

1. Company details

Name of entity:	Adrad Holdings Limited
ABN:	51121033396
Reporting period:	For the half-year ended 31 December 2025
Previous period:	For the half-year ended 31 December 2024

2. Results for announcement to the market

IFRS financial measures					
			%		\$,000
Revenue	Statutory	Up	0.6%	to	77,383
Profit from ordinary activities after tax attributable to members	Statutory	Down	(9.8%)	to	2,773
	Underlying	Up	16.0%	to	3,566
Profit for the half year attributable to members	Statutory	Down	(7.9%)	to	2,625
	Underlying	Up	20.0%	to	3,418
Non-IFRS financial measures ²					
Earnings before interest, tax, depreciation and amortisation from continuing operations (EBITDA)	Statutory	Down	(0.5%)	to	8,313
	Underlying	Up	13.0%	to	9,446

1. Underlying adjustments of ~\$1.1 million relate to non-recurring Company restructuring costs. Where applicable a 30% tax rate has been applied.

2. The Directors believe the presentation of non-IFRS financial measures is useful for the users of the interim financial report as it provides relevant information that reflects the underlying financial performance of the Company.

Non-IFRS financial measures contained within this report are not subject to audit or review.

Earnings per share for profit/(loss) after income tax expense for the period	31-Dec-25 Cents	31-Dec-24 Cents
Basic earnings per share	3.23	3.50
Diluted earnings per share	3.23	3.50

Comments

The profit for the Consolidated Entity after providing for income tax amounted to \$2,624,642 (31 December 2024: \$2,848,543).

For further detail on the performance and operations of the Group refer to the Company's ASX/Media Announcement for the half-year ended 31 December 2025 and the accompanying Interim Financial Report for the half-year ended 31 December 2025.

3. Net tangible assets

	31-Dec-25 Cents	30-Jun-25 Cents	31-Dec-24 Cents
Net tangible assets per ordinary security	105.90	104.65	101.3

4. Control gained over entities

During the half year ending 31 December 2025 the Company did not gain control over any entities.

5. Loss of control over entities

During the half year ended 31 December 2025, the Company did not lose control over any entities.

6. Dividends

The Directors declared a fully franked dividend of 1.45 cents per ordinary share on 18 February 2026.

	1HFY26 interim dividend Cents	1HFY25 interim dividend Cents
Amount per security	1.45	1.40
Franked amount per security	1.45	1.40

Record date for determining entitlements to the dividend

19 March 2026

On 18 August 2025 the Directors declared a fully franked final dividend of 2.08 cents per ordinary share in relation to the financial year ended 30 June 2025. The dividend had a record date of 8 September 2025 and was paid on 29 September 2025. The total distribution of \$1.7 million was based on the number of shares outstanding as at 18 August 2025. The financial effect of this dividend has been recognised in the consolidated financial statements for the half-year ended 31 December 2025.

On 18 February 2026 the Directors declared a fully franked interim dividend of 1.45 cents per ordinary share in relation to the financial half-year ending 31 December 2025. The interim dividend represents approximately 45% of statutory NPAT and has a record date of 19 March 2026 to be paid on 9 April 2026. The distribution of \$1.2m is based on the number of shares outstanding as at 18 February 2026; the financial effect of this dividend has not been brought to account in the consolidated financial statements for the half year ended 31 December 2025.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Financial Report for the half-year ended 31 December 2025.

10. Attachments

Details of attachments (if any):

The Interim Financial Report of Adrad Holdings Limited for the half-year ended 31 December 2025 is attached.

Adrad Holdings Limited

ABN 51121033396

Interim Financial Report for the Half-Year ended 31 December 2025



Adrad Holdings Limited
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For the Financial Half-Year Ended 31 December 2025



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Adrad Holdings Limited
Corporate directory
For the Financial Half-Year Ended 31 December 2025



Directors	Mr. Donald McGurk (Independent Non-Executive Chairman) Mr. Paul Proctor (Chief Executive Officer and Managing Director) Mr. Gary Washington (Non-Executive Director)
Company Secretaries	Ms Kaitlin Smith Mr. Roderick Hyslop
Registered office and principal place of business	26 Howards Road Beverley, SA, 5009
Share register	Computershare Investor Services Pty Ltd
Auditor	William Buck (SA) Level 6, 211 Victoria Square Adelaide SA 5000
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)

The Directors present their report on the Consolidated Entity (referred to hereafter as the 'Consolidated Entity') consisting of Adrad Holdings Limited (referred to hereafter as the 'Company', 'AHL' or 'Adrad') and the entities it controlled at the end of, or during, the half-year ended 31 December 2025.

Directors

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

Mr Donald McGurk – Independent Non-Executive Chairman (transitioned to Chairman on 9 September 2025)
Mr Paul Proctor – Chief Executive Officer and Managing Director (appointed CEO on 28 July 2025 and Managing Director on 9 September 2025)
Mr Gary Washington – Non-Executive Director (transitioned to Non-Executive Director on 24 July 2025)
Mr Glenn Davis – Non-Executive Chairman (resigned 9 September 2025)
Mr Darryl Abotomey – Non-Executive Director (resigned 22 September 2025)

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 for the aftermarket segment.

The company has two key 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

Dividends

On 18 August 2025 the Directors declared a fully franked final dividend of 2.08 cents per ordinary share in relation to the financial year ended 30 June 2025. The dividend had a record date of 8 September 2025 and was paid on 29 September 2025. The total distribution of \$1.7 million was based on the number of shares outstanding as at 18 August 2025. The financial effect of this dividend has been recognised in the consolidated financial statements for the half-year ended 31 December 2025.

On 18 February 2026 the Directors declared a fully franked interim dividend of 1.45 cents per ordinary share in relation to the financial half-year ending 31 December 2025. The interim dividend represents approximately 45% of statutory NPAT and has a record date of 19 March 2026 to be paid on 9 April 2026. The distribution of approximately \$1.2 million is based on the number of shares outstanding as at 18 February 2026; the financial effect of this dividend has not been brought to account in the consolidated financial statements for the half year ended 31 December 2025.

Review of Operations

Group
For the half-year ended 31 December 2025, the Consolidated Entity generated revenue of \$77.4 million, an increase of \$0.4 million (0.6%) compared to the prior corresponding period.

EBITDA was \$8.3 million (31 December 2024: \$8.4 million). Underlying EBITDA increased to \$9.4 million, representing an improvement of \$1.1 million (13.0%), reflecting improved operating performance, particularly within the Heat Transfer Solutions segment as well as early benefits from leadership restructuring. Underlying EBITDA adjustments of ~\$1.1 million relate to non-recurring Company restructuring costs.

Net Profit After Tax (NPAT) for the reporting period was \$2.6 million, representing a decrease of 7.9% compared to the prior corresponding period. Underlying NPAT increased to \$3.4 million, an increase of 20.0% compared to the prior corresponding

period. Underlying NPAT adjusts statutory NPAT to exclude non-recurring costs associated with the corporate restructuring implemented during the period, tax effected at 30%.

EBITDA, underlying EBITDA and underlying NPAT are non-IFRS financial measures and are used by the Directors to assess the underlying operating performance of the business. Underlying numbers should be considered in conjunction with, and not as a substitute for statutory results.

Leadership restructuring was undertaken during the period, resulting in an empowered workforce and reductions in the cost base. These changes supported early improvements across sales, operations and purchasing functions notably through improved purchasing outcomes across materials and consumables.

Heat Transfer Solutions (HTS)

The Heat Transfer Solutions segment delivered a strong operating performance during the half-year, supported by growth in data centre work, improving off-highway volumes and ongoing manufacturing efficiency initiatives.

HTS revenue for the half-year was \$45.2 million, an increase of \$1.6 million (3.6%) compared to the prior corresponding period. EBITDA increased to \$6.1 million, up \$1.3 million (25.9%), while underlying EBITDA increased to \$6.6 million, representing growth of \$1.8 million (36.7%).

The business continued to build a pipeline of commercially attractive projects in the power generation sector, while progressing recovery in off-highway (mining vehicle) applications. Prototype units were delivered to customers during the period, with in-field testing continuing. A key off-highway customer progressed towards commencement of production of replacement units following successful prototype performance.

In addition, development and testing of prototype units targeting the South-East Asian market continued, with initial customer sales commencing as selected products transitioned from prototype to production units.

Manufacturing efficiency initiatives progressed during the period, including optimisation of the layout at the Group's Thai manufacturing facility. As part of a broader consolidation of the manufacturing footprint in Thailand, operations are planned to be relocated during 2026 into an existing Company-owned facility, with the objective of supporting improved workflow, capacity utilisation and cost efficiency.

At the Lara (Victoria) site, the order book increased materially during the half-year. As a result, the site doubled its data centre output capacity in response to increased customer demand. Volume demand increased by approximately 50% year-on-year, with deliveries to a new customer commencing during the period.

Overall, HTS benefited from a combination of revenue growth, improved capacity utilisation, raw material purchasing and operational efficiencies, which contributed to the material improvement in earnings performance.

The conversion of project opportunities within the Heat Transfer Solutions segment remains subject to customer requirements, project timing and broader market conditions.

Distribution

The Distribution segment experienced a transitional first half, reflecting leadership and management changes late in 1HFY26. A number of initiatives implemented during the period began to deliver improving momentum with these initiatives providing a solid foundation for improved performance into 2HFY26.

Distribution revenue for the half-year was \$32.2 million, a decrease of \$1.2 million (3.5%) compared to the prior corresponding period. EBITDA was \$2.7 million, down \$0.6 million (18.0%), while underlying EBITDA of \$2.8 million was \$0.5 million (14.0%) lower than the prior corresponding period.

As part of the strategy to improve service coverage and grow market share, a new Queensland branch at Capalaba commenced operations on 1 December 2025, providing integrated coverage across the Greater Brisbane region. In parallel, the Company exited its Dubbo (NSW) satellite branch in October 2025 as part of its branch rationalisation program, achieving cost savings while retaining customer coverage via overnight freight servicing from Sydney.

Inventory availability improved during the period strengthening the Company's competitive position in time-critical applications. New Marine coolers and Mining radiators were added to the product range, generating strong early demand. The Distribution business also expanded its range to support the aftermarket heavy on-highway truck market.

Challenging conditions persisted in the traditional radiator segment due to ongoing industry attrition and skill shortages. With stock levels restored and investment in Marine and Mining product ranges, the business is positioned for improvement in 2HFY26.

The outlook for the Distribution segment is subject to prevailing market conditions, customer demand and the ongoing effectiveness of operational initiatives.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Consolidated Entity during the financial half-year other than the following:

On 1 July 2025, the Company completed the transaction of selling the distribution operations in New Zealand, ceased trading and commenced winding up of National Radiators Ltd foreign (NZ) subsidiary.

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.

On 9 September 2025, the Company announced the resignation of Mr Glenn Davis as Non-Executive Chairman, and the appointment of Mr Paul Proctor and Mr Donald McGurk as Managing Director and Non-Executive Chairman, respectively, of the Company.

On 22 September 2025, Mr Darryl Abotomey resigned as the Non-Executive Director of the Company.

Auditor's independence declaration

A copy of the auditor's independence declaration is included on page 6 of this Financial Report and forms part of this Directors' Report.

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

On behalf of the Directors

A handwritten signature in black ink, appearing to read "DMG", written over a horizontal line.

Donald McGurk
Independent Non-Executive Chairman

18 February 2026

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 review of Adrad Holdings Limited for the half-year ended 31 December 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 review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

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

William Buck

William Buck (SA)
ABN 38 280 203 274

M.D. King

M.D. King
Partner

Dated this 18th day of February 2026



Adrad Holdings Limited
Condensed Statement of Profit or Loss and Other Comprehensive Income
For the Financial Half-Year Ended 31 December 2025



		Consolidated	
	Note	31 December 2025	31 December 2024
		\$	\$
			Restated *
Revenue			
Revenue		77,382,856	76,946,011
Other income		632,591	626,535
		<u>78,015,447</u>	<u>77,572,546</u>
 Total revenue		 <u>78,015,447</u>	 <u>77,572,546</u>
Expenses			
Raw materials and other manufacturing expenses		(37,028,900)	(37,274,981)
Depreciation and amortisation expense		(3,718,415)	(3,563,895)
Share based payment		(121,589)	(11,021)
Other expenses	5	(11,232,940)	(10,880,963)
Employee expenses		<u>(21,319,088)</u>	<u>(21,049,302)</u>
 Operating profit		 4,594,515	 4,792,384
Finance income		70,808	148,942
Finance costs	6	<u>(639,516)</u>	<u>(680,707)</u>
 Profit before income tax expense from continuing operations		 4,025,807	 4,260,619
Income tax expense		<u>(1,252,585)</u>	<u>(1,185,645)</u>
 Profit after income tax expense from continuing operations		 2,773,222	 3,074,974
Loss after income tax expense from discontinued operations	7	<u>(148,580)</u>	<u>(226,431)</u>
 Profit after income tax expense for the half-year attributable to the owners of Adrad Holdings Limited		 2,624,642	 2,848,543
 Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign subsidiaries		133,559	1,738,993
<i>Items that may be reclassified subsequently to profit or loss</i>			
Net change in the fair value of cash flow hedges and cost of hedging		<u>96,516</u>	<u>-</u>
 Other comprehensive income for the half-year, net of tax		 <u>230,075</u>	 <u>1,738,993</u>
 Total comprehensive income for the half-year attributable to the owners of Adrad Holdings Limited		 <u><u>2,854,717</u></u>	 <u><u>4,587,536</u></u>
 Total comprehensive income for the half-year is attributable to:			
Continuing operations		3,003,297	4,813,967
Discontinued operations		<u>(148,580)</u>	<u>(226,431)</u>
		<u><u>2,854,717</u></u>	<u><u>4,587,536</u></u>

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

Adrad Holdings Limited
Condensed Statement of Profit or Loss and Other Comprehensive Income
For the Financial Half-Year Ended 31 December 2025



	Cents	Cents
Earnings per share for profit from continuing operations attributable to the owners of Adrad Holdings Limited		
Basic earnings per share	3.41	3.78
Diluted earnings per share	3.41	3.78
Earnings per share for loss from discontinued operations attributable to the owners of Adrad Holdings Limited		
Basic earnings per share	(0.18)	(0.28)
Diluted earnings per share	(0.18)	(0.28)
Earnings per share for profit attributable to the owners of Adrad Holdings Limited		
Basic earnings per share	3.23	3.50
Diluted earnings per share	3.23	3.50

* Comparative figures have been restated to reflect the classification of New Zealand Distribution as a discontinued operation. Further details are set out in note 7.

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

Adrad Holdings Limited
Condensed Statement of Financial Position
As at 31 December 2025



		Consolidated	
		31 December	30 June 2025
	Note	2025	2025
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	8	18,633,759	18,222,297
Trade and other receivables		21,649,820	22,081,062
Contract assets		1,377,351	4,652,409
Inventories		49,738,075	46,916,660
Current tax assets		1,297,969	1,162,632
		<u>92,696,974</u>	<u>93,035,060</u>
Non-current assets classified as held for sale	7	-	604,964
Total current assets		<u>92,696,974</u>	<u>93,640,024</u>
Non-current assets			
Property, plant and equipment		20,662,753	19,021,882
Right-of-use assets		36,600,802	36,324,329
Intangible assets		36,965,654	36,965,654
Deferred tax asset		4,355,563	4,216,446
Other financial assets		216,824	215,300
Total non-current assets		<u>98,801,596</u>	<u>96,743,611</u>
Total assets		<u>191,498,570</u>	<u>190,383,635</u>
Liabilities			
Current liabilities			
Trade and other payables		15,316,434	16,223,817
Borrowings and interest-bearing liabilities		23,520	166,434
Lease liabilities		3,805,091	3,475,945
Derivative financial instruments		116,464	212,980
Provisions		5,968,723	5,839,331
Total current liabilities		<u>25,230,232</u>	<u>25,918,507</u>
Non-current liabilities			
Borrowings and interest-bearing liabilities		449,644	394,215
Lease liabilities		37,748,419	37,312,829
Provisions		643,165	508,175
Total non-current liabilities		<u>38,841,228</u>	<u>38,215,219</u>
Total liabilities		<u>64,071,460</u>	<u>64,133,726</u>
Net assets		<u>127,427,110</u>	<u>126,249,909</u>
Equity			
Contributed equity	10	43,718,349	43,704,760
Reserves		(238,130)	(430,701)
Retained earnings		83,946,891	82,975,850
Total equity		<u>127,427,110</u>	<u>126,249,909</u>

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

Adrad Holdings Limited
Condensed Statement of Changes in Equity
For the Financial Half-Year Ended 31 December 2025



Consolidated	Contributed Equity \$	Foreign Currency Translation Reserve \$	Common Control Acquisition Reserve \$	Acquisition of Non- Controlling Reserve \$	Share based Payment Reserve \$	Retained Earnings \$	Total Equity \$
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 half-year	-	-	-	-	-	2,848,543	2,848,543
Other comprehensive income for the half-year, net of tax	-	1,738,993	-	-	-	-	1,738,993
Total comprehensive income for the half-year	-	1,738,993	-	-	-	2,848,543	4,587,536
<i>Transactions with owners in their capacity as owners:</i>							
Vested shares (note 10)	11,021	-	-	-	-	-	11,021
Dividends Paid (note 11)	-	-	-	-	-	(1,308,727)	(1,308,727)
Balance at 31 December 2024	<u>43,704,760</u>	<u>(472,637)</u>	<u>4,804,650</u>	<u>(5,326,836)</u>	<u>37,504</u>	<u>81,308,703</u>	<u>124,056,144</u>

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

Adrad Holdings Limited
Condensed Statement of Changes in Equity
For the Financial Half-Year Ended 31 December 2025



Consolidated	Contributed Equity \$	Foreign Currency Translation Reserve \$	Hedging Reserve \$	Common Control Acquisition Reserve \$	Acquisition of Non- Controlling Reserve \$	Share Based Payment Reserve \$	Retained Earnings \$	Total Equity \$
Balance at 1 July 2025	43,704,760	266,961	(212,980)	4,804,650	(5,326,836)	37,504	82,975,850	126,249,909
Profit after income tax expense for the half-year	-	-	-	-	-	-	2,624,642	2,624,642
Other comprehensive income for the half-year, net of tax	-	133,559	96,516	-	-	-	-	230,075
Total comprehensive income for the half-year	-	133,559	96,516	-	-	-	2,624,642	2,854,717
<i>Transactions with owners in their capacity as owners:</i>								
Transfer of lapsed vested share options	-	-	-	-	-	(37,504)	37,504	-
Issue of ordinary shares on settlement of cash- settled share-based payments (note 10)	13,589	-	-	-	-	-	-	13,589
Dividends Paid (note 11)	-	-	-	-	-	-	(1,691,105)	(1,691,105)
Balance at 31 December 2025	<u>43,718,349</u>	<u>400,520</u>	<u>(116,464)</u>	<u>4,804,650</u>	<u>(5,326,836)</u>	<u>-</u>	<u>83,946,891</u>	<u>127,427,110</u>

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

Adrad Holdings Limited
Condensed Statement of Cash Flows
For the Financial Half-Year Ended 31 December 2025



	Consolidated	
	31 December 2025	31 December 2024
Note	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	88,685,319	89,145,917
Payments to suppliers and employees (inclusive of GST)	(80,262,519)	(76,117,020)
Interest income	70,808	152,939
Interest and other finance costs paid	(13,643)	(13,382)
Finance charges on lease liabilities	(625,873)	(677,410)
Income taxes paid	(1,527,038)	(2,405,604)
Net cash from operating activities	6,327,054	10,085,440
Cash flows from investing activities		
Payments for property, plant & equipment	(3,185,290)	(2,961,555)
Proceeds from disposal of property, plant and equipment	311,903	32,094
Proceeds from sale non-current assets held for resale	604,964	-
Net cash used in investing activities	(2,268,423)	(2,929,461)
Cash flows from financing activities		
Proceeds from issue of shares	10 13,589	-
Dividends paid	11 (1,691,104)	(1,308,727)
Repayment of borrowings	(87,485)	(708,108)
Repayment of lease liabilities	(1,882,169)	(1,890,656)
Net cash used in financing activities	(3,647,169)	(3,907,491)
Net increase in cash and cash equivalents	411,462	3,248,488
Cash and cash equivalents at the beginning of the financial half-year	18,222,297	15,840,359
Cash and cash equivalents at the end of the financial half-year	18,633,759	19,088,847

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

Note 1. General information

The interim condensed consolidated financial statements of Adrad Holdings Limited and its subsidiaries (collectively, the Consolidated Entity) for the six months ended 31 December 2025 were authorised for issue in accordance with a resolution of the directors on 18 February 2026.

Adrad Holdings Limited is a Company limited by shares, incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange (ASX: AHL). The principal activities of the Consolidated Entity during the half-year ended 31 December 2025 were the design and manufacture of heat transfer solutions for original equipment ('OE') customers globally and the manufacture, importation and distribution of automotive parts for the aftermarket.

Note 2. Basis of preparation

This Interim Financial Report is a general purpose financial report, which has been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001. Compliance with AASB 134 'Interim Financial Reporting' ensures compliance with International Financial Reporting Standard IAS 134 'Interim Financial Reporting'.

The condensed consolidated financial statements do not include all the notes of the type normally included in an Annual Report and should be read in conjunction with the Company's Annual Report for the financial year ended 30 June 2025 and any public announcements made by Adrad Holdings Limited during the interim reporting period in accordance with the continuous disclosure requirements of the ASX Listing Rules and the Corporations Act 2001.

The condensed consolidated financial statements have been prepared using the going concern assumption which contemplates the realisation of assets and settlement of liabilities in the ordinary course of business.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

Note 3. Operating segments

Identification of reportable operating segments

The Consolidated Entity operates through two reportable segments, determined by differences in the products and services offered: automotive aftermarket parts and heat transfer solutions 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 December 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	Aftermarket radiators and parts

Note 3. Operating segments (continued)

Operating segment information

	Distribution \$	Heat Transfer Solutions \$	Total \$
Consolidated - 31 December 2025			
Revenue			
Sales	33,173,691	49,440,879	82,614,570
Inter-segment sales	(1,018,990)	(4,212,724)	(5,231,714)
Total sales revenue	32,154,701	45,228,155	77,382,856
Revenue from external customers	32,154,701	45,228,155	77,382,856
Unallocated revenue			632,591
Total revenue			78,015,447
Segment EBITDA from continuing operations	2,671,001	6,097,104	8,768,105
Corporate EBITDA			(455,175)
Total EBITDA from continuing operations			8,312,930
Depreciation and amortisation			(3,718,415)
Finance income			70,808
Finance costs			(639,516)
Profit before income tax expense from continuing operations			4,025,807
Income tax expense			(1,252,585)
Profit after income tax expense from continuing operations			2,773,222
Consolidated - 31 December 2024 - Restated *			
Revenue			
Sales to external customers	34,406,681	48,306,580	82,713,261
Inter-segment sales	(1,099,382)	(4,667,868)	(5,767,250)
Total segment revenue	33,307,299	43,638,712	76,946,011
Unallocated revenue			626,535
Total revenue			77,572,546
Segment EBITDA from continuing operations	3,258,788	4,842,558	8,101,346
Corporate EBITDA			254,932
Total EBITDA from continuing operations			8,356,278
Depreciation and amortisation			(3,563,895)
Finance income			148,943
Finance costs			(680,707)
Profit before income tax expense from continuing operations			4,260,619
Income tax expense			(1,185,645)
Profit after income tax expense from continuing operations			3,074,974

*The above information for the half-year ended 31 December 2024 has been restated for discontinued operations.

Note 4. Revenue

	Consolidated 31 December 2025 \$	31 December 2024 \$ Restated *
<i>Revenue</i>		
Sales of goods and services to external customers	77,382,856	76,946,011
<i>Other income</i>		
Rental	-	18,000
Other	632,591	608,535
	<u>632,591</u>	<u>626,535</u>

* The above information for the half-year ended 31 December 2024 has been restated for discontinued operations.

Note 5. Other expenses

	Consolidated 31 December 2025 \$	31 December 2024 \$ Restated *
Advertising expenses	760,838	593,238
ASX related expenses	108,647	69,858
Labour hire costs	1,041,143	504,761
Foreign exchange loss	81,306	378,877
Freight and packaging expenses	3,011,807	3,569,244
Insurance expenses	1,049,179	899,575
IT & communications expense	840,496	814,514
Motor vehicle expenses	194,135	204,927
Occupancy expenses	1,377,398	915,414
Professional fees	352,172	427,643
Travel, training, entertainment and staff related expenses	845,082	881,308
Repairs and maintenance to assets	295,933	241,395
Miscellaneous expenses	1,274,804	1,380,209
	<u>11,232,940</u>	<u>10,880,963</u>

* The above information for the half-year ended 31 December 2024 has been restated for discontinued operations.

Note 6. Finance cost

	Consolidated 31 December 2025 \$	31 December 2024 \$
Interest and finance charges paid/payable	13,643	26,263
Interest and finance charges paid/payable on lease liabilities	625,873	654,444
	<u>639,516</u>	<u>680,707</u>

Note 7. Discontinued operations

Description

On 11 June 2025, the Consolidated Entity committed to exit its New Zealand distribution operations, resulting in the closure of National Radiators Ltd (NRL). The operations were classified as a discontinued operation.

Assets of NRL were classified as non-current assets held for sale in the prior financial period with a carrying value of \$604,964, comprising mainly inventory and minor plant and equipment. These assets were disposed of and derecognised during the current interim period, with proceeds received during the period. No material gain or loss arose on disposal.

The results and cash flows of the discontinued operation are presented below.

Financial performance information

	Consolidated	Consolidated
	31 December 2025	31 December 2024
	\$	\$
Revenue	12,709	950,447
Other Income	43,606	3,997
Total Revenue	<u>56,315</u>	<u>954,444</u>
Total expenses	<u>(204,895)</u>	<u>(1,180,875)</u>
Loss before income tax expense	(148,580)	(226,431)
Income tax expense	<u>-</u>	<u>-</u>
Loss after income tax expense from discontinued operations	<u><u>(148,580)</u></u>	<u><u>(226,431)</u></u>

Cash flow information

	Consolidated	Consolidated
	31 December 2025	31 December 2024
	\$	\$
Net cash from/(used in) operating activities	(407,237)	317,009
Net cash from/(used in) investing activities	622,022	(69,112)
Net cash used in financing activities	<u>(139)</u>	<u>-</u>
Net increase in cash and cash equivalents from discontinued operations	<u><u>214,646</u></u>	<u><u>247,897</u></u>

Note 8. Cash and cash equivalents

	Consolidated	Consolidated
	31 December 2025	30 June 2025
	\$	\$
Cash on hand and at bank	13,633,759	13,222,297
Term deposits	<u>5,000,000</u>	<u>5,000,000</u>
	<u><u>18,633,759</u></u>	<u><u>18,222,297</u></u>

Note 9. Financial Assets and Liabilities

The Consolidated Entity's financial instruments comprise cash and cash equivalents, receivables, trade and other payables, lease liabilities, trade finance borrowings and derivative financial liabilities in the form of forward foreign exchange contracts. The carrying amounts of these financial assets and liabilities, as presented in the condensed statement of financial position, approximate their fair values.

The Consolidated 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.

The fair values of financial instruments measured at fair value, being derivative financial instruments designated as cash flow hedges, were determined using Level 2 valuation techniques.

Other financial instruments are measured at amortised cost, and their carrying values are considered to approximate fair value

Note 10. Contributed equity

	31 December 2025 Shares	Consolidated 30 June 2025 Shares	31 December 2025 \$	30 June 2025 \$
Ordinary shares - fully paid	<u>81,321,356</u>	<u>81,303,113</u>	<u>43,718,349</u>	<u>43,704,760</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2025	81,303,113		43,704,760
Shares issued under performance rights plan, immediately vested	14 October 2025	<u>18,243</u>	<u>\$0.7449</u>	<u>13,589</u>
Balance	31 December 2025	<u>81,321,356</u>		<u>43,718,349</u>

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.

Note 10. Contributed equity (continued)

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.

In order to maintain or adjust the capital structure, the Consolidated Entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Note 11. Dividends

Dividends paid during the financial half-year were as follows:

	Consolidated	
	31 December 2025	31 December 2024
	\$	\$
Final dividend for the year ended 30 June 2025 of 2.08 cents per ordinary share (31 December 2024: final dividend for the year ended 30 June 2024 of 1.61 cents per ordinary share).	<u>1,691,105</u>	<u>1,308,727</u>

Note 12. Share-based payments

During the half year ended 31 December 2025, the Board of Directors reviewed the performance outcomes in relation to the FY2026 Short-Term Incentive ("STI") Plan. The STI Plan is designed to support the delivery of the Group's strategy and to retain key members of the leadership team.

The STI Plan was offered to selected members of senior management and to executive key management personnel (KMP) of the Consolidated Entity, being the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO").

Under the STI Plan, the award comprises a combination of cash-settled incentives and share-based incentives with benefits measured by reference to a fixed dollar value.

For senior management and the CFO, STI outcomes are determined based on the achievement of a combination of financial and non-financial performance targets relevant to their respective roles. For the CEO, STI achievement is based solely on the performance of the Consolidated Entity, assessed against net profit after tax ("NPAT") targets and the achievement of specified safety performance targets. Achievement of safety performance targets also applies to the CFO.

The share-based component of the STI Plan is classified as a cash-settled share-based payment, as the number of performance rights to be issued varies with the Group's share price at the date of settlement. A corresponding liability is recognised and measured at fair value at each reporting date, based on the expected number of awards that will vest.

Upon vesting, the liability in respect of the share-based component will be settled through the issue of fully paid ordinary shares, with a corresponding amount recognised directly in contributed equity.

The key terms of the STI arrangements for the CEO and CFO are as follows:

Chief Executive Officer (CEO)

- STI opportunity: 50% of base salary
- Form: 100% share based, with 100% of the STI delivered in the form of performance rights
- Vesting: Immediate vesting into fully paid ordinary shares upon determination
- Performance weighting:
 - 90% – achievement of NPAT targets
 - 10% – achievement of specified safety targets

Note 12. Share-based payments (continued)

Chief Financial Officer (CFO)

- STI opportunity: 25% of base salary
- Form:
 - 50% share based (performance rights which convert to fully paid ordinary shares)
 - 50% cash settled
- Performance weighting:
 - 70% – achievement of NPAT targets
 - 20% – achievement of non-financial performance targets
 - 10% – achievement of specified safety targets

During the half year ended 31 December 2025, a share-based payment expense of \$121,589 was recognised in the consolidated statement of profit or loss of which \$108,000 is in relation to the 2026 STI Plan (31 December 2024: \$11,021).

Note 13. Contingent liabilities

In addition to the amounts recognised in the consolidated statement of financial position's provisions account, the Consolidated Entity has provided bank guarantees at 31 December 2025 of \$897,092 (30 June 2025: \$950,792) to various landlords and \$160,852 (30 June 2025: \$477,896) to various customers relating to defects liability.

Note 14. Events after the reporting period

No matter or circumstance has arisen since 31 December 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.

Adrad Holdings Limited
Directors' Declaration
For the Financial Half-Year Ended 31 December 2025



In the Directors' opinion:

- the attached financial statements and notes comply with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and other mandatory professional reporting requirements
- the attached financial statements and notes give a true and fair view of the Consolidated Entity's financial position as at 31 December 2025 and of its performance for the financial half-year ended on that date; and
- There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

A handwritten signature in black ink, appearing to read "D. McGurk", written over a horizontal line.

Donald McGurk
Independent Non-Executive Chairman

18 February 2026

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

Report on the half-year financial report



Our conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Adrad Holdings Limited (the Company), and its subsidiaries (the Group) does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 31 December 2025 and of its financial performance for the half-year then ended; and
- complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

What was reviewed?

We have reviewed the accompanying half-year financial report of the Group, which comprises:

- the consolidated statement of financial position as at 31 December 2025,
- the consolidated statement of profit or loss and other comprehensive income for the half-year then ended,
- the consolidated statement of changes in equity for the half-year then ended,
- the consolidated statement of cash flows for the half-year then ended,
- notes to the financial statements, including material accounting policy information, and
- the directors' declaration.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the directors for the financial report

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

Auditor's responsibilities for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

William Buck

William Buck (SA)
ABN 38 280 203 274

M.D. King

M.D. King
Partner

Dated this 18th day of February 2026.

