

ASX Announcement

31 October 2025

AVADA Group Limited **Appendix 4C for the period 1 July 2025 to 30 September 2025**

In accordance with ASX Listing Rule 4.7B and 4.7C AVADA Group Limited (ASX: AVD, “AVADA” or “the Company”) and its controlled entities (“the Group”) is pleased to provide its quarterly activities report, together with its Appendix 4C, for the three-month period ended 30 September 2025.

Key Highlights

- FY26 Q1 revenue increased on FY25 Q1 after allowing for conclusion of Brisbane City Council contract in June 2025.
- Operating cash outflows decreased 11.6% Q1 FY26 vs Q1 FY25.
- Strategic review of New Zealand operations concluded; focus remains on cost efficiency amid soft market conditions.

HIGHLIGHTS OF CASH FLOW

	A\$'000	Change on prior quarter	Change on prior period
	Q1 FY26	Q4 FY25	Q1 FY25
Cash Receipts	48,129	down 9.8%	down 11.7%
Operating Cash Expenditures	50,834	up 11.6%	down 11.6%
Net Operating Cash Flow	(2,706)	down 134.9%	up 9.8%
Cash and cash equivalents at end of period	3,547	down 51.6%	down 8.1%
Unused financing facilities available at end of quarter	14,149	up 34.3%	up 80.9%

An explanation of operations during the quarter and cashflow movements follows:

COMMERCIAL OPERATIONS

- Rhys Attwood, EGM Strategic Execution and Operations appointed in September.
- The Group progressed its Q1 FY26 restructure with a focus on cost reduction and operational efficiency. Business units were consolidated and duplicated functions removed, aligning costs with trading conditions. These actions led to a notable reduction in operating cash outflows versus Q1 FY25, despite a slight increase from the prior quarter. The leaner structure is expected to support long-term scalability.
- A fleet and resource optimisation initiative, now underway, aims to improve gross margin by reducing operating costs and enhancing asset efficiency. Over the next 3 to 6 months, the review will target underutilised vehicles, own vs hire opportunities, and investment in lower-cost assets. Early expectations include reduced fuel and maintenance expenses, better fleet utilisation, and stronger margin performance as implementation progresses.
- The strategic review of AVADA's New Zealand operations has concluded, with a continued focus on cost efficiency and market alignment amid cautious optimism for sector recovery in FY26.

The review concluded in June 2025, reaffirming the importance of streamlining costs and maintaining a lean operating model. Although no immediate structural changes were implemented, the Board continues to monitor trading conditions and evaluate long-term fit within the Group's portfolio.
- The Group continued its transition toward centralised core operating systems during Q1 FY26. The finance system, now live, is being embedded into daily operations with a focus on refining automated reporting capabilities to enhance accuracy and efficiency. In parallel, the integration of payroll into the finance platform has entered its initial implementation phase. These developments are expected to deliver further productivity gains and operational efficiencies throughout FY26.
- The Company continued to reduce debt and paid down a further \$2.8m; with payments to related parties for salaries, director fees and consulting fees for the quarter totalling \$349k.

This announcement has been approved for release to the ASX by the Board.

Yours faithfully

Donald Montgomery
Chief Executive Officer

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.

Visit us at avadagroup.com.au

For further information contact the following:

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1Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

AVADA Group Limited

ABN

57 648 988 783

Quarter ended ("current quarter")

30/09/2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	48,129	48,129
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	12	12
(c) advertising and marketing	(16)	(16)
(d) leased assets		
(e) staff costs	(36,251)	(36,251)
(f) administration and corporate costs	(14,285)	(14,285)
1.3 Dividends received (see note 3)		
1.4 Interest received	2	2
1.5 Interest and other costs of finance paid	55	55
1.6 Income taxes paid	(351)	(351)
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(2,706)	(2,706)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(297)	(297)
(d) investments	(125)	(125)
(e) intellectual property		
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment	742	742
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	320	320

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings	288	288
3.6	Repayment of borrowings	(2,824)	(2,824)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	(2,536)	(2,536)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	7,327	7,327
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,706)	(2,706)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	320	320

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(2,536)	(2,536)
4.5	Effect of movement in exchange rates on cash held	1,142	1,142
4.6	Cash and cash equivalents at end of period	3,547	3,547

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	5,019	7,967
5.2	Call deposits		
5.3	Bank overdrafts	(1,472)	(640)
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,547	7,327

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	349
6.2	Aggregate amount of payments to related parties and their associates included in item 2	N/A

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	48,800	34,945
7.2 Credit standby arrangements		
7.3 Other (business credit cards)	294	-
7.4 Total financing facilities	49,093	34,945
7.5 Unused financing facilities available at quarter end		14,149
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	<div style="border: 1px solid black; padding: 5px;"> <p>Refer to Appendix 1 for financing facilities including credit cards</p> </div>	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(2,706)
8.2 Cash and cash equivalents at quarter end (item 4.6)	3,547
8.3 Unused finance facilities available at quarter end (item 7.5)	14,149
8.4 Total available funding (item 8.2 + item 8.3)	17,696
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	6.54
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
<p>Answer: N/A</p>	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
<p>Answer: N/A</p>	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
<p>Answer: N/A</p>	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Appendix 1 – notes to 7.6

Description	Facility Limit	Amount	Lender	Interest Rate	Maturity Date	Secured / Unsecured
Overdraft facility	2,500,000	839,995	Commonwealth Bank	6.85%		Secured
Working capital loan	17,500,000	14,088,000	Commonwealth Bank	5.84%	22/08/2026	Secured
Market Rate Loan	9,500,000	9,500,000	Commonwealth Bank	3.59%	22/08/2026	Secured
Asset Finance -ABZD001258		66,547	Commonwealth Bank	6.59%	13/12/2027	Secured
Asset Finance -ABZD001473		330,092	Commonwealth Bank	6.85%	27/06/2029	Secured
Asset Finance -AIJG000609		165,932	Commonwealth Bank	7.20%	11/04/2027	Secured
Asset Finance -AIJG000611		541,823	Commonwealth Bank	7.03%	3/05/2027	Secured
Asset Finance -AEKH003438	6,416,461	33,126	Commonwealth Bank	5.90%	12/05/2027	Secured
Asset Finance -AEKH003439		49,911	Commonwealth Bank	5.90%	13/05/2027	Secured
Asset Finance -AEKH003440		136,972	Commonwealth Bank	7.01%	13/05/2027	Secured
Asset Finance -ABZD001474		373,997	Commonwealth Bank	6.85%	27/06/2029	Secured
Asset Finance - AKEY000030		1,899,554	Commonwealth Bank	6.55%	28/04/2028	Secured
Asset Finance -AKEY000006	5,000,000	1,948,230	Commonwealth Bank	6.17%	23/08/2027	Secured
Kiwi Bank Loan (AVDNZ)	3,505,697	2,005,788	Kiwi Bank	7.85%	5/05/2028	Secured
Overdraft facility (AVTNZ)	876,424	631,930	Kiwi Bank	10.40%	5/05/2028	Secured
Asset Finance loan (AVTNZ)	2,979,842	1,811,556	Kiwi Bank	7.65%	5/05/2028	Secured
Corporate Credit Cards	43,821	-	Kiwi Bank	12.50%	5/05/2028	Secured
AVADA Lease - 69 Percival Road Smithfield		158,446	Commonwealth Bank	2.50%	2/03/2029	Secured
AVADA Lease - 39 Matheson Streer, Virginia QLD		82,734	Commonwealth Bank	2.50%	1/02/2029	Secured
AVADA Lease - 224 Whitehall Street, Yarraville VIC	521,164	80,667	Commonwealth Bank	2.50%	31/01/2027	Secured
AVADA Lease - Ground Floor, 116 Ipswich Road, Woolloongabba QLD		66,000	Commonwealth Bank	2.50%	1/08/2027	Secured
Bank Guarantees - AVADA property Lease		81,067	Commonwealth Bank	2.50%	1/02/2033	Secured
Bank Guarantees - CTM property Lease		52,250	Commonwealth Bank	2.50%	1/05/2033	Secured
Corporate Credit Cards	250,000	-	Commonwealth Bank	17.57%	25/08/2026	Secured
Total		49,093,409				34,944,616

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 October 2025

Authorised by: By the board

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.