

ASX Announcement

18 November 2025

AVADA Group Limited 2025 Annual General Meeting – Chairman’s Address

Good morning and welcome to the AVADA Group Limited 2025 Annual General Meeting. Thank you for joining us today.

Year in review

The 2025 financial year was a difficult period but nonetheless one of consolidation and transformation.

AVADA Group managed the consolidation of our acquired businesses into a single operating structure. Eleven Australian businesses were brought together into a single operating platform under the AVADA Traffic brand.

Safety for our people, other workers on our sites and road users is a critical priority in our business. I am pleased to say that we reported a reduction in recordable injuries for the year but we are not complacent about safety and we continue to actively manage safety culture and performance across our operations.

To strengthen our competitive position under the new Group operating structure, we also undertook a business reporting transformation. Our operations moved onto a single ERP platform that provides improved and consistent information and insights to the business. The business transformation has streamlined processes, reduced costs and enhanced client service levels across our operations.

Together with enhanced market and operational transformation, these initiatives have created a robust competitive foundation for the business with more than 1,650 traffic controllers in 22 depots across Queensland, New South Wales, Victoria and the South Island of New Zealand.

These initiatives have been reinforced with changes to our senior leadership team during the year. The Group welcomed Donald Montgomery as Chief Executive Officer in April 2025 and Ben-Louis Ludik as Chief Financial Officer in May 2025, together with Rhys Attwood as EGM Strategic Execution and Operations last month. Don, Ben-Louis and Rhys bring strong operational and financial leadership to the business and the Board is pleased with the progress they have already made in driving Group performance.

At the same time as we made these operational improvements, the Group responded to trading conditions which were challenging in all of our markets.

Revenue for the year was \$183.1 million, which was a 10.5% decline from \$204.5 million in the prior financial year. Underlying Earnings before Interest, Taxation, Depreciation and Amortisation was \$12.8 million compared to \$18.8 million in the 2024 financial year.

Our reported financial results were directly affected by a range of market factors. This included the effects of severe weather events – such as Tropical Cyclone Alfred – in Queensland and New South Wales during the March quarter of 2025, as well as delays to the commencement of government infrastructure projects in some major markets.

The carrying values of our New South Wales and New Zealand operations were written down by \$14.8 million to account for the Group financial performance, which resulted in a statutory net loss after tax of \$15.6 million.

Our New Zealand business continued to be affected by the weak national economic outlook, which resulted in an operating loss of \$11.8 million including a \$9.7 million write-down in the carrying value of the business. The Group undertook a strategic review to consider all options for the future of the business, including selling

and closing our New Zealand operations. As part of the review, the local management team was restructured and operating costs were reduced, which has substantially addressed the decline in performance. After the review, the Board continues to support the current operations and the Group's improvement plans to restore profitability.

Positively, during the year, the Group repaid \$6.2 million in borrowings, which brought total borrowings to \$35.3 million at the end of the financial year.

Board composition

The Board of AVADA underwent some changes during the year.

After Don Montgomery's appointment as CEO, Dan Crowley remains in the role of Managing Director. He is now focused on strengthening business development with a dedicated team and enhanced processes to build client relationships and grow revenue.

Jo Willoughby and Lindsay Barber resigned as non-executive Directors in May 2025. We are grateful for their contributions and I would like to thank them for their contributions on behalf of all shareholders.

The Group does not intend to recruit additional directors as the current Board size and composition are appropriate for the scale and market capitalisation of the business.

Market outlook

We maintain our vision to be the leading provider of traffic management and ancillary services in Australia and New Zealand.

The market outlook for traffic management services remains positive with substantial planned investments in infrastructure development and maintenance projects in our major markets. However, the industry is highly fragmented and continues to face a range of risks including project delays, pricing pressures, weather disruptions and trade union activity.

AVADA is increasingly seen as a leader in the traffic management industry because of our national brand and the scale of our operations, and our demonstrated commitment to best practices in safety, client service and governance. The Board believes that the continuing transformation of the business is strengthening our competitive position and our ability to effectively respond to market challenges, about which Don will make further comment.

Taking account of all these factors, the Group is well positioned and we are cautiously optimistic about revenue and earnings momentum.

In closing, I would like to thank the people of AVADA whose hard work and focus on client service, even amidst the challenges that have faced the business, is instrumental to our success.

Thank you also to Dan Crowley, Don Montgomery and our leadership team for your hard work and commitment to improving business performance and dedication to keeping every person on our team safe.

To the Directors, thank you for your stewardship of the business on behalf of shareholders.

To our shareholders, thank you on behalf of the Board and leadership team for continuing to support the direction of the business.

I will now ask our CEO, Don Montgomery to address the meeting.

This announcement is authorised for release to the ASX by the Board of Directors of AVADA Group Limited.

About AVADA Group Limited

AVADA Group is a leading, independent, Australian traffic management operator and ancillary service provider with an established and extensive network throughout Queensland, New South Wales, Victoria, and New Zealand. AVADA Group provides services to government clients and major contractors in the civil infrastructure and maintenance sector.

Forward Looking Statements

This announcement contains forward looking statements, including references to expected outcomes. Forward looking statements are not guarantees of future performance or events and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the Group's control. Readers are cautioned not to place undue reliance on forward looking statements.

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