2026 Annual General Meeting

Chair and CEO/Managing Director Addresses

Attached are copies of the addresses to be given by the Chair and the Chief Executive Officer at Adrad's Annual General Meeting today.

This announcement is authorised for release by the Board of Directors of Adrad Holdings Limited.

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Chair's Address

Good morning everyone and welcome to the 2026 Annual General Meeting of Adrad Holdings Limited.

Thank you for joining us today and for your continued support of the Company.

FY26 was an important year for Adrad. Following a period of investment and organisational change, the Group began to demonstrate improved conversion of its revenue base into earnings and cash flow.

Revenue from continuing operations increased modestly to $155.5 million while underlying EBITDA increased by 10.8% to $19.5 million and statutory NPAT increased 15.4% to $6.5 million. Operating cash flow was also particularly strong at $17.9 million.

The Board was pleased to declare a fully franked dividend relating to FY26, of 4.01 cents per share, an increase of 15.2% on the prior year.

Importantly, this improved financial performance was achieved while continuing to invest in the capabilities required to support future growth.

Within Heat Transfer Solutions, the Group expanded its manufacturing capability to support growing opportunities across data centres, power generation, mining and OEM markets. Data centre production capacity in Australia was doubled during the year while the expansion of our Thailand manufacturing facility is now underway and progressing well.

Within Distribution, trading conditions became more challenging in some traditional markets during the latter part of FY26. Management responded with operational and cost initiatives while continuing to broaden the product offering and develop the mechanical trade, reseller and Natrad Autocare channels.

FY26 was also a year of leadership transition. Paul Proctor was appointed Chief Executive Officer and subsequently Managing Director and has led a significant program of organisational and operational change across the Group. Howard Coombs also joined the Board during the year, bringing extensive commercial and governance experience while Gary Washington returned to an Executive Director role at year end.

Adrad enters FY27 in a stronger position. The Group has an improved earnings base, a strong balance sheet, increased manufacturing capability and a substantial orders book for HTS.

We have started FY27 well, and this has reinforced our confidence in the direction of the business. While we remain mindful of project timing and broader market conditions, the Board is positive about the opportunities ahead and the Group's ability to continue improving its financial performance through FY27.

Our focus remains on disciplined execution - converting the opportunities available to us into sustainable earnings and cash flow, while maintaining a prudent approach to capital allocation.

I would like to acknowledge the contribution of our employees across Australia and Thailand. The progress achieved during FY26 required considerable change across the organisation and their commitment and support to Paul and the business has been greatly appreciated.

Finally, I would like to thank our shareholders, customers, suppliers and business partners for their continued support.

I will now hand over to Paul, who will provide further detail on the operational progress made during FY26 and our priorities for FY27.

Thank you.

Chief Executive Officer/Managing Director Address

Thank you, Donald, and good morning everyone.

I would also like to welcome our shareholders joining us today and thank you for your continued support of Adrad.

Rather than repeat the detail contained in our FY26 results presentation released on 18 August, I would like to focus on what changed during the year, the progress we have made and importantly, how that positions the business for FY27 and beyond.

As Donald mentioned, FY26 delivered a stronger financial outcome.

For me, the most important aspect of that result was that earnings grew materially faster than revenue. That reflects the operational changes we have made across the business and provides a stronger foundation for future growth.

A significant focus during FY26 was on improving how the business operates; simplifying the organisation, strengthening accountability, reducing costs, improving manufacturing efficiency and focusing our people and resources on the markets where we believe Adrad has the strongest competitive position.

We saw the clearest evidence of this within Heat Transfer Solutions.

HTS underlying EBITDA increased by 40.2% during FY26 despite relatively modest revenue growth. Improved manufacturing efficiency, a higher-value sales mix and stronger operating discipline all contributed to that outcome.

Importantly, we achieved this improvement while continuing to build the platform for future growth. Data centre production capacity in Australia was doubled during the year, with orders exceeding 400 units across our Lara and Gillman operations. This is a market experiencing significant growth and one where Adrad's engineering capability, manufacturing capacity and established customer relationships position us well.

However, the HTS growth opportunity extends well beyond data centres.

During FY26 we delivered 20 large engineered cooling systems for a power station in Western Australia, secured additional mining and power generation work for FY27, added three new Japanese OEM customers in the heavy industries sector through our Thailand operation and continued progressing our Alu Fin products through field trials and customer approval processes.

Power generation more broadly is becoming an increasingly important market for Adrad, supported by demand across data centres, critical infrastructure, mining and other applications. Combined with our established positions across transport, industrial and OEM markets, this provides HTS with an increasingly diversified base from which to grow.

Thailand remains an important part of our longer-term manufacturing strategy.

Construction has commenced on the approximately 4,000 square metre expansion of our facility, which will provide additional capacity and further develop Thailand as a scalable, lower-cost manufacturing platform supporting our customers across Australia and Asia.

The expansion will support opportunities across industrial coils, data centres, power generation, mining and global OEM markets, while providing flexibility to support other HTS growth opportunities over time.

Within Distribution, FY26 was more mixed.

The business entered the second half with good momentum, but trading softened during the fourth quarter, particularly in traditional radiator repair markets.

Our response has been not to simply wait for those markets to recover. We have taken action to improve the profitability of the business while continuing to diversify its revenue base.

We implemented pricing, operational and cost initiatives during the fourth quarter, which improved margins entering FY27. At the same time, the mechanical trade, reseller and Natrad Autocare channels continued to grow, broadening the business beyond its traditional radiator repair markets.

Our objective for Distribution is straightforward; to build a more efficient and profitable business with a broader customer and product base, while continuing to generate strong cash flow for the Group.

Looking ahead, our priorities are clear.

Within HTS, our focus is on delivering the substantial order book already in hand, converting the growing pipeline of opportunities across power generation, data centres, mining and OEM markets, and increasing utilisation of the manufacturing capacity we have created.

Within Distribution, we will continue to broaden the product and customer base, grow the mechanical trade, reseller and Natrad Autocare channels and drive further efficiency across the operating network.

Across the Group, we will maintain the cost, working capital and capital allocation discipline that contributed to the improved FY26 result.

We also enter this next phase with a strong balance sheet. This gives us the capacity to invest where we see clear customer demand and attractive returns while maintaining financial flexibility and a disciplined approach to capital allocation.

The start to FY27 has been encouraging. For the first three months of the year, HTS revenue was ahead of the same period last year, driven by continued data centre activity and new power generation customers in Southeast Asia.

Distribution revenue and margin performance were also ahead of the same period last year, demonstrating the resilience of the business despite challenging economic conditions.

Our investment in Thailand is also progressing. Foundations have now been laid for the additional factory space, and we have ordered a new furnace for delivery in approximately 12 months. A new laser press has also been ordered, with an expected lead time of approximately six months. This equipment will increase our manufacturing capability and allow selected components currently purchased externally to be manufactured in-house.

Our objective is to continue building a stronger industrial business with established engineering and manufacturing capabilities, exposure to attractive end markets and the ability to deliver sustainable earnings and cash flow over time.

There is still considerable work ahead of us, but I am pleased with what we have achieved over the past twelve months and are very well positioned to capitalise on the opportunities ahead of us.

I would like to thank our employees across Australia and Thailand for embracing the changes we have made and for their continued commitment to our customers and the business.

I would also like to thank the Board for its support and our shareholders for your continued confidence in Adrad.

We look forward to updating you on our progress as FY27 develops.

Thank you.