>	<u>78,322,456</u>	<u>140,597,953</u>
Discontinued NRL revenue			2,259,583
Total revenue			<u>142,857,536</u>
EBITDA from continuing operations	<u>9,774,637</u>	<u>12,354,290</u>	<u>22,128,927</u>
Corporate EBITDA			(4,559,859)
Discontinued NRL EBITDA			(231,984)
Total EBITDA including discontinued operations			<u>17,337,084</u>
Depreciation and amortisation			(7,085,683)
Finance income			312,811
Finance costs			(1,495,882)
Profit before income tax expense			<u>9,068,330</u>
Income tax			(3,095,178)
Profit after income tax expense			<u><u>5,973,152</u></u>
Assets			
Segment Assets	<u>30,542,836</u>	<u>53,148,804</u>	<u>83,691,640</u>
Corporate assets			<u>1,380,689</u>
			<u>85,072,329</u>
Discontinued NRL segment assets			1,397,436
Unallocated assets:			
Cash and cash equivalents			15,840,359
ROU assets			43,472,352
Land and buildings			2,976,439
Intangible assets			36,965,654
Deferred tax asset			4,831,228
Total assets			<u><u>190,555,797</u></u>
Liabilities			
Segment liabilities	<u>4,081,096</u>	<u>14,529,979</u>	<u>18,611,075</u>
Corporate liabilities			<u>673,050</u>
			<u>19,284,125</u>
Discontinued NRL segment liabilities			2,464,601
Unallocated liabilities:			
Lease liabilities			47,378,155
Provision for income tax			(729,976)
Bank loans			1,392,578
Total liabilities			<u><u>69,789,483</u></u>

Accounting policy for operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

GEOGRAPHICAL INFORMATION

The Company operates manufacturing facilities in Australia and Thailand. Sales offices are located in Australia, New Zealand and Thailand, and sells its products to customers in various countries throughout the world.

*The above revenue information for the year ended 30 June 2024 has been restated for discontinued operations.

Notes to the financial statements 30 June 2025

Note 4. Operating segments (continued)

	Consolidated	
	2025	2024
	\$	\$ Restated
Revenue by customer location		
Australasia	139,796,686	129,707,676
Asia	12,482,055	10,224,317
Middle East	-	122,942
North America	505,213	520,281
South America	168,648	10,865
Europe	123,051	-
Africa	9,573	11,872
	<u>153,085,226</u>	<u>140,597,953</u>

	Consolidated	
	2025	2024
	\$	\$
Location of Company's non-current assets		
Australasia	82,488,422	90,221,897
Asia	9,823,444	7,878,887
	<u>92,311,866</u>	<u>98,100,784</u>

The geographical non-current assets above are exclusive of deferred tax assets.

Note 5. Revenue

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Heat Transfer		
	Distribution	Solutions	Total
Consolidated - 2025	\$	\$	\$
<i>Timing of transfer of goods and services</i>			
Transferred at a point in time	63,203,611	60,276,966	123,480,577
Transferred over time	-	29,604,649	29,604,649
	<u>63,203,611</u>	<u>89,881,615</u>	<u>153,085,226</u>

	Heat Transfer		
	Distribution	Solutions	Total
Consolidated - 2024 (Restated*)	\$	\$	\$
<i>Timing of transfer of goods and services</i>			
Transferred at a point in time	62,275,497	60,804,026	123,079,524
Transferred over time	-	17,518,430	17,518,430
	<u>62,275,497</u>	<u>78,322,456</u>	<u>140,597,953</u>

*The above revenue information for the year ended 30 June 2024 has been restated for discontinued operations.

Note 6. Other income

	Consolidated	
	2025	2024
	\$	\$
Profit from disposal of property, plant and equipment	29,019	-
Other income	115,130	226,019
Grant income	33,995	255,200
Franchisee fees, net	12,424	107,670
IT rebate	-	105,553
Rental income	36,000	36,000
Other income	226,568	730,442

Note 7. Depreciation

	Consolidated	
	2025	2024
	\$	\$
Depreciation expenses	2,517,536	2,073,654
Depreciation expense on right-of-use assets	4,669,962	4,795,353
	7,187,498	6,869,007

Note 8. Other expenses

	Consolidated	
	2025	2024
	\$	\$
Advertising	443,095	412,050
ASX related	156,617	183,745
Foreign exchange loss	548,317	90,613
Freight & packaging	6,973,284	6,987,179
Impairment loss on fixed asset	1,059,597	182,903
Insurance	1,784,803	1,456,053
IT & communications	1,687,671	1,530,053
Labour hire	1,447,061	1,355,813
Motor vehicle	402,159	486,035
Occupancy	2,015,154	2,026,888
Other expense	2,043,871	1,611,593
Professional fees	971,957	1,146,071
Repairs & maintenance to assets	625,471	492,898
Travel, training, entertainment & staff related	1,610,123	1,617,606
	21,769,180	19,579,500

Notes to the financial statements 30 June 2025

Note 9. Finance costs

	Consolidated	
	2025	2024
	\$	\$
Interest and finance charges paid	35,704	134,459
Interest and finance charges paid on lease liabilities	1,225,861	1,331,830
	<u>1,261,565</u>	<u>1,466,289</u>

Note 10. Income tax

	Consolidated	
	2025	2024
	\$	\$
<i>Income tax expense</i>		
Current tax	1,570,418	3,335,291
Deferred tax	614,782	(240,113)
Aggregate income tax expense	<u>2,185,200</u>	<u>3,095,178</u>
Income tax expense is attributable to:		
Profit from continuing operations	2,185,104	3,095,003
Loss from discontinued operations	96	175
Aggregate income tax expense	<u>2,185,200</u>	<u>3,095,178</u>
<i>Numerical reconciliation of income tax expense and tax at the statutory rate for the relevant jurisdictions.</i>		
Profit before income tax expense from continuing operations	8,407,917	9,536,475
Loss before income tax expense from discontinued operations	(568,784)	(468,145)
	<u>7,839,133</u>	<u>9,068,330</u>
Tax at the statutory tax rate of 30%	2,351,740	2,720,499
Non-assessable / non-deductible items	(57,059)	155,867
Share based payment non-deductible	3,306	136,835
Differences in overseas tax rates	(130,601)	(33,595)
	<u>2,167,386</u>	<u>2,979,606</u>
Adjustment for prior period	17,814	115,572
Income tax expense	<u>2,185,200</u>	<u>3,095,178</u>

Note 10. Income tax (continued)

	Consolidated	
	2025	2024
	\$	\$

Deferred tax assets recognised

Deferred tax assets recognised comprises temporary differences attributable to:

Allowance for expected credit losses	42,776	4,723
Employee benefits	2,134,519	2,257,502
Leases	1,337,080	1,169,959
Provision for warranties	424,025	527,731
Accrued expenses	288,988	247,481
Deferred revenue	78,728	20,440
Plant and equipment	(416,845)	65,602
Blackhole S40 880 expenses	327,175	537,790
Total deferred tax assets recognised	<u>4,216,446</u>	<u>4,831,228</u>

	Consolidated	
	2025	2024
	\$	\$

Movements:

Opening balance	4,831,228	4,591,115
Credited/(charged) to profit or loss	<u>(614,782)</u>	<u>240,113</u>
Closing balance	<u>4,216,446</u>	<u>4,831,228</u>

Note 11. Discontinued operations**Description**

On 11th June 2025, the consolidated entity made the decision to exit New Zealand, with the closure of National Radiators Ltd (NRL). Sale of inventory and fixed assets were transacted on 1 July 2025.

Financial performance information

	Consolidated	
	2025	2024
	\$	\$
Revenue	1,898,843	2,259,583
Other revenue	<u>12,009</u>	<u>186,416</u>
Total revenue	<u>1,910,852</u>	<u>2,445,999</u>
Expenses	<u>(2,479,636)</u>	<u>(2,914,144)</u>
Total expenses	<u>(2,479,636)</u>	<u>(2,914,144)</u>
Loss before income tax expense	(568,784)	(468,145)
Income tax expense	<u>(96)</u>	<u>(175)</u>
Loss after income tax expense from discontinued operations	<u>(568,880)</u>	<u>(468,320)</u>

Notes to the financial statements 30 June 2025

Note 11. Discontinued operations (continued)

Cash flow information

	2025 \$	2024 \$
Net cash from operating activities	616,610	(340,989)
Net cash used in investing activities	44,271	(1,807)
Net cash used in financing activities	(107,297)	(147,058)
Net increase in cash and cash equivalent from discontinued operations	553,584	(489,854)

Note 12. Cash and cash equivalents

	Consolidated	
	2025 \$	2024 \$
Cash on hand	19,111	14,748
Cash at bank	13,203,186	8,825,611
Term deposit	5,000,000	7,000,000
	<u>18,222,297</u>	<u>15,840,359</u>

Term deposit at 4.65% p.a. (2024: 4.95% p.a).

Note 13. Receivables

	Consolidated	
	2025 \$	2024 \$
Current		
Trade debtors	19,036,095	19,991,148
Less: Allowance for expected credit losses	(143,767)	(18,265)
	<u>18,892,328</u>	<u>19,972,883</u>
Other receivables	1,369,675	2,261,801
Prepayments	1,284,359	1,537,897
	<u>2,654,034</u>	<u>3,799,698</u>
Security deposit	750,000	750,000
	<u>22,296,362</u>	<u>24,522,581</u>

Note 13. Trade and other receivables (continued)

	Consolidated	
	2025	2024
	\$	\$

Movements in the allowance for expected credit losses are as follows:

Opening balance	18,265	29,746
Additional provisions recognised	180,370	64,365
Receivables written off during the year as uncollectable	(40,755)	(69,045)
Unused amounts reversed	(14,113)	(6,801)
Closing balance	<u>143,767</u>	<u>18,265</u>

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	2025	2024	2025	2024	2025	2024
Consolidated	%	%	\$	\$	\$	\$
Not overdue	0.01%	0.02%	13,118,255	14,630,086	1,179	2,523
0 to 3 months overdue	1.19%	0.06%	5,675,010	4,948,239	67,284	2,742
3 to 6 months overdue	31.08%	16.82%	242,829	77,285	75,304	13,000
Over 6 months overdue	-	-	-	335,538	-	-
			<u>19,036,094</u>	<u>19,991,148</u>	<u>143,767</u>	<u>18,265</u>

Note 14. Contract assets

	Consolidated	
	2025	2024
	\$	\$

Current

Contract assets	<u>5,909,169</u>	<u>2,752,606</u>
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Reconciliation

Opening	2,752,606	3,576,559
Additions	29,994,256	18,088,639
Transfer to trade debtors	<u>(26,837,693)</u>	<u>(18,912,593)</u>
	<u>5,909,169</u>	<u>2,752,606</u>

Notes to the financial statements 30 June 2025

Note 15. Inventories

	Consolidated	
	2025	2024
	\$	\$
<i>Current</i>		
Raw materials	16,892,956	15,502,942
Finished goods	21,762,322	20,557,450
Work in progress	2,658,061	3,014,449
	<u>41,313,339</u>	<u>39,074,841</u>
Less: Provision for impairment loss	<u>(712,001)</u>	<u>(1,025,825)</u>
Stock in transit - at cost	<u>5,058,562</u>	<u>6,459,223</u>
	<u><u>45,659,900</u></u>	<u><u>44,508,239</u></u>

Note 16. Right-of-use assets

	Consolidated	
	2025	2024
	\$	\$
<i>Non-current assets</i>		
Land and buildings - right-of-use	52,942,524	56,746,084
Less: Accumulated depreciation	<u>(16,855,794)</u>	<u>(13,504,370)</u>
	<u>36,086,730</u>	<u>43,241,714</u>
Plant and equipment - right-of-use	402,758	311,944
Less: Accumulated depreciation	<u>(165,159)</u>	<u>(81,306)</u>
	<u>237,599</u>	<u>230,638</u>
	<u><u>36,324,329</u></u>	<u><u>43,472,352</u></u>

The consolidated entity leases land and buildings for its offices, warehouses and retail outlets under agreements of between 1 to 15 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated. The consolidated entity also leases plant and equipment under agreements of between 1 to 5 years.

Note 16. Right-of-use assets (continued)

Reconciliations

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

	Plant & Equipment	Buildings	Total
Consolidated	\$	\$	\$
Balance at 1 July 2023	192,040	43,116,114	43,308,154
Additions	106,542	5,010,041	5,116,583
Depreciation expense	(67,944)	(4,884,441)	(4,952,385)
Balance at 30 June 2024 and 1 July 2024	230,638	43,241,714	43,472,352
Additions	90,960	936,994	1,027,954
Reduction in lease term options	-	(3,398,653)	(3,398,653)
Depreciation expense	(83,999)	(4,693,325)	(4,777,324)
Balance at 30 June 2025	237,599	36,086,730	36,324,329

Accounting policy for right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Note 17. Non-current assets classified as held for sale

On 11th June 2025, the consolidated entity made the decision to exit New Zealand, with the closure of National Radiators Ltd (NRL), as such the Company accounted NRL for as discontinued operations and respective assets were accounted for under assets of disposal group classified as held for sale.

	Consolidated	
	2025	2024
	\$	\$
Current assets		
Held for sale	604,964	-

Notes to the financial statements 30 June 2025

Note 18. Property, plant and equipment

	Consolidated	
	2025	2024
	\$	\$
<i>Non-current</i>		
Land and buildings - at cost	5,974,951	4,132,575
Less: Accumulated depreciation	(1,604,271)	(1,156,136)
	4,370,680	2,976,439
Leasehold improvements - at cost	2,010,354	1,225,564
Less: Accumulated depreciation	(1,306,428)	(687,428)
	703,926	538,136
Plant and equipment - at cost	28,778,607	18,979,431
Less: Accumulated depreciation	(19,959,027)	(12,081,938)
Less: Impairment loss	(1,059,597)	-
	7,759,983	6,897,493
Fixtures and fittings - at cost	2,823,596	1,192,537
Less: Accumulated depreciation	(1,897,147)	(427,929)
	926,449	764,608
Motor vehicles - at cost	2,533,846	1,957,870
Less: Accumulated depreciation	(1,400,337)	(663,742)
	1,133,509	1,294,128
Office equipment - at cost	6,094,545	4,751,240
Less: Accumulated depreciation	(5,067,341)	(3,847,888)
	1,027,204	903,352
Product Development - Cost	1,953,798	1,142,425
Less: Accumulated depreciation	(139,274)	(107,907)
	1,814,524	1,034,518
Capital work-in-progress	1,285,607	3,254,104
	19,021,882	17,662,778

Note 18. Property, plant and equipment (Continued)

Reconciliations

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

	Land & buildings	Leasehold Improve- ments	Plant & Equip- ment	Office Equip- ment	Furniture & Fittings	Motor Vehicles	Product Develop- ment	Capital Work In Progress	Total
Consolidated	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2022	2,133,853	401,353	6,429,890	862,267	648,525	921,813	585,270	3,059,107	15,042,078
Additions	1,052,568	264,382	1,264,748	391,621	216,786	633,367	483,889	1,226,324	5,533,685
Disposals	-	-	(373,281)	(4,711)	(12,335)	(8,762)	-	-	(399,089)
Exchange differences	(70,641)	(75)	(63,356)	(5,621)	(1,521)	(5,433)	(3,277)	(47,771)	(197,695)
Transfers in/(out)	-	-	972,222	14,659	-	-	(3,325)	(983,556)	-
Impairment loss			(182,903)						(182,903)
Depreciation expense	(139,341)	(127,524)	(1,149,827)	(354,863)	(86,847)	(246,857)	(28,039)	-	(2,133,298)
Balance at 30 June 2023 and 1 July 2023	2,976,439	538,136	6,897,493	903,352	764,608	1,294,128	1,034,518	3,254,104	17,662,778
Additions	-	330,550	1,060,873	477,045	123,607	200,981	726,187	1,248,393	4,167,636
Disposals	-	(18,113)	(183,767)	(54,231)	3,011	(74,326)	-	-	(327,426)
Exchange differences	428,131	256	338,596	16,849	3,384	14,582	85,186	234,306	1,121,290
Transfers in/(out)	1,234,816	-	2,066,697	-	149,683	-	-	(3,451,196)	-
Impairment loss			(1,059,597)						(1,059,597)
Depreciation expense	(268,706)	(146,903)	(1,360,312)	(315,811)	(117,844)	(301,856)	(31,367)	-	(2,542,799)
Balance at 30 June 2024	4,370,680	703,926	7,759,983	1,027,204	926,449	1,133,509	1,814,524	1,285,607	19,021,882

Accounting policy for property, plant and equipment

Plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. In accordance with *AASB136 Impairment of Assets*, the Company during FY25 elected to impair an internally developed R&D asset related to the development of a new product and manufacturing technique that in its present form is not economically viable. The impairment loss is included in other expenses refer note 8.

Notes to the financial statements 30 June 2025

Note 18. Property, plant and equipment (Continued)

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives.

Asset Categories	Straight Line Depreciation Rates
Land & Buildings	2.5%-5.0%
Fixtures & Fittings	7.5%-33.3%
Leasehold Improvements	7.0%-33.0%
Plant & Equipment	5.0%-33.3%
Motor Vehicle	5.0%-25.0%
Office Equipment	33.3%-50.0%
Office Furniture	7.5%-12.0%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

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.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Note 19. Intangible assets

	Consolidated	
	2025	2024
	\$	\$

Non-current assets

Goodwill	36,965,654	36,965,654
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Goodwill acquired through business combinations have been allocated to the following cash-generating units:

	Consolidated	
	2025	2024
	\$	\$
Heat Transfer Solutions	20,705,927	20,705,927
Distribution	16,259,727	16,259,727
	36,965,654	36,965,654

The recoverable amount of the consolidated entity's goodwill has been determined by a value-in-use calculation using a discounted cash flow model, based on a 3 year projection period approved by management and extrapolated for a further 2 years, together with a terminal value.

Key assumptions are those to which the recoverable amount of an asset or cash-generating units is most sensitive. Cash flow projections were based on management expectations, the FY26 budget and the latest forecast model. Inputs are based on past experience, recent operating performance, current and expected market conditions, forecast micro and macro-economic factors which are based on externally available data and internal analysis.

The following key assumptions were used in the discounted cash flow model for the HTS division:

- Pre-tax discount rate of 12.7%
- 2% of revenue for forecasting capital expenditure
- Average annual revenue growth over the five-year period of approximately 11%
- 2.5% terminal growth rate

Note 19. Intangible assets (continued)

The discount rate of 12.7% pre-tax reflects management's estimate of the time value of money and the consolidated entity's weighted average cost of capital adjusted for the HTS division, the risk free rate and the volatility of the share price relative to market movements.

There were no other key assumptions for the HTS division.

Based on the above, the recoverable amount of the HTS division exceeded the carrying amount.

The following key assumptions were used in the discounted cash flow model for the Distribution division:

- Pre-tax discount rate of 12.7%
- 1% of revenue for forecasting capital expenditure
- Average annual revenue growth over the five-year period of approximately 8%
- 2.5% terminal growth rate

The pre-tax discount rate of 12.7% pre-tax reflects management's estimate of the time value of money and the consolidated entity's weighted average cost of capital adjusted for the computer distribution division, the risk free rate and the volatility of the share price relative to market movements.

There were no other key assumptions for the Distribution division.

Based on the above, the recoverable amount of the Distribution division exceeded the carrying amount.

Sensitivity

As disclosed in note 3, the Directors have made judgements and estimates in respect of impairment testing of goodwill. Should these judgements and estimates not occur the resulting goodwill carrying amount may decrease. The sensitivities are as follows:

- A decrease of 10% or less in the EBIT for the Distribution division would not result in goodwill needing to be impaired, with all other assumptions remaining constant.
- An increase of 10% or less in the discount rate for the Distribution division would not result in goodwill needing to be impaired, with all other assumptions remaining constant
- A decrease of 15% or less in the EBIT for the HTS division would not result in goodwill needing to be impaired, with all other assumptions remaining constant
- An increase of 15% or less in the discount rate for the HTS division would not result in goodwill needing to be impaired, with all other assumptions remaining constant.

Management believes that other reasonable changes in the key assumptions on which the recoverable amount of Distribution and HTS division's goodwill is based would not cause the cash-generating unit's carrying amount to exceed its recoverable amount.

ACCOUNTING POLICY FOR INTANGIBLE ASSETS

Goodwill

Goodwill on consolidation are initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net tangible assets at date of acquisition. Impairment testing is conducted annually to ascertain whether the carrying value of intangibles exceeds the recoverable amount.

Note 20. Trade and other payables

	Consolidated	
	2025	2024
	\$	\$
<i>Current</i>		
Trade creditors and accruals	8,951,825	7,390,686
Other creditors	3,921,854	4,531,825
	<u>12,873,679</u>	<u>11,922,511</u>

Notes to the financial statements 30 June 2025

Note 20. Trade and other payables (continued)

Payables to external parties are unsecured and are usually paid within 30-60 days of recognition.

Payables to related entities are unsecured, non-interest bearing, with no fixed terms for repayment.

Note 21. Borrowings and interest-bearing liabilities

	Consolidated	
	2025	2024
	\$	\$
Current liabilities		
Trade refinance - secured	-	602,796
Equipment finance liability - secured	166,434	204,505
	<u>166,434</u>	<u>807,301</u>
Non-current liabilities		
Equipment Finance Liability - Secured	394,215	585,277
	<u>560,649</u>	<u>1,392,578</u>

Pursuant to a Facility Agreement dated 13 December 2021 between the Company and BankSA, a division of Westpac Banking Corporation (Financier), a number of banking facilities were established (Facility Agreement).

The Facility Agreement included the following facilities:

- (a) Multi-Option, Trade Refinance, Letter of Credit and Overdraft Facilities (MO Facilities);
- (b) Letter of Credit Facility (LC Facility);
- (c) Equipment Finance Facility (Equipment Facility);
- (d) Visa Business Card Facility (Visa Facility);
- (e) Currency Exposure Management Facility (Currency Facility); and
- (f) Direct Debit Facility (Debit Facility).

The key terms of the Facility Agreement are summarised below.

The aggregate facility limit under the MO Facilities is \$4,300,000 and the total aggregate limits of all facilities established under the Facility Agreement is \$10,235,000.

The limits of the individual facilities under the Facility Agreement are set out in the table below:

Facility	Limit	Note
MO Facilities	\$4,300,000	
LC Facility	\$1,500,000	
Equipment Facility	\$1,500,000	
Visa Facility	\$50,000	
Currency Facility	\$2,500,000	Or its equivalent in any foreign currency.
Debit Facility	\$385,000	
Total	\$10,235,000	

Note 21. Borrowings and interest-bearing liabilities (continued)

Facility	Repayment date
MO Facilities	Subject to annual review or such earlier time as notified by the Financier and for Overdraft facility repayable on demand.
LC Facility	Subject to annual review or such earlier time as notified by the Financier.
Equipment Facility	Subject to annual review or such earlier time as notified by the Financier.
Visa Facility	On demand.
Currency Facility	Subject to annual review or such earlier time as notified by the Financier.
Debit Facility	Subject to annual review or such earlier time as notified by the Financier.

Permitted use of funds

The MO Facilities and the BBBL Facility must be used to refinance various facilities provided to the Company and to ensure that the Company has sufficient working capital.

The LC Facility must be used to secure the issue of bank guarantees and performance bonds as required from time to time in accordance with the Company's ordinary course of business.

The Equipment Facility must be used to assist the acquisition of equipment for the Company.

The Visa Facility must be used to assist with the day to day working capital requirements.

The Currency Facility is to settle and hedge the Company's foreign currency exposure.

The Debit Facility is to allow drawing of monthly franchise fees.

Securities

The Company has entered into general security deeds for each Group entity in favour of the Financier. Each Group company has also provided a guarantee and indemnity in favour of each other Group entity under the Facility Agreement.

Where relevant, the Company has entered into specific security deeds over all plant, equipment and vehicles finances under the Equipment Facility.

The Company has also entered into a flawed asset arrangement in respect of a \$750,000 term deposit held with the Financier.

Note 22. Derivative financial instruments

	Consolidated	
	2025	2024
	\$	\$

Current liabilities

Forward foreign exchange contracts -cash flow hedges	212,980	-
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Note 23. Lease liabilities

	Consolidated	
	2025	2024
	\$	\$

Current liabilities

Lease liability	3,475,945	3,663,157
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Non-current liabilities

Lease liability	37,312,829	43,714,998
	40,788,774	47,378,155

Notes to the financial statements 30 June 2025

Note 23. Lease liabilities (continued)

The following leases were entered into during the year:

Lease	Commencement Date	Lease Term
344 Hanson Road, Wingfield SA	19 November 2024	3 years
37 Pilkington Street, Garbutt QLD	1 February 2025	3 years

Accounting policy for lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed 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.

Note 24. Provisions

	Consolidated	
	2025	2024
	\$	\$
Current		
Employee benefits	7,345,364	7,486,670
Warranty	1,839,462	1,936,946
Other provisions	4,643	7,280
	<u>9,189,469</u>	<u>9,430,896</u>
Non-current		
Employee benefits	<u>508,175</u>	<u>395,319</u>
	<u><u>9,697,644</u></u>	<u><u>9,826,215</u></u>

Warranties

The provision represents the estimated warranty claims in respect of products sold which are still under warranty at the reporting date. The provision is estimated based on historical warranty claim information, sales levels and any recent trends that may suggest future claims could differ from historical amounts.

Movements in warranty provision during the current financial year is set out below:

	2025	2024
	\$	\$
Carrying amount at the start of the year	1,936,946	1,038,489
Additional provisions recognised	2,163,851	3,751,322
Amounts used	<u>(2,261,335)</u>	<u>(2,852,865)</u>
Carrying amount at the end of the year	<u><u>1,839,462</u></u>	<u><u>1,936,946</u></u>

Note 25. Contributed equity

	Consolidated			
	2025 Shares	2024 Shares	2025 \$	2024 \$
Ordinary shares - fully paid	<u>81,303,113</u>	<u>81,287,358</u>	<u>43,704,760</u>	<u>43,693,739</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2023	80,653,485		42,986,191
Issued shares from Employee share plan	8 September 2023	371,688	\$0.9100	339,817
Issued shares from exercise of performance rights	31 October 2023	259,999	\$1.4100	365,733
Issued shares from Employee share plan	11 December 2023	<u>2,186</u>	<u>\$0.9100</u>	<u>1,998</u>
Balance	30 June 2024	81,287,358		43,693,739
Issued shares from performance rights *	17 October 2024	<u>15,755</u>	<u>\$0.6995</u>	<u>11,021</u>
Balance	30 June 2025	<u>81,303,113</u>		<u>43,704,760</u>

* On 14 October 2024, the Company granted 15,775 Fully Ordinary shares at the issue price of \$0.6995 for nil consideration. The issue price was based on a two-month VWAP from 1 July 2024 to 31 August 2024 in accordance with the Company's Performance Rights Plan rules. These shares immediately vested and were issued on the same day.

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

To maintain or adjust the capital structure, the consolidated entity may change the level of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Notes to the financial statements 30 June 2025

Note 26. Reserves

	Consolidated	
	2025	2024
	\$	\$
Foreign currency translation reserve	266,961	(2,211,630)
Hedging reserve	(212,980)	-
Acquisition of non-controlling interest reserve	(5,326,836)	(5,326,836)
Common control acquisition reserve	4,804,650	4,804,650
Share-based payments	37,504	37,504
	<u>(430,701)</u>	<u>(2,696,312)</u>

The foreign currency translation is used to record unrealised gains/losses on the conversion of the transactions of the wholly owned foreign subsidiaries to Australian dollars.

The hedging reserve is used to recognise the effective portion of the gain or loss of cash flow hedge instruments that is determined to be an effective hedge.

The acquisition of non-controlling interest reserve is used to record the difference in the capital purchase of the remaining 34% shareholding of Air Radiators Thailand Ltd, which amounts to \$5,326,836.

Common control acquisition reserve is to record the purchase of assets from Adcore Holdings Pty Ltd ATF the Gary Washington Family Trust where the purchase price was less than the fair value of assets and liabilities acquired for the amount of \$4,804,650.

The remaining balance of share-based payments reserve relates to options issued to Adelaide Equity Partners Ltd; an amount of \$37,504 was recognised in FY23. The options are exercisable at \$2.10 for a period of three years from the date of Admission (30 September 2022).

Note 27. Dividends

Dividends

Prior period (FY24) related:

On 28 August 2024 the Directors declared a fully franked final dividend of 1.61 cents per ordinary share in relation to the FY24 full year results. The dividend was paid on 3 October 2024 and was based on the number of shares outstanding on the date of distribution. The financial effect of this dividend has been brought to account in the consolidated financial statements for the year ended 30 June 2025.

Current period (FY25) related:

On 25 February 2025 the Directors declared a fully franked interim dividend of 1.40 cents per ordinary share in relation to the financial half-year ending 31 December 2024. The distribution of \$1.1m was based on the number of shares outstanding as at 25 February 2025; the financial effect of this dividend has been brought to account in the consolidated financial statements for the year ended 30 June 2025.

On 18 August 2025 the Directors declared a fully franked final dividend of 2.08 cents per ordinary share with a record date of 8 September 2025 to be paid on 29 September 2025. The total estimated distribution of \$1.69 million is based on the number of shares outstanding as at 18 August 2025. The financial effect of this dividend has not been brought to account in the consolidated financial statements for the year ended 30 June 2025.

The final dividend takes total dividends declared in relation to FY25 to 3.48 cents per share, fully franked; an increase of 18% over FY24. The total FY25 dividend represents 50% of statutory NPAT for the full year ending 30 June.

Notes to the financial statements 30 June 2025

Franking credits

	Consolidated	
	2025 \$'000	2024 \$'000
Franking credits available at the reporting date based on a tax rate of 30%	39,152	32,783
Franking credits available for subsequent financial years based on a tax rate of 30%	39,152	32,783

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

- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date; and
- franking debits that will arise from the payment of declared dividends recognised at the reporting date.

Note 28. Financial instruments

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the consolidated entity's operating units. Finance reports to the Board on a monthly basis.

Market risk

Foreign currency risk

The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

In order to protect against exchange rate movements, the consolidated entity has entered forward foreign exchange contracts. These contracts are hedging highly probable forecasted cash flows for the ensuing financial year. The Company has updated its risk management policy to hedge 100% of known foreign currency purchase transactions (previous policy: between 50% and 80% of anticipated foreign currency transactions) up to a maximum of 12 months.

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
	2025	2024	2025	2024
AUD *	-	-	668	40,160
CAD	570	552	176,053	436,133
EUR	-	-	131,060	217,661
GBP	-	-	56,907	-
MYR	-	-	18,217	-
NZD	-	-	1,568	2,549
THB	-	-	79,944	17,977
USD	1,343,459	1,852,606	2,622,951	2,039,823

* Foreign entities' exposure to AUD

Notes to the financial statements 30 June 2025

Note 28. Financial instruments (continued)

The maturity, settlement amounts and the average contractual exchange rates of the consolidated entity's outstanding forward foreign exchange contracts at the reporting date were as follows:

	Sell Australian dollars		Average exchange rates	
	2025	2024	2025	2024
Buy USD with maturity dates July 2025 to 31 December 2025	9,019,913	-	0.64	-
Buy EUR with maturity dates July 2025 to 31 December 2025	731,348	-	0.55	-
Buy CAD with maturity dates August 2025 to 31 October 2025	159,645	-	0.88	-
Buy THB with maturity dates August 2025 to 31 October 2025	2,399,011	-	20.84	-

SENSITIVITY ANALYSIS – FOREIGN CURRENCY CASH FLOW HEDGES

The following table below details the Company's sensitivity to a 10% increase or decrease in the Australian Dollar against respective forward foreign exchange contracts entered into at the reporting date:

	Consolidated	
	2025	2024
	\$	\$

Change in cash flow hedge reserves (in accordance with hedge accounting application)

- Increase in AUD against foreign currencies hedged by 10%	(1,318,895)	-
- Decrease in AUD against foreign currencies hedged by 10%	989,220	-

Change in derivative financial liabilities

- Increase in AUD against foreign currencies hedged by 10%	1,318,895	-
- Decrease in AUD against foreign currencies hedged by 10%	(989,220)	-

SENSITIVITY ANALYSIS – FOREIGN CURRENCY RISK

As at 30 June 2025, exchange rates used to translate the above were 0.8947 to the CAD, 0.5586 to the EUR, 2.7602 to the MYR, 1.0768 to the NZD, 21.29 to the THB and 0.6550 to the USD (2024: 0.9108 to the CAD, 0.6174 to the EUR, 1.0927 to the NZD, 24.42 to the THB and 0.6624 to the USD). A strengthening (weakening) of the CAD, EUR, NZD, THB or USD against the AUD at 30 June would have affected the measurement of financial instruments denominated in a foreign currency and increased or (decreased) equity and profit or loss by the amounts shown in the table below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. Assumptions made in the analysis is that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Consolidated - 2025	% change	AUD strengthened		% change	AUD weakened	
		Effect on profit or loss (net of tax)	Effect on equity (net of tax)		Effect on profit or loss (net of tax)	Effect on equity (net of tax)
CAD	10%	(13,649)	(13,649)	(10%)	11,167	11,167
EUR	10%	(10,194)	(10,194)	(10%)	8,340	8,340
GBP	10%	(4,426)	(4,426)	(10%)	3,621	3,621
JPY	10%	-	-	(10%)	-	-
MYR	10%	(1,417)	(1,417)	(10%)	1,159	1,159
NZD	10%	(122)	(122)	(10%)	100	100
THB	10%	(6,218)	(6,218)	(10%)	5,087	5,087
USD	10%	(99,516)	(99,516)	(10%)	81,422	81,422
		<u>(135,542)</u>	<u>(135,542)</u>		<u>110,896</u>	<u>110,896</u>

Note 28. Financial instruments (continued)

Consolidated - 2024	% change	AUD strengthened		% change	AUD weakened	
		Effect on profit or loss (net of tax)	Effect on equity (net of tax)		Effect on profit or loss (net of tax)	Effect on equity (net of tax)
CAD	10%	(33,878)	(33,878)	(10%)	27,719	27,719
EUR	10%	(16,929)	(16,929)	(10%)	13,851	13,851
NZD	10%	(198)	(198)	(10%)	162	162
THB	10%	(1,398)	(1,398)	(10%)	1,144	1,144
USD	10%	(14,561)	(14,561)	(10%)	11,914	11,914
		<u>(66,964)</u>	<u>(66,964)</u>		<u>54,790</u>	<u>54,790</u>

Price risk

The consolidated entity is not exposed to any significant price risk.

Interest rate risk

The consolidated entity's exposure to interest risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate on classes of financial assets and financial liabilities, arises from working capital facilities including overdraft and trade finance which are subject to variable interest rates. The amounts subject to cash flow interest rate risk are in the statement of financial position at carrying amounts of these items. Long term borrowings are at fixed interest rate. The consolidated entity does not hedge against its interest risks.

	Variable interest rate	Fixed interest rate	Non-interest bearing	Total
	\$	\$	\$	\$

2025

Financial Assets

Cash and cash equivalents	13,222,297	5,000,000	-	18,222,297
Trade and other receivables	-	-	22,296,362	22,296,362
Total financial assets	<u>13,222,297</u>	<u>5,000,000</u>	<u>22,296,362</u>	<u>40,518,659</u>

Financial Liabilities

Trade and other payables	-	-	12,873,679	12,873,679
Borrowings and interest-bearing loans	-	560,649	-	560,649
Derivative financial instruments – cash flow hedges	-	-	212,980	212,980
Lease liabilities	-	40,788,774	-	40,788,774
Total financial liabilities	<u>-</u>	<u>41,349,423</u>	<u>13,086,659</u>	<u>54,436,082</u>

	Variable interest rate	Fixed interest rate	Non-interest bearing	Total
	\$	\$	\$	\$

2024

Financial assets

Cash and cash equivalents	8,840,359	7,000,000	-	15,840,359
Trade and other receivables	-	-	24,522,581	24,522,581
Total financial assets	<u>8,840,359</u>	<u>7,000,000</u>	<u>24,522,581</u>	<u>40,362,940</u>

Financial liabilities

Trade and other payables	-	-	11,922,511	11,922,511
Borrowings and interest-bearing liabilities	-	1,392,578	-	1,392,578
Lease liabilities	-	47,378,155	-	47,378,155
Total financial liabilities	<u>-</u>	<u>48,770,733</u>	<u>11,922,511</u>	<u>60,693,244</u>

Notes to the financial statements 30 June 2025

Note 28. Financial instruments (continued)

SENSITIVITY ANALYSIS – INTEREST RATE RISK

A change in 100 basis points in interest rates at the beginning of the reporting period would have increased or (decreased) equity and profit or loss by the amounts shown in the following table. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Basis points increase			Basis points decrease		
	Basis points change	Effect on profit or loss (net of tax)	Effect on equity (net of tax)	Basis points change	Effect on profit or loss (net of tax)	Effect on equity (net of tax)
Consolidated - 2025						
Net cash flow sensitivity	100	<u>(161,890)</u>	<u>(161,890)</u>	(100)	<u>161,890</u>	<u>161,890</u>

	Basis points increase			Basis points decrease		
	Basis points change	Effect on profit or loss (net of tax)	Effect on equity (net of tax)	Basis points change	Effect on profit or loss (net of tax)	Effect on equity (net of tax)
Consolidated - 2024						
Net cash flow sensitivity	100	<u>(230,513)</u>	<u>(230,513)</u>	(100)	<u>230,513</u>	<u>230,513</u>

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

The consolidated entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the consolidated entity based on recent sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Liquidity risk

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Note 28. Financial instruments (continued)

Remaining contractual maturities

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Undiscounted contractual maturities
Consolidated - 2025	%	\$	\$	\$	\$	\$
Non-derivatives financial liabilities						
<i>Non-interest bearing</i>						
Trade and other payables	-	12,873,676	-	-	-	12,873,676
<i>Interest-bearing</i>						
Trade finance	5.26%	211,768	202,088	215,696	-	629,552
Lease liability	3.30%	5,316,676	5,177,220	13,560,723	23,863,008	47,917,627
Derivatives financial liabilities						
Forward foreign exchange contracts – cash flow hedges	-	212,980				212,980
Total financial liabilities		18,615,100	5,379,308	13,776,419	23,863,008	61,633,835

	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Undiscounted contractual maturities
Consolidated - 2024	%	\$	\$	\$	\$	\$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade and other payables	-	11,922,511	-	-	-	11,922,511
<i>Interest-bearing</i>						
Trade finance	6.79%	614,047	-	-	-	614,047
Equipment finance	5.26%	237,925	215,789	417,785	-	871,499
Lease liability	3.05%	5,504,382	5,277,763	14,391,216	26,459,360	51,632,721
Total non-derivatives		18,278,865	5,493,552	14,809,001	26,459,360	65,040,778

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Notes to the financial statements 30 June 2025

Note 28. Financial instruments (continued)

Fair value of financial instruments

The carrying amounts of financial instruments are materially similar to their fair values. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values estimated for disclosure purposes are based on information that is subject to judgement, where changes in assumptions may have a material impact on the amounts estimated.

The following summarises the significant methods and assumptions used in estimating fair values of financial assets and financial liabilities for disclosure purposes:

Cash and Cash Equivalents

The carrying amount is fair value due to the liquid nature of these assets.

Receivables

The carrying amounts of current receivables are assumed to approximate their fair values due to their short-term nature.

Trade and Other Payables

Due to the nature of these financial liabilities, their carrying amounts are a reasonable approximation of their fair values.

Lease Liabilities

Fair value is calculated based on the present value of the lease payments expected to be paid over the lease term, discounted using the interest rate implicit in the lease or, if the rate cannot be readily determined, the consolidate entity's estimated incremental borrowing rate.

Derivative financial liabilities

The fair value of derivative financial instruments designated as cash flow hedges are obtained from third party valuations. The fair value is determined using valuation techniques which maximise the use of observable market data.

The consolidate entity uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: fair value measurements are those derived from inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly or indirectly; and

Level 3: fair value measurements are those derived from valuation techniques which include inputs for the asset or liability that are not based on observable market data.

All of the consolidated entity's financial instruments were valued using the Level 2 valuation technique.

Note 29. Key management personnel disclosures

Directors

The following persons were Directors of Adrad Holdings Limited during the financial year:

Mr. Glenn Davis	Independent Non-Executive Chairman
Mr. Donald McGurk	Independent Non-Executive Director
Mr. Darryl Abotomey	Independent Non-Executive Director
Mr. Gary Washington	Executive Director

Other key management personnel

The following persons also had the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity, directly or indirectly, during the financial year:

Mr. Kevin Boyle	Chief Executive Officer
Mr. Roderick Hyslop	Chief Financial Officer and Company Secretary

Note 29. Key management personnel disclosures (continued)

Compensation

Detailed remuneration disclosures are provided in the Remuneration Report on pages 23 - 28. The aggregate compensation made to Directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2025	2024
	\$	\$
Short-term employee benefits	1,291,480	1,386,565
Post-employment benefits	93,742	87,577
Long-term benefits	2,250	1,933
Share-based payments	-	50,000
	<u>1,387,472</u>	<u>1,526,075</u>

Note 30. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by William Buck (SA), the auditor of the Company:

	Consolidated	
	2025	2024
	\$	\$
<i>Audit services - William Buck (SA)</i>		
Audit or review of the financial statements	<u>150,000</u>	<u>135,000</u>
<i>Other services - William Buck (SA)</i>		
Tax compliance	56,700	47,000
Other consultancy advice	<u>43,565</u>	<u>19,767</u>
	<u>100,265</u>	<u>66,767</u>
<i>Audit services - William Buck</i>		
Audit or review of the financial statements - New Zealand	10,000	4,617
<i>Audit services – Forvis Mazars</i>		
Audit or review of the financial statements & BOI - Thailand	<u>24,048</u>	<u>21,577</u>
	<u>284,313</u>	<u>227,961</u>

Note 31. Contingent liabilities

In addition to the amounts provided for in the consolidated statement of financial position's provisions account, the consolidated entity has given bank guarantees as at 30 June 2025 of \$950,792 to various landlords and \$477,896 to various Customers for Defects Liability. The Company has provided a \$750,000 cash backed security deposit in relation to these guarantees which have been recorded and reported as receivables; refer to note 13 Trade and other receivables for details.

Note 32. Related party transactions

Parent entity

Adrad Holdings Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 33.

Notes to the financial statements 30 June 2025

Note 32. Related party transactions (continued)

Key management personnel

Disclosures relating to key management personnel are set out in note 29 and the Remuneration Report included in the Directors' Report.

Other related parties

The following entities are related parties of the consolidated entity due to being controlled by Gary and Karen Washington:

- Harrop Engineering Australia Pty Ltd (Harrop)
- Harrop Casting Technologies Pty Ltd (HCT)
- Adcore Holdings Pty Ltd ATF The Gary Washington Family Trust (Adcore)
- Harlaxton Pty Ltd ATF Washington Family Trust (Harlaxton)
- Arlyngton Pty Ltd ATF Beverley Property Unit Trust (Arlyngton)

The Company and Harrop are parties to a longstanding supply arrangement under which the Company supplies certain heat exchange products to Harrop. Prior to the disposal of Harrop by the Company in October 2021 (which predated the Company's conversion from a proprietary company to a public company), the Company supplied these products to Harrop on discounted terms (at cost) under its group intercompany trading policy. The Company now supplies Harrop on a cost-plus basis.

HCT is a joint venture between Harrop and Australloy Pty Ltd, a party unrelated to the Company. The Company purchases inventory from HCT at commercial market rates.

Harlaxton is party to six separate leases with Adrad Pty Ltd and Air Radiators Pty Ltd, which are wholly owned subsidiaries of the Company (Harlaxton Leases). Arlyngton is party to a lease with Adrad Pty Ltd (Arlyngton Lease).

The Harlaxton Leases and Arlyngton Lease relate to commercial properties used by the Company for its manufacturing and business operations.

Each of the Harlaxton Leases and the Arlyngton Lease are on substantially similar terms and in a market standard form, consistent with other commercial leases that the Company has entered into with third party lessors.

The following entity is a related party of the consolidated entity due to Glenn Davis being a principal.

- DMAW Lawyers Pty Ltd ("DMAW Lawyers")

DMAW Lawyers has previously provided legal services to the Company however nil transactions (excluding Mr Davis's Director fees) has occurred in the current period. The fees paid by the Company to DMAW Lawyers for legal services are based on normal market rates. The Company may engage DMAW Lawyers for the provision of legal services from time to time but is not party to any ongoing retainer or other agreement with DMAW Lawyers.

Note 32. Related party transactions (continued)

Loans to/from and transactions with related parties

The following balances are outstanding at the reporting date in relation to loans and transactions occurred during the year with related parties:

	Consolidated	
	2025	2024
	\$	\$
<u>Trade debtor:</u>		
Harrop Engineering Pty Ltd	291,653	-
<u>Right-of use assets (Net of depreciation):</u>		
Arlyngton ATF The Beverley Property Unit Trust	4,419,590	4,821,371
Harlaxton Pty Ltd ATF The Washington Family Trust	20,380,813	27,123,813
<u>Trade creditor:</u>		
Harrop Engineering Pty Ltd	1,264	-
Harrop Casting Technologies Pty Ltd	5,781	-
<u>Current borrowings:</u>		
<u>Current lease liabilities:</u>		
Arlyngton ATF The Beverley Property Unit Trust	308,564	284,664
Harlaxton Pty Ltd ATF The Washington Family Trust	1,578,094	1,759,563
<u>Non-current lease liabilities:</u>		
Arlyngton ATF The Beverley Property Unit Trust	4,711,011	5,019,575
Harlaxton Pty Ltd ATF The Washington Family Trust	21,566,976	28,101,572
<u>Sales Revenue:</u>		
Harrop Engineering Pty Ltd	751,454	1,083,312
<u>Occupancy Expenses:</u>		
Arlyngton ATF The Beverley Property Unit Trust	413,506	397,602
Harlaxton Pty Ltd ATF The Washington Family Trust	2,081,896	2,390,180
<u>Raw materials and consumables expenses:</u>		
Harrop Engineering Pty Ltd	47,916	1,260
Harrop Casting Technologies Pty Ltd	100,780	156,053

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Notes to the financial statements 30 June 2025

Note 33. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2025	2024
	\$	\$
Profit/(loss) after income tax	587,378	(663,632)
Total comprehensive income	1,137,386	(663,632)

Statement of financial position

	Parent	
	2025	2024
	\$	\$
Total current assets	4,419,514	3,717,212
Total assets	103,120,697	105,039,114
Total current liabilities	(919,843)	(293,287)
Total liabilities	(910,690)	(290,836)
Equity		
Contributed equity	43,704,760	43,693,739
Foreign currency reserve	550,008	-
Share-based payments reserve	37,504	37,504
Retained profits	59,739,115	61,598,707
Total equity	104,031,387	105,329,950

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity executed deed of cross guarantee on 22 June 2023 with its Australian domicile subsidiaries.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2025 and 30 June 2024.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2025 and 30 June 2024.

Material accounting policy information

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 34. Controlled entities

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2025 %	2024 %
Adrad Investments Pty Ltd	Australia	100.00%	100.00%
Adrad Group Limited	Australia	100.00%	100.00%
Adrad Management Services Pty Ltd	Australia	100.00%	100.00%
Adrad IT Services Pty Ltd	Australia	100.00%	100.00%
Adrad Pty Ltd	Australia	100.00%	100.00%
National Radiators Ltd*	New Zealand	100.00%	100.00%
Air Radiators Pty Ltd	Australia	100.00%	100.00%
Air Radiators Beverley Pty Ltd	Australia	100.00%	100.00%
Air Radiators Industrial Pty Ltd	Australia	100.00%	100.00%
Air Radiators (Thailand) Limited	Thailand	100.00%	100.00%
Air Radiators (WA) Pty Ltd	Australia	100.00%	100.00%
Breakaway Industrial Radiators Pty Ltd	Australia	100.00%	100.00%
Wingfan Pty Ltd	Australia	100.00%	100.00%

* As announced on 11 June 2025, the Company took the decision to sell the assets of the distribution operations in New Zealand, cease trading and wind up the National Radiators Ltd foreign (NZ) subsidiary. The agreement entered into with the counterparty was agreed in FY25 with the operation to wind up during Q1FY26.

Note 35. Deed of cross guarantee

The Company and its wholly-owned subsidiaries, forming the consolidated entity, have entered into a deed of cross guarantee pursuant to ASIC Corporations Instrument 2016/785. The deed of cross guarantee was executed on 22 June 2023 and Adrad Holdings Limited is the Holding Entity pursuant to this deed. The subsidiaries are relieved from the requirement to prepare and lodge an audited financial report.

The nature of the deed of cross guarantee is such that each company which is party to the deed guarantees to each creditor payment in full of any debt in accordance with the deed. The total liabilities of the group entities party to the deed of cross guarantee as at 30 June 2025 were \$53,305,503.

Note 36. Events after the reporting period

As announced on 11 June 2025, the Company took the decision to sell the assets of the distribution operations in New Zealand, cease trading and wind up the National Radiators Ltd foreign (NZ) subsidiary. The completion date for this transaction agreed with the counterparty is 1 July 2025. The financial impact of this decision has been taken to account in the FY25 results. Please refer to note 11 – Discontinued Operations for more information.

On 24 July 2025 Mr Gary Washington transitioned from Executive Director to Non-Executive Director.

On 28 July 2025 Mr Kevin Boyle resigned as CEO and Mr Paul Proctor was appointed CEO.

No other matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Notes to the financial statements 30 June 2025

Note 37. Reconciliation of profit after income tax to net cash from operating activities

	Consolidated	
	2025	2024
	\$	\$
Profit after income tax expense for the year	5,653,933	5,973,152
Adjustments for:		
Depreciation and amortisation	7,187,498	7,085,683
Net loss on disposal of non-current assets	227,049	215,972
Impairment loss expense	1,059,598	182,903
Share-based payments	11,021	456,115
Foreign exchange differences	1,357,297	(147,335)
Net fair value loss/(gain) on derivative liabilities	212,980	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	1,621,255	(3,029,361)
(Increase)/decrease in contract assets	(3,156,563)	823,953
(Increase)/decrease in inventories	(1,151,661)	6,172,715
Decrease/(increase) in deferred tax assets	614,782	(240,113)
Increase/(decrease) in trade and other payables	870,819	(2,141,082)
Decrease in provision for income tax	(432,659)	(1,040,907)
(Decrease)/increase in other provisions	(128,571)	387,009
Net cash from operating activities	<u>13,946,778</u>	<u>14,698,704</u>

Note 38. Changes in liabilities arising from financing activities

	Bank Financing	Lease Liability	Total
Consolidated	\$	\$	\$
Balance at 1 July 2023	2,872,268	46,016,668	48,888,936
Net cash used in financing activities	(1,479,690)	(3,665,864)	(5,145,554)
Options not to be exercised on leases	-	(79,246)	(79,246)
Acquisition of leases	-	5,106,597	5,106,597
Balance at 30 June 2024 and 1 July 2024	1,392,578	47,378,155	48,770,733
Net cash used in financing activities	(831,929)	(5,142,776)	(5,974,704)
Options not to be exercised on leases	-	(2,474,559)	(2,474,559)
Acquisition of leases	-	1,027,954	1,027,954
Balance at 30 June 2025	<u>560,649</u>	<u>40,788,774</u>	<u>41,349,423</u>

Note 39. Earnings per share

	Consolidated	
	2025	2024
	\$	\$

Earnings per share for profit from continuing operations

Profit after income tax	6,222,813	6,441,472
Profit after income tax attributable to the owners of Adrad Holdings Limited	6,222,813	6,441,472

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	81,298,451	81,129,646
Weighted average number of ordinary shares used in calculating diluted earnings per share	81,298,451	81,129,646

	Cents	Cents
Basic earnings per share	7.65	7.94
Diluted earnings per share	7.65	7.94

	Consolidated	
	2025	2024
	\$	\$

Earnings per share for loss from discontinued operations

Loss after income tax	(568,880)	(468,320)
Loss after income tax attributable to the owners of Adrad Holdings Limited	(568,880)	(468,320)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	81,298,451	81,129,646
Weighted average number of ordinary shares used in calculating diluted earnings per share	81,298,451	81,129,646

	Cents	Cents
Basic earnings per share	(0.70)	(0.58)
Diluted earnings per share	(0.70)	(0.58)

	Consolidated	
	2025	2024
	\$	\$

Earnings per share for profit

Profit after income tax	5,653,933	5,973,152
Profit after income tax attributable to the owners of Adrad Holdings Limited	5,653,933	5,973,152

Notes to the financial statements 30 June 2025

Note 39. Earnings per share (continued)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	81,298,451	81,129,646
Weighted average number of ordinary shares used in calculating diluted earnings per share	81,298,451	81,129,646

	Cents	Cents
Basic earnings per share	6.95	7.36
Diluted earnings per share	6.95	7.36

Note 40. Share-based payments

Options

There were no new options granted during the year ended 30 June 2025; the following table identifies options on issue as at 30 June 2025:

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance and exercisable at the end of the year
30/09/2022	29/09/2025	\$2.1000	403,268	-	-	-	403,268
			403,268	-	-	-	403,268
Weighted average exercise price			\$2.1000	\$0.0000	\$0.0000	\$0.0000	\$2.1000

The weighted average remaining contractual life of options outstanding at the end of the financial year was 0.25 year (2024: 1.25 year).

Performance Rights Plan

On 14 October 2024, the Company issued 15,775 Fully Paid Ordinary Shares (Shares) for Nil consideration to eligible employees under the Company's short-term incentive (STI) Performance Rights Plan. The issue price of 0.6995 cents was based on a 5-day VWAP leading up to issue date. The performance rights granted under the Plan immediately vested and the shares were immediately issued. Refer to note 25.

Consolidated entity disclosure statement

Consolidated entity disclosure statement

Entity name	Entity type	Place formed or incorporated	Ownership interest %	Tax residency	
				Australian or foreign	Foreign Jurisdiction
Adrad Holdings Limited	Body corporate	Australia	-	Australia *	N/A
Adrad Investments Pty Ltd	Body corporate	Australia	100	Australia *	N/A
Adrad Group Limited	Body corporate	Australia	100	Australia *	N/A
Adrad Management Services Pty Ltd	Body corporate	Australia	100	Australia *	N/A
Adrad IT Services Pty Ltd	Body corporate	Australia	100	Australia *	N/A
Adrad Pty Ltd	Body corporate	Australia	100	Australia *	N/A
National Radiators Ltd**	Body corporate	New Zealand	100	Foreign	New Zealand
Air-Radiators Pty Ltd	Body corporate	Australia	100	Australia *	N/A
Air Radiators Beverley Pty Ltd	Body corporate	Australia	100	Australia *	N/A
Air Radiators-Industrial Pty Ltd	Body corporate	Australia	100	Australia *	N/A
Air Radiators (Thailand) Limited	Body corporate	Thailand	100	Foreign	Thailand
Air Radiators (WA) Pty Ltd	Body corporate	Australia	100	Australia *	N/A
Breakaway Industrial Radiators Pty Ltd	Body corporate	Australia	100	Australia *	N/A
Wingfan Pty Ltd	Body corporate	Australia	100	Australia *	N/A

* This entity is part of a tax-consolidated group under Australian taxation law, for which Adrad Holdings Limited is the head entity.

** As announced on 11 June 2025, the Company took the decision to sell the assets of the distribution operations in New Zealand, cease trading and wind up the National Radiators Ltd foreign (NZ) subsidiary. The agreement entered into with the counterparty was agreed in FY25 with the operation to wind up during Q1FY26.

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DIRECTORS'
DECLARATION

Directors' declaration

In the Directors' opinion:

- the financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2025 and of its performance for the financial year ended on that date;
- the consolidated entity disclosure statement is true and correct;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 35 to the financial statements.

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

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Glenn Davis

Non-Executive Chairman

18 August 2025



ADRAD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADRAD HOLDINGS LIMITED

Independent auditor's report to the members of Adrad Holdings Limited

Report on the audit of the financial report



Our opinion on the financial report

In our opinion, the accompanying financial report of Adrad Holdings Limited (the Company) and its subsidiaries (the Group) is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year then ended; and
- complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What was audited?

We have audited the financial report of the Group, which comprises:

- the consolidated statement of financial position as at 30 June 2025,
- the consolidated statement of profit or loss and other comprehensive income for the year then ended,
- the consolidated statement of changes in equity for the year then ended,
- the consolidated statement of cash flows for the year then ended,
- notes to the financial statements, including material accounting policy information,
- the consolidated entity disclosure statement, and
- the directors' declaration.

Basis for opinion

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

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

Level 6, 211 Victoria Square, Adelaide SA 5000
GPO Box 11050, Adelaide SA 5001

+61 8 8409 4333

sa.info@williambuck.com
williambuck.com

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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.

Revenue Recognition	Area of focus (refer also to notes 2, 3 & 5)	How our audit addressed the key audit matter
	The Group derives revenue from the sale of products and services to customers. Revenue from the sale of aftermarket automotive and heat transfer solution parts is recognised at a point in time, upon delivery of product. Revenue from the design and manufacture of industrial heat transfer solutions is recognised over time on a percentage of completion basis. The application of <i>AASB 15 Revenue from Contracts with Customers</i> can require judgement, thus we considered this to be a key audit matter.	Our audit procedures included: — determining whether revenue recognised is in accordance with <i>AASB 15 Revenue from Contracts with Customers</i> and the Group's accounting policies, including — reviewing relevant contracts with customers; — assessing management's determination of performance obligations within the contract; — recalculating the percentage of completion and revenue take-up. — examining the existence of product revenue by testing the delivery of products and sighting the subsequent cash receipt from the customer; — substantively testing revenue cut-off to ensure revenue has been recognised in the correct period. — We also assessed the appropriateness of disclosures attached to revenues as required by Accounting Standard <i>AASB 15 Revenue from Contracts with Customers</i>.

Carrying value of intangible assets	Area of focus (refer also to notes 2, 3 & 19)	How our audit addressed the key audit matter
	The Group's intangible assets consist of goodwill of \$36.97 million. Management have allocated goodwill to two separate cash generating units (CGU's). The Group is required to, at least annually, perform impairment assessments of goodwill. The goodwill balance is significant, and judgement is used in determining its recoverable amount. Management has used a value-in-use model to measure the recoverable amount of each of the CGU's. This is a key audit matter given significant judgement required in estimating each CGU's recoverable amount.	Our audit procedures included: — Assessing management's determination of the Group's CGUs. — Examined management's value-in-use models and determined that they are mathematically accurate including appropriately discounting cash flows by the discount rate, appropriately calculating a terminal value and appropriately comparing the net carrying value of assets, including goodwill, to the recoverable amount. — Analysed the key assumptions used in the value-in-use model. — Performed a sensitivity analysis by changing key assumptions used in the model, including revenue growth, cost of goods sold, discount rate and terminal growth rate. — Consulted William Buck Corporate Finance to review key components of the model and assess the reasonableness of the discount rate used in the value-in-use model. — We also assessed the appropriateness of disclosures as required by Accounting Standard AASB 136 <i>Impairment of Assets</i>.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of:

- the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have 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 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



Our opinion on the Remuneration Report

In our opinion, the Remuneration Report of Adrad Holdings Limited, for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.

What was audited?

We have audited the Remuneration Report included in pages 23 to 28 of the directors' report for the year ended 30 June 2025.

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.

William Buck

William Buck (SA)

ABN 38 280 203 274

M.D. King

M.D. King

Partner

Adelaide, 18th August 2025



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SHAREHOLDER INFORMATION

Shareholder information 30 June 2025

The shareholder information set out below was applicable as at 18 July 2025

Range	Total Holders	Units	% Units
1 - 1,000	66	36,902	0.05
1,001 - 5,000	156	427,671	0.65
5,001 - 10,000	102	772,334	1.04
10,001 - 100,000	152	4,796,656	6.76
100,001 Over	26	75,269,550	91.50
Total	502	81,303,113	100.00

Unmarketable Parcels	Minimum parcel size	Holders	Units
Minimum \$500.00 parcel at \$0.7200 per unit	725	39	12,563

Name	Units	% Units
ADCORE HOLDINGS PTY LTD	49,320,114	60.66%
ANACACIA PTY LTD <WATTLE FUND A/C>	8,423,962	10.36%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	8,201,724	10.09%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	2,358,760	2.90%
GOTTERDAMERUNG PTY LIMITED <GOTTERDAMERUNG S/F A/C>	2,288,813	2.82%
CITICORP NOMINEES PTY LIMITED	854,795	1.05%
RUNBULLRUN PTY LTD <YCM A/C>	575,495	0.71%
KIRKPATY LTD	350,000	0.43%
MR MARTIN JOHN WATSON + MRS KARIN CAROLINE WATSON <TREADWELL A/C>	320,000	0.39%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	275,410	0.34%
MR NICHOLAS JOHN RUSHTON	229,755	0.28%
MR ROBERT BRYDON RUDD	200,000	0.25%
MONTROSE SUPER PTY LTD <MARK & ANGELA PITTMAN SF A/C>	185,000	0.19%
ARENA SECURITIES PTY LTD	157,778	0.22%
ASB NOMINEES LIMITED <193658 A/C>	145,000	0.18%
BLACK CAT MOUNTAIN PTY LTD	143,100	0.18%
DR MICHELLE CORKER LARGIER	140,000	0.17%
NEWPORT PRIVATE WEALTH P/L <SENECA SMALL COMPANIES A/C>	138,000	0.17%
MRS JENNIFER ANN CORMACK	133,333	0.16%
MISS AMY ELIZABETH BEVERIDGE	125,096	0.15%
Top Twenty Holders	74,565,999	91.71%
Total Remaining Holders Balance	6,737,114	8.29%

Holder	Number	%
Adcore Holdings Pty Ltd as trustee for the Gary Washington Family Trust	49,320,114	60.66%
Ellerston Capital Limited	9,085,002	11.17%
Anacacia Pty Ltd	8,283,445	10.19%

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