

30th July 2025

June 2025 Quarterly Activities & Cashflow Report

Key Highlights:

- Delivered positive operating cash flow for the second consecutive quarter, driven by the turnaround strategy, delivering 21% quarter-on-quarter (QoQ) growth in cash receipts and a 23% QoQ reduction in operational costs;
- Customer cash receipts reached \$1.53 million in Q4 FY25, up 21% QoQ and 54% year-on-year (YoY). For the full year FY25, cash receipts totalled \$5.3 million, an increase of 26% YOY^{1*};
- Art of Mentoring and ApplyDirect signed new SaaS contract wins and upgrades worth \$467k in Q4 FY25;
- Oliver Grace achieved a record quarter with \$420k in services receipts, reflecting 67% QoQ growth;
- Art of Mentoring became the only Australian-owned mentoring platform with ISO 27001 certification, reinforcing its investment in AI-driven mentoring solutions, best-practice security, and privacy standards;
- The acquisition of Learnt Global is progressing ahead of schedule, with shareholder approval expected to be finalised at AdNeo's Extraordinary General Meeting (EGM) on 7 August 2025;
- AdNeo has already executed \$1.5 million in cost synergies from the Learnt Global acquisition, two months ahead of plan, with positive impact on future cash flows;
- AdNeo announced a \$5.5 million capital raise from strategic and institutional investors, to support its business strategy and growth initiatives.

AdNeo (ASX:AD1) (ASX: **AD1**) ("**AdNeo**" or "the **Company**") actively acquires, owns, and manages high-growth companies in the **SaaS and Innovative Services sectors**, with a strategic focus on becoming the market leader in AI-driven workforce transformation technologies.

The company currently operates three market-leading businesses including Art of Mentoring (AoM), ApplyDirect (AD), and Oliver Grace (OG). In Addition, AdNeo is in the process of acquiring Learnt Global (LG).

¹ Receipts from customers YoY comparison excludes FY24 receipts from a discontinued business (USS ended in FY24).

CEO Angus Washington commented:

"We've made strong progress in our rapid turnaround strategy, achieving positive operating cash flow for two consecutive quarters and reducing costs decisively. The Group achieved a 54% increase in cash receipts from customers compared to the same quarter in the previous financial year. Our M&A strategy is advancing well, with the Board unanimously recommending the acquisition of Learnt Global to shareholders at the EGM on 7 August 2025. We've already realised \$1.5m in cost synergies in the Learnt business, two months ahead of schedule. We are confident this acquisition will be value-accretive for shareholders, with the equity raise providing the capital to pursue targeted growth initiatives."

Commercial Updates

Art of Mentoring

In Q4 FY25, Art of Mentoring signed \$205k in new contract values. New notable clients includes Master Builders Australia, Uniting Healthcare, the Insurance Commission of Western Australia, and a leading water utility.

Art of Mentoring also secured platform contract renewals in line with its business plan, including agreements with a major utility organisation, the Infrastructure Sustainability Council, and various NSW and Federal government agencies.

In the US, Art of Mentoring US renewed multiple multi-year contracts with the City of Glendale (Arizona), Halton Regional Police and American College of Rheumatology.

The sales pipeline remains robust, with over 35 targets valued at more than \$3 million across Australia and the US. The sales cycle is stable, and the team is focused on driving Q1 FY26 growth through an integrated sales and marketing plan. Leveraging the increased capability from the anticipated Learnt Group acquisition in Q1 FY26, Art of Mentoring is well-positioned to accelerate pipeline development and achieve strong sales synergies for the year ahead.

Art of Mentoring ISO 27001 Accreditation

Art of Mentoring is now the only Australian-owned mentoring and coaching platform with ISO 27001 certification, reinforcing its leadership in secure, AI-driven mentoring solutions. This achievement delivers the following benefits:

- Market advantage - positions Art of Mentoring as the first security-certified mentoring SaaS provider in Australia enhancing trust with enterprise and government clients.
- Regulated industry gains - enables penetration into healthcare, education, public sector, and finance where ISO 27001 is a key procurement requirement, facilitating faster contract access, approvals and larger deals.
- Client retention & growth - strengthens renewals and unlocks high-value opportunities through enhanced security credentials
- Pipeline strength - boosts win rates in requests for proposals (RFPs) and government tenders due to increased credibility

- Brand elevation - amplifies AdNeo's profile as an innovator and leader in compliance and security

This certification positions Art of Mentoring to lead, win and expand across regulated markets - setting a new benchmark for AdNeo and its subsidiaries.

Oliver Grace

Oliver Grace achieved its strongest quarter to date in Q4 FY25, with customer receipts totalling \$420k reflecting a 67% quarter-on-quarter (QoQ) increase. Operationally, the business is managing over 40 active engagements and prioritising new projects with high margin returns to drive sustainable growth.

Apply Direct

In Q4 FY25, the ApplyDirect IWorkforNSW platform experienced strong growth, recording 8.2 million active users in last 12 months, a significant increase of 30%. ApplyDirect negotiated a major upgrade of the platform from Gen 3 to Gen 4 with the NSW Government, introducing new products and enhanced functionality. The upgrade will improve accessibility, security, user experience, search engine optimisation, site responsiveness, hosting efficiency, and self-serve features, delivering a more personalised and secure experience for job seekers and recruitment teams. The contract, valued at \$245k, was signed in Q4 FY25, with \$189k received during the quarter and the remainder due upon completion, expected by October 2025.

On 30 June 2025, ApplyDirect completed its two-year contract with Careers.Vic, without renewal. The business continues to pursue growth opportunities with government clients, strengthening proposals to demonstrate the platform's value and drive adoption in the public sector.

M&A Activity – Learnt Global Acquisition and Pipeline

As announced to the market on 12 May 2025, AdNeo proposes to acquire 100% of the shares in the Learnt Group. Firm commitments for a \$5.5m placement have been received to support this transaction, which will be voted on by Shareholders at a General Meeting on 7 August 2025. Funds from this placement will be used to fund growth projects, realise cost synergies across the Group, working capital and a \$1.5 million repayment to reduce debt owed to Pure Asset Management.

While cash flow positivity and organic growth remains the Group operational priority, AdNeo will continue to pursue further M&A opportunities aligning with its strategy and core competencies, with the aim of creating significant shareholder value.

AdNeo is pleased to share the significant progress in the merger strategy, realising \$1.5 million in annualised savings due to synergies, ahead of deal closure. The pre-merger cost savings have been driven by:

- Streamlined Operations: Consolidated businesses from three to two: Learnt (B2B LMS) and Catapult (Content and VET Solutions).

- **Optimized Workforce:** Reduced duplicate roles (e.g., Chairman, Group CEO, GM) and achieved a 30% reduction in staff and wage costs.
- **Simplified Structure:** Implemented clear reporting lines and reduced office locations and space.
- **High-Performance Culture:** Realigned 50% of roles to sales and customer-facing activities, supported by clear KPIs and strategic goals.

Learnt Acquisition Background

The \$5.8 million acquisition of Learnt is a transformative step for AdNeo:

- **Value Creation:** Priced at 1.0x FY25 revenues, the all-share deal values AdNeo equity at \$0.07 per share—a 49% premium to the prior 30-day average share price—reflecting strong confidence in our technology, management, and fundamentals.
- **Revenue Growth:** The combined group doubles AdNeo's annual revenue to ~\$11 million, creating a platform for expansion through enhanced products and sales synergies.
- **Ambitious Targets:** The deal includes an earn-out target of +50% revenue growth within 48 months, aligning interests for long-term success.
- **Shareholder Support:** All new Learnt shareholders have committed to be voluntary escrowed, demonstrating confidence in our strategy and the growth potential of the combined Group.

Strengthening Financial Foundations

- **Equity Raise:** Raised \$5.5 million at \$0.045 per share (a modest 3.3% discount to the prior 30-day average), with cornerstone investments from Salter Brothers and Directors. Salter Brothers will also provide advisory services to expand our investor network.
- **Post capital raise and debt conversion,** the business will have halved its Pure debt position to \$2.9m, for which AdNeo has secured an extension by 24 months on same terms.

4C Quarterly Financial Results

The Group received \$1.53m in cash receipts from customers in Q4 FY25, an increase of 21% from the prior quarter and 54% year-on-year (YoY). Cash outflows from operating activities totalled \$1.5 million for the quarter, a reduction of 21% quarter-on-quarter (QoQ), driven by fully realised cost-saving initiatives and ongoing cost controls. Net cash flow from operating activities was positive \$22k, marking the second consecutive quarter of positive operating cash flow.

The Company remains focussed on tight cost control and disciplined cash flow management. Following the completion of the acquisition of the Learnt Group in Q1 FY26, the Company will continue to identify cost synergies across the expanded group.

Cash at bank has increased to \$0.4m at the end of Q4.

The Company expects to complete a \$5.5 million capital raise, subject to shareholder approval at the Extraordinary General Meeting (EGM) on 7 August 2025.

END

This ASX announcement has been authorised for release by the Board of Directors of AdNeo Ltd.

Note on materiality: None of the information in this communication should be considered Material, unless otherwise specified.

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AdNeo Ltd (ASX: AD1)

AdNeo (ASX:AD1) actively acquires, owns, and manages high-growth companies in the SaaS and innovative services sectors. AdNeo drives shareholder value by strategically acquiring synergistic companies with significant growth potential. Our experienced management team enhances operational efficiency and stimulates innovation, opening new market opportunities. This focused strategy maximises profitability and ensures exceptional returns for our shareholders.

Definitions

Total Contract Value (TCV) is total amount of revenue AD1 will receive from a given contract over the duration of the contract. It includes all recurring subscription revenue as well as one-time fees that may be associated with the contract, such as implementation fees.

Forward-looking statements

You are cautioned not to place undue reliance on any forward-looking statements regarding our belief, intent or expectations with respect to AD1's businesses, market conditions and/or results of operations (particularly in light of the current economic uncertainties and volatility).

Not advice

Information in this announcement, including forecast financial information, should not be considered as investment, legal, tax or other advice. You should make your own assessment and seek independent professional advice in connection with any investment decisions.

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Appendix 4C

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

Name of entity

AdNeo Ltd

ABN

29 123 129 162

Quarter ended ("current quarter")

30 June 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,529	5,276
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(52)	(337)
(c) advertising and marketing	(5)	(47)
(d) leased assets	-	-
(e) staff costs	(763)	(3,447)
(f) administration and corporate costs	(699)	(3,089)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	1
1.5 Interest and other costs of finance paid	(8)	(175)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	20	800
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	22	(1,018)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	(400)
(e) intellectual property	(131)	(557)
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	(150)	(150)
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(281)	(1,107)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	1,737
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	(15)	(101)
3.5	Proceeds from borrowings	590	638
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	(7)	(21)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	568	2,253

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	78	268
4.2	Net cash from / (used in) operating activities (item 1.9 above)	22	(1,018)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(281)	(1,107)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	568	2,253
4.5	Effect of movement in exchange rates on cash held	(1)	(10)
4.6	Cash and cash equivalents at end of period	386	386

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	386	78
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	386	78

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	94
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

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	5,564	5,564
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	5,564	5,564
7.5	Unused financing facilities available at quarter end		-
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. The facility is fully utilised and provided by Pure Asset Management. The loan is secured against the business at 10% interest per annum and expires December 2025.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	23
8.2	Cash and cash equivalents at quarter end (item 4.6)	386
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	386
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
	<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? Answer: The entity does not expect the current level of net operating cash flows as it expects the proposed acquisition of the Learnt group, as per ASX release dated 12 May 2025 to be approved by shareholders.	
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? Answer: The entity has announced plans to raise additional capital. As per the ASX announcement on 12 June 2025, the Company has received firm and irrevocable commitments for an equity raising of \$5.5 million (Placement) in new capital.	

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?

Answer: Yes, the entity expects to continue its operations and meet its business objectives, supported by the proposed acquisition of the Learnt group and the successful \$5.5 million equity raising.

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.

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.

30 July 2025

Date:

The Board of Directors

Authorised by:
(Name of body or officer authorising release – see note 4)

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.