

**2024 Annual General Meeting
Chair and Chief Executive Officer 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

Ladies and Gentlemen,

Our results for the 2024 financial year demonstrate the resilience of our business and the commitment of our team to deliver solid results against a challenging backdrop.

The effects of inflation, an extremely tight labour market and interest rates, coupled with global macroeconomic forces, have impacted project timelines for several of our customers in the mining and energy sectors. As a consequence, a number of our customer's projects were deferred during the year but despite that we managed to grow revenue year on year.

At our full year results release in August 2024, we discussed the comprehensive organisational restructure the Company undertook as part of our strategic vision. The restructuring better aligns with our key business segments being:

1. manufacturing within our Heat Transfer Solutions business unit; and
2. distribution of automotive and industrial cooling components and parts in our Distribution business unit.

This restructure was not just about organisation; it was about enhancing our operational effectiveness. In December 2023, we welcomed a new General Manager of People and Culture, followed by our General Manager of Distribution in January 2024. Since the end of the year our General Manager of HTS has also started. Their expertise is crucial as we strengthen our senior management team to drive our growth initiatives forward.

FY24 also saw a transition in our leadership, with Darryl Abotomey stepping in as interim CEO, followed by the appointment of Kevin Boyle in April 2024. We extend our sincere gratitude to Darryl for his guidance during this transitional phase and warmly welcome Kevin to the executive team. With Kevin's leadership, we have now established a robust senior management team ready to navigate the opportunities and challenges ahead.

In terms of growth, we have strategically positioned ourselves for the future by expanding our production capabilities in Thailand and investing in our Australian sites. These investments are designed to enhance efficiency and boost our manufacturing capabilities to ensure we remain competitive with our key customers.

Innovation remains at the heart of our HTS operation, particularly with our Alufin product development. We are actively involved in several critical collaboration initiatives, with leading players in the mining industry. Our advancements over the year with this product

include field testing for both underground mining and on-road transport alongside prototype development for above-ground mining dump trucks.

These projects underscore our commitment to innovation, as we strive to meet the evolving needs of our clients in a dynamic market.

In our Distribution business, we have focused on driving efficiencies, improving our customer service and growing our ability to source the best products to deliver value to our customer base.

I will shortly pass on to Kevin to elaborate on the operations over the course of the year but before I do, I want to express my heartfelt appreciation to our dedicated employees, our supportive shareholders, and our partners. Your commitment and trust in our vision are invaluable as we continue to build on our momentum and explore new avenues for growth.

Thank you for your continued support.

Chief Executive Officer's Address

Thank you, Glenn, for the introduction, and a warm welcome to all our shareholders and stakeholders joining us today for Adrad's 2024 Annual General Meeting.

Looking at our financial performance for FY24, I'm pleased to report that we achieved a revenue of \$143 million and EBITDA of \$18 million. Importantly, our cash from operations increased by \$9 million, and our statutory NPAT grew by 7%. This performance allowed us to declare a final full year dividend of 2.94 cents per share, reflecting a 26% increase from the previous year.

As Glenn highlighted, one of our major initiatives for FY24 was restructuring our organisation to better align with our key business segments: Heat Transfer Solutions (HTS) and Distribution.

It is important that our business structure not only drives accountability but also brings clarity across all levels of the organisation while supporting a one Adrad culture. This realignment enables us to operate more efficiently and effectively supporting our targeted long term growth.

Highlights from the year were detailed in the full year results presentation and annual report so I will only touch on a couple of key points from FY24.

- During FY24 there was emphasis placed on understanding and enhancing our cybersecurity stance, and upgrading our IT infrastructure. These first stage improvements have bolstered our network security and increased operational efficiency. There will be continued focus and action in this area to unlock further value and ensure an appropriate security posture for Adrad.
- Our distribution business achieved growth in revenue while reducing inventory circa 12%, alongside an expansion of our range. We rolled out e-commerce initiatives to enhance customer experience, modernised our fleet for our sales team, and added experienced leadership to drive our growth and improvement initiatives.
- We made the planned investments in our design & manufacturing segment Heat Transfer Solutions to support future growth and reduce manufacturing costs. In Thailand, these included deploying state-of-the-art laser cutting, fabrication and forming equipment while completing plant expansion and re-layout activities. These investments will enhance our manufacturing efficiency, improve our competitiveness and support cost out initiatives.
- Across the group we were recipients of awards from both Caterpillar and Kenworth recognising our world class performance in manufacturing and design.

- We made considerable progress with new product development and with our partners have a number of prototype products in the field for final testing and validation. These products designed and developed by Adrad represent significant growth pathways for the business.

As we look to FY25, Q1 has commenced in line with internal revenue expectations. We have seen continued growth in our distribution revenues off the back of aggressive market engagement by the team. Our HTS business segment Q1 revenues are in line with FY23 Q1 and prior trading updates. Heading into Q2 we have a strong order book for power generation, particularly in the data-centre sector where the demand outlook is significantly higher than FY24. This growth is a testament to the hard work of our team, our great products and the strong partner relationships we have developed with customers. We are seeing the recommencement and planning of works on certain remote power generation projects that experienced deferrals in FY24 and remain confident in the FY25 full year outlook. Our manufacturing market remains consistent and strong balanced by a diverse range of customers and products. We anticipate continued growth in our HTS business supported by new and existing products and customers.

In FY25, we will continue to invest in growth capital expenditures, primarily focused on our heat transfer business segment.

Our growth initiatives within our HTS segment, will focus on:

- expanding our presence and customer base in Asia
- leveraging our engineering solutions and new technologies capability through targeted and increased customer engagement
- continued streamlining of operations and utilising our Thai capabilities to enhance cost-effectiveness and drive further efficiencies

All while continuing to develop innovative cooling solutions that underscore our competitive edge.

Our strategic priorities for the continued growth of our Distribution segment in FY25 include:

- enhancing digital engagement and strengthening connections through our sales teams.
- driving efficiencies within our distribution network to lower service and supply costs, supported by our price improvement programs and technological advancements.
- development of new sales channels

- range refinement through sourcing top-quality products to maximise value for our customers and grow our market share.

FY25 Outlook

- Q1FY25 revenue tracking ahead of prior comparative period and in line with management's expectations for YTD FY25
- Cost management remains a focus with recent key appointments set to deliver growth initiatives through FY25
- Robust order book for PowerGen, particularly the data-centre segment
- Continue to realise and plan for FY24 deferred projects, which are likely to commence during FY25
- Full year FY25 revenue and earnings expected to track above FY24; albeit weighted to 2HFY25

This brings me to the end of the CEO presentation. I want to thank the board for their invaluable support and guidance and of course our Adrad team without whom we cannot deliver. And lastly each of you for your continued support and confidence in Adrad. Together, we will drive our company forward, and deliver sustainable growth for our shareholders.

Thank you.