

Adrad Exits NZ operations.

Adrad Holdings Limited ('ASX: AHL', 'Adrad' or the 'Company') advises the strategic decision to exit the Company's New Zealand operations as of July 2025.

Key highlights

- **Exiting unprofitable New Zealand operations in line with strategic objectives**
- **Abnormal once off impact in FY25 from closure costs**
- **Exit from New Zealand will be earnings accretive in FY26**

The decision to exit New Zealand follows a comprehensive review by the Board and Management, aligning with the Company's ongoing efforts to optimise its strategic direction and drive sustainable growth.

The assessment of New Zealand found the business lacked the ability to develop into a meaningful profitable scale, due to a smaller market and level of competition. Manufacturing operations in New Zealand were closed in FY23, and this decision will close distribution in New Zealand. New Zealand has been a loss-making business for a number of years.

The exit from New Zealand is expected to result in an abnormal negative impact to FY25 Net Profit After Tax (NPAT) of approximately \$0.9 million. The Company notes all associated closure costs will be accounted for in FY25. While the exit will decrease revenue, it will enhance overall profitability and deliver earnings accretion in FY26 of approximately \$ 0.3M NPAT.

Adrad CEO, Kevin Boyle said: "Our ongoing commitment to focus the Company's resources on segments with earnings growth potential, has resulted in a decision to exit our New Zealand operations. The region is highly competitive with limited scale and has a complex vehicle make up which requires disproportionate resources relative to the lower volume compared to Australia.

We are committed to supporting our New Zealand employees through this transition, ensuring all affected staff are looked after with appropriate care and consideration."

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

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