

1. Company Details

Name of Entity	AdNeo Limited
ABN or equivalent company reference:	ACN 123 129 162
Current reporting period	Half-year ended 31 December 2025
Previous reporting period	Half-year ended 31 December 2024

2. Results for announcement to the market

Revenue from Ordinary activities	Up	118%	to	\$4,563,093
Net loss after tax for the period attributable to members (from ordinary activities)	Down	51%	to	\$(1,666,267)
Net loss for the period attributable to members	Down	51%	to	\$(1,666,267)

3. Net tangible asset per share

	Current Period	Previous Period
Net tangible assets per share (cents)	1.013	0.691

4. Gain of control over entities

The group acquired 100% of the share capital of the following entities during the period:

- Learnt Global Pty Ltd
- Catapult Smallprint Pty Ltd
- Vasto Software Pty Ltd

5. Loss of control over entities

Not applicable

6. Dividends

No dividends were paid, recommended or declared during the current or previous financial periods.

There are no dividend or distribution plans in effect during the current or previous financial periods.

7. Details of associates and joint venture entities.

Not applicable

8. Foreign entities

Not applicable

9. Audit qualification or review

The interim financial report has been reviewed by AdNeo Limited's independent auditor and the review report is attached as part of the interim financial report.

10. Attachments

The interim financial report of AdNeo Limited for the half-year ended 31 December 2025 is attached.

AdNeo Limited

ACN 123 129 162

Consolidated Financial Statements

For the Half Year Ended 31 December 2025

AdNeo Limited

ACN 123 129 162

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For the Half Year Ended 31 December 2025

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AdNeo Limited

ACN 123 129 162

Directors' Report

31 December 2025

Your directors present the consolidated financial report of AdNeo Limited ("the Company") and the entities it controlled (together, the "Group", or "AdNeo") for the half year ended 31 December 2025.

Directors

The following persons held office as directors of the Company during the half year and up to the date of this report, unless otherwise stated:

Nicholas Smedley	Interim Chairman (acting as Non-Executive Chairman from 20 January 2023)
Michael Norster	Non-Executive Director (resigned 23 September 2025)
Ian Basser	Non-Executive Director (appointed 15 August 2025)
Kevin Lynch	Non-Executive Director (appointed 15 August 2025)
Angus Washington	Managing Director and CEO

Principal activities and significant changes in nature of activities

During the reporting period, AdNeo principal activities included:

- Providing and delivering software services and technology platforms to its customers in Australia and US for the management of employee performance, mentoring and workforce transformation
- Supplying the vocational and VET industry with education materials, technology and advisory services
- Provision of strategic and innovative services in relations to brand and product offering

Collectively the Group serves more than 850 corporate clients on an annual basis, offering products and innovative services. Recurring subscription revenues represent 74%+ of the Group income.

Review of operations

The half year ended 31 December 2025 saw a significant turnaround in AdNeo's operating structure and commercial performance following the completion of the acquisition of the Learnt Group (including Learnt Global Pty Ltd, Catapult Smallprint Pty Ltd and Vasto Software Pty Ltd) in August 2025. This expanded AdNeo's product offering into the vocational education and learning industry.

For the period, AdNeo reported an EBITDA of -\$82,468, an improvement of +96% compared to the prior comparable period (31 December 2024 half year: -\$1,866,464).

The Group reported Total Operating Revenue of \$4,563,093 up 118% on PCP (31 December 2024 half year: \$2,096,041). In a comparative entity basis, existing group member revenue (AdNeo, Art of Mentoring, Oliver Grace) contributed \$2,609,508 in operating revenue, up 25% on PCP (31 December 2024 half year: \$2,096,041). Learnt Group entities contributed \$1,953,586 in the first half of FY26.

Other income for the period included R&D tax incentive claims for AdNeo and the pre-joining period of the Learnt Group for \$1,603,399. In addition, Art of Mentoring undertook a restructure of its historical debt which generated a positive one-off income adjustment of \$1,103,655.

Directors' Report

31 December 2025

Review of operations (continued)

Total expenses during the period were \$8,964,302, up 63% on PCP (31 Dec 2024: \$5,487,501). Of the total expenses, \$1,250,000 (14%) were due to the acquisition of the Learnt Group, one off capital raise costs and associated the acquisition of the Learnt Group and the restructure of debt. These one-off expenses include a non-cash one-off cost of \$752,697 associated with the issue of options to company directors and advisors, which were expensed in full during the period. The majority of the options were issued fully vested and therefore expensed in full on issue.

Following the completion of the Learnt Group acquisition on 16th Aug 2025, and the execution of post-merger integration activities, management delivered annualised cost savings of \$2.5 million (as announced to the market on 8 October 2025) and subsequently identified a further \$1.5 million in cost savings executed in the December quarter. The total cost synergies achieved during the period amounted to \$4.0m, while revenues were increased with the announcement of new material contract wins port merger with Kangan Institute and Hisense.

As a result, the group recorded a loss before tax of \$(1,666,267), an improvement of 51% on H1 FY25 (\$3,389,802). On an EBITDA basis, the Group recorded an -\$82,468 EBITDA loss, compared to a \$(1,866,464) loss in H1 FY25. This is reconciled as follows:

	H1 FY26	H1 FY25
	\$	\$
Loss for the period	(1,666,267)	(3,389,802)
Interest	391,365	334,898
Depreciation and amortisation	2,296,089	1,188,440
Debt restructure	(1,103,605)	-
EBITDA	(82,418)	(1,866,464)

Corporate and Financial Update

On 15 August 2025, the Group completed the acquisition of Learnt Global Pty Ltd and its subsidiaries. The acquisition consideration included an all-scrip completion component and contingent earn-out shares linked to FY27 revenue and EBIT targets.

At the same time, AdNeo completed a \$5.6 million capital raise, including \$2m investment from Board and Management, and a \$1.5m investment from Salter Brother. The capital raise supported the Group's strategic initiatives (including acquisition-related activity), strengthened the business balance sheet and contributed to a substantial reduction in the Company's debt position. This included a reduction by \$3.0 million of the Group's debt facility with Pure Asset Management through a combination of a \$1.5million cash repayment and \$1.5million debt-to-equity conversion at \$0.07 per share, excluding transaction costs.

For the half year, cash and cash equivalents as at 31 December 2025 were \$592,294 (30 June 2025: \$384,930). Net cash used in operating activities for the half year was \$1,348,610 (31 December 2024: \$1,153,773).

Events after the reporting date

On 2 January 2026, the Company appointed Ms Charly Duffy and Ms Shelby Coleman of cdPlus Corporate Services as joint Company Secretaries, following the resignation of Mr Justin Mouchacca.

On 29 January 2026, Learnt Global Pty Ltd closed its R&D financing loan with Kashcade RD1 Pty Ltd. This facility was provided as an advance on Learnt's FY25 R&D lodgement through its 2025 income tax return, which was assessed as \$1,288,213. At the close of the facility, the Group retired its loan with Kashcade of \$987,376 and received the net proceeds of the R&D assessment of \$300,837.

Following the completion of the FY25 R&D lodgement, on 16 February 2026 AdNeo entered into a new R&D financing facility with Kashcade for the FY26 R&D lodgement. \$523,350 was received as an initial draw down on this facility.

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Directors' Report 31 December 2025

Events after the reporting date (continued)

Other than the matters disclosed above, no matters or circumstances have arisen since the end of the financial half year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the half year ended 31 December 2025 has been received and can be found on page 4 of the consolidated financial report.

The Director's report has been issued following a resolution of the Directors pursuant to section 306(3) of the *Corporations Act 2001*.

For and on behalf of the Board,



.....
Mr Nicholas Smedley

Interim Chairman

Melbourne

Dated this 27th day of February 2026

To the Board of Directors,

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit Director for the review of the financial statements of AdNeo Limited and its controlled entities for the period ended 31 December 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours Faithfully,



HALL CHADWICK WA AUDIT PTY LTD



CHRIS NICOLOFF FCA
Director

Dated this 27th day of February 2026
Perth, Western Australia

AD1 Holdings Limited

ACN 123 129 162

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Half Year Ended 31 December 2025

		31 December 2025	31 December 2024
	Note	\$	\$
Operating revenue	4	4,563,093	2,096,041
Other income	5	2,707,689	1,652
Interest income		27,253	6
Total revenue		7,298,035	2,097,699
Expenses			
Employee benefits expense	6	(3,797,297)	(2,259,331)
Software development and other IT expense		(659,246)	(480,725)
Consulting and professional service expense		(1,399,816)	(815,177)
Advertising and marketing expense		(99,744)	(147,319)
Occupancy, utilities and office expense		(82,716)	(57,249)
Depreciation and amortisation expense		(2,296,089)	(1,188,440)
Travel expense		(20,399)	(8,349)
Interest expense		(391,365)	(334,898)
Other expense		(217,630)	(196,013)
Total expenses		(8,964,302)	(5,487,501)
Loss before income tax		(1,666,267)	(3,389,802)
Income tax expense		-	-
Loss for the period		(1,666,267)	(3,389,802)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Exchange differences on translating foreign controlled entities		32,429	(29,830)
Other comprehensive income for the period, net of tax		32,429	(29,830)
Total comprehensive loss for the period		(1,633,838)	(3,419,632)
Loss per share			
Basic loss per share (cents)	7	(0.52)	(3.08)
Diluted loss per share (cents)	7	(0.52)	(3.08)

The accompanying notes form part of these financial statements.

AD1 Holdings Limited

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Consolidated Statement of Financial Position As At 31 December 2025

		31 December 2025	30 June 2025
	Note	\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		592,294	384,930
Trade and other receivables		1,179,638	281,420
Inventories		25,720	-
Other current assets		232,007	94,673
Current tax asset		1,286,668	-
TOTAL CURRENT ASSETS		3,316,327	761,023
NON-CURRENT ASSETS			
Property, plant and equipment		260,261	74,321
Other assets		20,386	150,000
Intangible assets	8	10,178,985	5,956,157
Right-of-use assets		256,892	26,226
TOTAL NON-CURRENT ASSETS		10,716,524	6,206,704
TOTAL ASSETS		14,032,851	6,967,727
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		3,359,637	2,640,366
Borrowings	9	2,922,265	3,757,297
Current tax liabilities		142,084	931,352
Employee benefit obligations		1,084,186	194,055
Lease liabilities		183,263	21,605
Make-good provision		58,464	-
Contract liabilities		1,190,278	975,591
Contingent consideration	10	799,977	477,000
TOTAL CURRENT LIABILITIES		9,740,154	8,997,266
NON-CURRENT LIABILITIES			
Non-current tax liabilities		53,612	93,422
Lease liabilities		290,559	91,441
Employee benefit obligations		111,428	30,401
Contingent consideration	10	6,421,277	-
TOTAL NON-CURRENT LIABILITIES		6,876,876	215,264
TOTAL LIABILITIES		16,617,030	9,212,530
NET (LIABILITIES)/ ASSETS		(2,584,179)	(2,244,803)
EQUITY			
Issued capital	11	47,639,221	36,829,686
Reserve	12	1,741,351	1,749,255
Foreign currency translation reserve		17,923	(14,506)
Retained earnings		(51,982,674)	(40,809,238)
TOTAL EQUITY		(2,584,179)	(2,244,803)

The accompanying notes form part of these financial statements.

AD1 Holdings Limited

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Consolidated Statement of Changes in Equity For the Half Year Ended 31 December 2025

	Share capital	Options Reserve	Foreign Currency Translation Reserve	Accumulated losses	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2025	36,829,686	1,749,255	(14,506)	(40,809,238)	(2,244,803)
Loss for the period	-	-	-	(1,666,267)	(1,666,267)
Prior year adjustments - AASB 15 Change in accounting policy	-	-	-	(622,776)	(622,776)
Other comprehensive income for the year, net of tax	-	-	32,429	-	32,429
Transactions with owners in their capacity as owners					
Options granted	-	906,084	-	-	906,084
Issue of shares	12,516,151	-	-	-	12,516,151
Capital raising costs	(2,087,182)	-	-	-	(2,087,182)
Share-based payment expense	380,566	752,679	-	-	1,133,245
Business Acquisition - Learnt Group	-	-	-	(8,884,393)	(8,884,393)
Options expired/forfeited	-	(1,666,667)	-	-	(1,666,667)
Balance at 31 December 2025	47,639,221	1,741,351	17,923	(51,982,674)	(2,584,179)
	Share capital	Options Reserve	Foreign Currency Translation Reserve	Accumulated losses	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2024	34,092,386	3,392,624	(62,104)	(37,245,911)	176,995
Loss for the period	-	-	-	(3,389,802)	(3,389,802)
Prior year adjustments - R&D	-	-	-	(39,060)	(39,060)
Other comprehensive income for the year, net of tax	-	-	(29,830)	-	(29,830)
Transactions with owners in their capacity as owners					
Options granted	-	18,812	-	-	18,812
Issue of shares	2,983,500	-	-	-	2,983,500
Capital raising costs	(246,200)	-	-	-	(246,200)
Share-based payment expense	-	53,636	-	-	53,636
Balance at 31 December 2024	36,829,686	3,465,072	(91,934)	(40,674,773)	(471,949)

The accompanying notes form part of these financial statements.

AD1 Holdings Limited

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Consolidated Statement of Cash Flows For the Half Year Ended 31 December 2025

	31 December 2025 \$	31 December 2024 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	4,107,658	2,340,281
Payments to suppliers and employees	(5,575,395)	(3,327,493)
Government grants and R&D claims	200,474	-
Interest income	80	6
Interest and other costs of finance paid	(81,427)	(166,567)
Net cash (outflow) from operating activities	<u>(1,348,610)</u>	<u>(1,153,773)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(1,817)	(1,363)
Payments for software development	(867,471)	(294,182)
Acquisition of OG (net of cash acquired)	-	(295,952)
Payment of deferred acquisition consideration	(200,000)	-
Rental bond	(20,387)	-
Loan advanced to Catapult Smallprint	(150,000)	-
Cash and cash equivalents acquired with Learnt Group	222,250	-
Net cash (outflow) from investing activities	<u>(1,017,425)</u>	<u>(591,497)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares and other equity securities	4,598,950	1,745,000
Capital raising costs	(489,050)	(77,728)
Proceeds from borrowings	27,500	25,000
Transactions costs related to loans and borrowings	-	(9,186)
Payment of borrowings	(1,564,001)	-
Net cash (outflow) from financing activities	<u>2,573,399</u>	<u>1,683,086</u>
Net increase/(decrease) in cash and cash equivalents held	207,364	(62,184)
Cash and cash equivalents at beginning of year	384,930	164,057
Cash and cash equivalents at end of the period	<u>592,294</u>	<u>101,873</u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Half Year Ended 31 December 2025

1 Basis of preparation

The consolidated interim financial statements of AdNeo Ltd ("AdNeo" or the "Group") for the six (6) months ended 31 December 2025 are presented in Australian Dollars(\$), which is the functional currency of the Group. These general purpose interim financial statements have been prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 Interim Financial Reporting. They do not include all of the information required in annual financial statements in accordance with Australian Accounting Standards, and should be read in conjunction with the financial statements of the Group for the year ended 30 June 2025 and any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the Corporations Act 2001.

The interim financial statements have been approved and authorised for issue by the Board of Directors on _____ 2026.

(a) Going concern

During the period the Group incurred a loss of \$1,666,267 and had net cash out flows from operating activities of \$1,348,610. The financial position of the Group at 31 December 2025 shows an excess of current liabilities over current assets of \$6,423,827. These conditions indicate a material uncertainty that may cast doubt about the Group's ability to continue as a going concern and that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors believe that there are reasonable grounds to believe that the Group will be able to continue as a going concern, after consideration of the following factors:

- The group has prepared a cash flow forecast for the for the next 16 months from the date of this report, indicating that the Group is expected to have a positive cash balance at 30 June 2027.
- In February 2025, the Group received a net cash refund of \$300,837 in respect of the Learnt Group's 2025 R&D tax incentive refund. This refund was net of the amounts repayable to Kashkade RD1 Pty Ltd for providing R&D refund advance funding.
- Following the completion of the FY25 lodgement, the Group entered into another R&D financing facility with Kashkade for the FY26 R&D lodgement on 16 February 2026. \$523,350 was received as an initial draw down on this facility.
- Management initiated cost reduction strategies as announced to the market in October and December 2025 totalling an annualised \$4million. These cost reduction strategies will reduce the expense base moving into the future for the Group.
- The capital raise undertaken in August 2025 materially reduced the Group's overall debt with Pure Asset Management limited by paying \$1.5million cash and converting \$1.5million of debt to equity. This will materially lower the Group's interest costs to Pure moving forward.
- Art of Mentoring undertook a restructure of its historical debt which has resulted in a reduction of overall debt of \$1.1million.
- Current payment arrangements have been assessed and modelled to determine their impact on cash flow.
- The Directors believe that there are reasonable grounds to expect that the Group has the capacity to raise capital. The Group has a strong track record of accessing capital when it is required to advance its portfolio through the ongoing support of key shareholders and lenders.

Notes to the Financial Statements

For the Half Year Ended 31 December 2025

1 Basis of preparation (continued)

The Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the Financial Report. The Financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Group does not continue as a going concern.

(b) Basis for preparation

These interim financial statements include the assets and liabilities of AdNeo Limited and its controlled entities as a whole as at the end of the period and the consolidated results and cash flows for the period.

The interim financial statements of the controlled entities are prepared for the same reporting period as AdNeo Limited, using consistent accounting policies.

2 Change in Accounting Policy

Change in Revenue Recognition Policy (AASB 15)

From 1 July 2025, the Group revised its revenue recognition policy in relation to customer contracts under AASB 15 *Revenue from Contracts with Customers*.

Previously, revenue from contracts was recognised on a weighted basis, with 80% of the contract revenue recognised over the first 4 months of the contract term, and the remaining 20% over the final 8 months. This approach was based on management's assessment of the pattern of delivery of services at that time.

Following a detailed review and changes to the way that services are delivered to customer organisations, the Group has determined that recognising revenue on a straight-line basis over the 12-month contract term more faithfully represents the transfer of services to the customer in accordance with the principles of AASB 15. As a result, the Group has amended its accounting policy to recognise revenue from 12-month contracts over the term of the service period.

The change has been applied retrospectively in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, with comparatives adjusted where applicable. The cumulative impact of the change resulted in an increase in opening deferred revenue of \$638,000 and a decrease in opening retained earnings of \$687,000. Comparative revenue for the prior corresponding period increased by \$49,000. The adjustment predominantly relates to 2024 and earlier financial years.

3 Segment information

The Group operates in one segment, being the provision and delivery of software services and technology platforms to its customers, and other related supporting and consulting services. The segment details are therefore fully reflected in the body of the interim financial report.

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Notes to the Financial Statements For the Half Year Ended 31 December 2025

4 Revenue from contracts with customers

(a) Disaggregation of revenue from contracts with customers

	31 December 2025	31 December 2024
	\$	\$
SaaS and Managed Services - USA	407,979	326,201
IT Development and Consulting - USA	-	8,460
SaaS and Managed Services	1,746,894	1,666,809
IT Development and Consulting	230,303	94,571
Professional services	817,974	-
Education and Training Services	1,359,943	-
	4,563,093	2,096,041
Services at a point in time	216,839	891,818
Services transferred over time	4,346,254	1,204,223
	4,563,093	2,096,041

(b) Information of major customers

The Group had the following major customers with revenues amounting to 10 percent or more of the total group revenues:

	31 December 2025	31 December 2024
	\$	\$
NSW Premier's Department*	3%	-
DLB*	-	9%

*Less than 10%

5 Other income

	31 December 2025	31 December 2024
	\$	\$
Research and development tax incentive	1,603,399	-
Gain on debt restructuring - AoM	1,103,655	-
Miscellaneous income	635	1,652
	2,707,689	1,652

AD1 Holdings Limited

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Notes to the Financial Statements For the Half Year Ended 31 December 2025

6 Expenses

	31 December 2025	31 December 2024
	\$	\$
<i>Employee benefit expense</i>		
Share-based payment	1,133,245	72,448
Salaries and wages	1,919,033	1,612,974
Superannuation	276,559	139,926
Other employee related expenses	468,460	433,983
Total	3,797,297	2,259,331

7 Loss per share

(a) Basic & diluted loss per share

	31 December 2025	31 December 2024
	\$	\$
Basic loss per share (cents)	(0.52)	(3.08)
Diluted loss per share (cents)	(0.52)	(3.08)

(b) Reconciliation of loss used in calculating loss per share

	31 December 2025	31 December 2024
	\$	\$
Loss attributable to the ordinary equity holders of the Group used in calculating basic & diluted loss per share	(1,666,267)	(3,389,802)

(c) Weighted average number of shares used as denominator

	31 December 2025	31 December 2024
	\$	\$
Weighted average number of ordinary shares used as the denominator in calculating basic & diluted loss per share	322,840,730	110,152,567

As the Group is still loss making, options over ordinary shares outstanding at 31 December 2025 and 31 December 2024 are considered anti-dilutive and were excluded from the diluted weighted average number of ordinary shares calculation.

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Notes to the Financial Statements

For the Half Year Ended 31 December 2025

8 Intangible Assets

	31 December 2025	30 June 2025
	\$	\$
Goodwill	3,311,046	2,740,138
Software & licences	6,072,505	2,612,363
Customer contracts	71,285	115,656
Brand	443,000	443,000
Customer Relationship	45,000	45,000
Capitalised Acquisition Costs	236,149	-
Total	10,178,985	5,956,157

	Goodwill	Software and licenses	Customer contracts	Brand, IP and Content rights	Customer Relationship	Capitalised Acquisition Costs	Total
	\$	\$	\$	\$	\$	\$	\$
As at 30 June 2025							
Cost	4,535,277	9,418,172	548,588	443,000	45,000	-	14,990,037
Accumulated amortisation/impairment	(1,795,139)	(6,805,809)	(432,932)	-	-	-	(9,033,880)
Net book value	2,740,138	2,612,363	115,656	443,000	45,000	-	5,956,157
Movements:							
Opening net book value	2,740,138	2,612,363	115,656	443,000	45,000	-	5,956,157
Additions	-	166,688	-	-	-	-	166,688
Additions on acquisition of new entity	520,908	4,215,418	-	-	-	236,149	4,972,475
Additions - Aspire business assets	-	-	-	50,000	-	-	50,000
Amortisation	-	(921,964)	(44,371)	-	-	-	(966,335)
Impairment	-	-	-	-	-	-	-
Closing net book value	3,261,046	6,072,505	71,285	493,000	45,000	236,149	10,178,985

9 Borrowings

	31 December 2025	30 June 2025
	\$	\$
CURRENT		
Unsecured liabilities:		
Convertible notes	2,893,435	3,757,297
Director loan	1,330	-
Third-party loan	27,500	-
Total current borrowings	2,922,265	3,757,297

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Notes to the Financial Statements For the Half Year Ended 31 December 2025

10 Contingent consideration

	31 December 2025	30 June 2025
	\$	\$
<i>Other current liabilities</i>		
Deferred Consideration - OG Cash Deferred Amount (discounted)	-	250,000
Deferred Consideration - OG Deferred Share Value (discounted)	-	227,000
Deferred Consideration - Learnt	799,977	-
	799,977	477,000
<i>Other non-current liabilities</i>		
Deferred Consideration (Learnt)	6,421,277	-
	6,421,277	-

Contingent consideration relates to the acquisition of Learnt Global Pty Ltd and its subsidiary entities. Refer to Note 16 Business Combinations for further details.

11 Share capital

(a) Ordinary shares

	31 December 2025	31 December 2025	30 June 2025	30 June 2025
	Shares	\$	Shares	\$
Ordinary shares - fully paid	380,537,830	47,639,221	146,406,946	36,829,686
	380,537,830	47,639,221	146,406,946	36,829,686

(b) Movements in ordinary share capital

	No. of shares	\$
31 December 2025		
Opening balance as at 30 June 2025	146,406,946	36,829,686
Shares issued in partial consideration to acquire the entire issued capital of Learnt Global and its subsidiaries	71,071,429	4,975,022
Issue of new ordinary shares pursuant to the placement and options issue	125,555,555	5,650,000
Shares issued on conversion of loan amount	21,428,571	1,500,000
Advisor shares issued for capital raising fees	4,500,000	202,500
Deferred consideration shares pursuant to the acquisition of Oliver Grace	5,061,726	250,049
Shares issued to certain employees of the Company for entitlements payable	2,173,008	108,650
Shares issued to certain employees of the Company for entitlements payable	1,896,151	100,496
Shares issued to a consultant of the Company in partial consideration for services	2,444,444	110,000
Capital Raising Cost	-	(2,087,182)
Closing balance	380,537,830	47,639,221

Notes to the Financial Statements

For the Half Year Ended 31 December 2025

11 Share capital (continued)

30 June 2025

Opening balance	898,648,377	34,092,386
Issue of new ordinary shares - 13 Aug placement	198,700,000	993,500
Pre-Consolidation of Shares	1,097,348,377	35,085,886
Consolidation Ratio (10:1)	0.10	0.10
Consolidation/Split of shares (14 Nov 2024)	109,734,838	35,085,886
Issue of new ordinary shares - 30 Nov placement	9,000,000	450,000
Issue of new ordinary shares - 04 Dec placement	22,800,000	1,140,000
Issue of new ordinary shares - 31 Dec placement (Acquisition of OG)	4,872,108	400,000
Capital Raising Cost	-	(246,200)
As at 30 June 2025	146,406,946	36,829,686

(c) Details of movements in ordinary shares

	Details	No. of shares	Issue price \$	Amount \$
31 December 2025				
15-Aug-25	Shares issued in partial consideration to acquire the entire issued capital of Learnt Global and its subsidiaries	71,071,429	0.0700	4,975,021
15-Aug-25	Issue of new ordinary shares pursuant to the Placement and Options Issue	125,555,555	0.0450	5,650,000
15-Aug-25	Shares issued on conversion of loan amount	21,428,571	0.0700	1,500,000
20-Aug-25	Advisor shares issued for capital raising fees	4,500,000	0.0450	202,500
20-Aug-25	Deferred consideration shares pursuant to the acquisition of Oliver Grace	5,061,726	0.0494	250,049
20-Aug-25	Shares issued to certain employees of the Company for entitlements payable	2,173,008	0.0500	108,650
20-Aug-25	Shares issued to certain employees of the Company for entitlements payable	1,896,151	0.0530	100,496
20-Aug-25	Shares issued to a consultant of the Company in partial consideration for services	2,444,444	0.0450	110,000
	Capital Raising Cost	-	-	(2,087,182)
		234,130,884	-	10,809,536
30 June 2025				
31-Dec-24	Issue of new ordinary shares - 31 Dec placement (Acquisition of OG)	4,872,108	0.0821	400,000
4-Dec-24	Issue of new ordinary shares - 04 Dec placement	22,800,000	0.0050	1,140,000
4-Dec-24	Issue of new ordinary shares - 04 Dec placement	9,000,000	0.0050	450,000
14-Nov-24	Movement due to Consolidation of Shares - 14 Nov 2024	(987,613,539)	-	-
13-Aug-24	Issue of new ordinary shares - 13 Aug placement	198,700,000	0.0050	993,500
		(752,241,431)	-	2,983,500

Notes to the Financial Statements

For the Half Year Ended 31 December 2025

12 Reserve

(a) Options reserve

	31 December 2025	31 December 2025	30 June 2025	30 June 2025
	Options	\$	Options	\$
Options over ordinary shares	99,096,663	1,741,351	10,733,333	1,749,255
	99,096,663	1,741,351	10,733,333	1,749,255

The reserve is used to recognise:

- The fair value of options issued to employees but not exercised; and
- The fair value of options issued for goods and services received but not exercised.

(b) FX Reserve

	31 December 2025	30 June 2025
	\$	\$
Balance at beginning of year	(14,506)	(62,104)
Foreign Currency Translation Reserve	32,429	47,598
Total FX Reserve	17,923	(14,506)

(c) Movements in options reserve

	No. of options	\$
30 December 2025		
Opening balance	10,733,333	1,749,255
Issue of new options over ordinary shares	96,696,663	906,084
Options cancelled (Cancellation of warrants)	(8,333,333)	(1,666,667)
Share based payment expense	-	752,679
Closing balances	99,096,663	1,741,351
30 June 2025		
Opening balance	213,333,333	3,392,624
Consolidation Ratio (10:1)	0.10	0.10
Consolidation/Split of options (14 Nov 2024)	21,333,333	3,392,624
Issue of new options over ordinary shares	12,500,000	10,020
Options cancelled/lapse of conditional right to securities	(12,500,000)	(10,020)
Issue of new options over ordinary shares	12,500,000	8,792
Options cancelled/lapse of conditional right to securities	(12,500,000)	(8,792)
Share based payments expense	-	53,636
Issue of new options over ordinary shares	2,400,000	82,588
Options forfeited/expired/cancelled	(13,000,000)	(1,779,594)
Closing balance	10,733,333	1,749,254

Notes to the Financial Statements

For the Half Year Ended 31 December 2025

12 Reserve (continued)

(d) Details of movements in options reserve

	Details	No. of options	Amount \$
31 December 2025			
15-Aug-25	Options issued	41,851,848	525,191
20-Aug-25	Options issued	814,815	8,990
20-Aug-25	Options issued	1,530,000	1,284
20-Aug-25	Options issued	2,500,000	27,583
20-Aug-25	Options issued	5,000,000	76,103
20-Aug-25	Options issued	5,000,000	61,189
20-Aug-25	Options issued	20,000,000	373,004
20-Aug-25	Options issued	10,000,000	157,999
20-Aug-25	Options issued	7,500,000	62,407
20-Aug-25	Options issued	2,500,000	8,547
20-Aug-25	Options cancelled (warrants)	(8,333,333)	(1,666,667)
		88,363,330	(364,370)
30 June 2025			
12-May-25	Options cancelled/lapse of conditional right to securities	(13,000,000)	(1,779,594)
12-May-25	Options cancelled/lapse of conditional right to securities	(12,500,000)	(10,020)
12-May-25	Options cancelled/lapse of conditional right to securities	(12,500,000)	(8,792)
5-May-25	Options issued	2,400,000	82,588
31-Dec-24	Share based payments expense	-	53,636
4-Dec-24	Options issued	12,500,000	10,020
4-Dec-24	Options issued	12,500,000	8,792
		(10,600,000)	(1,643,370)

13 Share based payments

The Company's Employee and Executive Incentive Plan ("EEIP") is designed to provide long-term incentives for eligible employees to deliver long-term shareholder returns. Under the EEIP, participants are granted options over ordinary shares. Participation in the plan is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

(a) Options granted during the period

	31 December 2025 No. of options \$	31 December 2025 Average exercise price \$	30 June 2025 No. of options \$	30 June 2025 Average exercise price \$
Opening balance	10,733,333	0.16	21,333,333	0.16
Granted during the year	96,696,663	0.16	27,400,000	-
Forfeited/Expired during the year	(8,333,333)	0.16	(38,000,000)	0.16
Total	99,096,663	0.16	10,733,333	0.16

AD1 Holdings Limited

ACN 123 129 162

Notes to the Financial Statements For the Half Year Ended 31 December 2025

13 Share based payments (continued)

(b) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were as follows:

	31 December 2025	30 June 2025
	\$	\$
Expense from options granted in current period	1,302,298	82,588
Expense from options granted in prior period	351,776	53,636
Reversal of expense from options forfeited in current period	(1,666,667)	(1,779,594)
	<u>(12,593)</u>	<u>(1,643,370)</u>

14 Investment in controlled entities

The Group's principal subsidiaries at 31 December 2025 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business/ country of incorporation	Ownership held by the group	
		2025 %	2024 %
<i>Ultimate parent entity</i>			
AdNeo Limited (formerly AD1 Holdings Limited)	Australia		
<i>Controlled entities</i>			
Utility Software Services Pty Ltd	Australia	100	100
Art of Mentoring Holdings Pty Ltd	Australia	100	100
Art of Mentoring Pty Ltd	Australia	100	100
Art of Mentoring Inc	United States	100	100
Oliver Grace Pty Ltd	Australia	100	100
Learnt Global Pty Ltd	Australia	100	-
Catapult Smallprint Pty Ltd	Australia	100	-
Vasto Software Pty Ltd	Australia	100	-

15 Other transactions with related parties

	31 December 2025	31 December 2024
	\$	\$
Revenue from contract with customer	48,000	340,012
Other services	-	983
Payment for M&A and corporate advisory services	364,260	-
Directors Loans	(48,670)	25,000
Payment for Sub-lease	16,695	-

All transactions were made on nominal commercial terms and conditions and at market rates.

Notes to the Financial Statements

For the Half Year Ended 31 December 2025

16 Business Combination

On 15 August 2025, AdNeo acquired 100% of the issued shares of Learnt Global Pty Ltd ("Learnt") and its subsidiary entities. Learnt's product offerings include an online learning platform that assists businesses in training and improving employee performance and productivity, an extensive library of content and course material, student management systems, learning management systems and course management library. The acquisition is segregated into three divisions:

- Learnt: An enterprise Learning management system
- Catapult: A leading industry provider of accredited course content to registered training organisations; and
- Vasto: A student management system which is provided as a service to registered training organisations

The acquisition aligns with AdNeo's strategic growth objectives in the technology and creative services sectors by adding to AdNeo's existing mentoring and education-based offerings.

Financial Effect of the Acquisition

The results of Learnt have been included in the consolidated financial statements from the acquisition date. For the half year to 31 December 2025, the acquired entities contributed \$1.9million in revenue and \$0.5million in net profit before tax to the consolidated results of the Group.

Consideration Transferred

Consideration for the transaction was an all-scrip offer of 82.5million shares at \$0.07 per share issued at completion (\$5.775million) and deferred, earn-out based consideration of 113,437,500 shares at \$0.07 per share (\$7.941million) upon achieving financial and EBIT targets for FY27.

The total fair value of consideration transferred was \$12,196,278, comprising:

	31 December 2025
Purchase consideration	\$
Completion Shares	5,775,000
Contingent consideration - Earn-out shares (discounted)	6,421,278
Total purchase consideration	<u>12,196,278</u>

The earn out payment is contingent on Learnt Global achieving at least \$8million revenue and \$1.15million EBIT for FY27. Based on the acquisition being recently completed and the measurement period does not occur until FY27, management has provisionally recognised a full value of deferred consideration, discounted for the time value of money.

AD1 Holdings Limited

ACN 123 129 162

Notes to the Financial Statements For the Half Year Ended 31 December 2025

16 Business Combination (continued)

Assets Acquired and Liabilities Assumed

The fair value of the identifiable assets and liabilities at the acquisition date were as follows:

	31 December 2025 \$
Current assets	
Cash and cash equivalents	296,123
Trade and other receivables	486,860
Total Current Assets	782,983
Non-current assets	
Intangible assets	4,904,575
Property, plant and equipment	570,750
Other non-current assets	8,432,387
Total Non-current Assets	13,907,712
Total Assets	14,690,695
	31 December 2025 \$
Current liabilities	
Trade and other payables	668,256
Other liabilities	2,230,815
Total Current Liabilities	2,899,071
Total Non-Current Liabilities	-
Total Liabilities	2,899,071
Net identifiable assets acquired	11,791,624
Add: Goodwill	404,654
Net assets used to acquire the business	12,196,278

The Company has opted to recognise a provisional Goodwill amount until such time as the measurement period has lapsed and a formal valuation is conducted by an independent expert using accepted valuation methodologies. This valuation will be conducted for the year ended 30 June 2026.

Notes to the Financial Statements

For the Half Year Ended 31 December 2025

17 Deed of Company Arrangement (DOCA) – Art of Mentoring Pty Ltd

On 17 November 2025, Art of Mentoring Pty Ltd, a wholly owned subsidiary of the Company, entered Voluntary Administration and Jirsch Sutherland was appointed as Administrator.

At the second meeting of creditors held on 11 December 2025, creditors resolved that the company enter into a Deed of Company Arrangement (“DOCA”). The DOCA was executed on the same date and control of the subsidiary returned to the directors.

Under the terms of the DOCA, AdNeo Limited agreed to contribute a total of \$200,000 to fund distributions to creditors. An initial contribution of \$50,000 was paid on execution of the DOCA on 11 December 2025. A further \$150,000 was paid under the deed on 30 January 2026. The parent’s contribution was paid directly to the Administrator in accordance with the terms of the DOCA.

The Administrator advised that the estimated total claims eligible for distribution under the DOCA were \$1,286,748, with an estimated amount available for return to unsecured creditors of \$183,093. The Administrator has further advised creditors that a first and final dividend is expected to be declared on 25 February 2026.

Upon execution of the DOCA, the Group derecognised the compromised creditor balances and recognised a gain on debt restructuring of \$1,103,655, being the difference between the carrying value of liabilities extinguished and the consideration payable under the DOCA. The gain has been recognised in profit or loss for the half-year ended 31 December 2025 and is presented separately within other income.

The DOCA resulted in the extinguishment of substantially all unsecured creditor claims existing at the date of administration and enabled the subsidiary to continue trading under the control of its directors.

18 Events Occurring After the Reporting Date

On 2 January 2026, the Company appointed Ms Charly Duffy and Ms Shelby Coleman of cdPlus Corporate Services as joint Company Secretaries, following the resignation of Mr Justin Mouchacca.

On 29 January 2026, Learnt Global Pty Ltd closed its R&D financing loan with Kashcade RD1 Pty Ltd. This facility was provided as an advance on Learnt’s FY25 R&D lodgement through its 2025 income tax return, which was assessed as \$1,288,213. At the close of the facility, the Group retired its loan with Kashcade of \$987,376 and received the net proceeds of the R&D assessment of \$300,837.

Following the completion of the FY25 lodgement, on 16 February 2026 AdNeo entered into a new R&D financing facility with Kashcade for the FY26 R&D lodgement. \$523,350 was received as an initial draw down on this facility.

Other than the matters disclosed above, no matters or circumstances have arisen since the end of the financial half year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Directors' Declaration

The directors of the Company declare that:

1. The consolidated financial statements and notes, as set out on pages 4 to 21 are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting; and
 - (b) give a true and fair view of the Company's financial position as at 31 December 2025 and of its performance for the half-year ended on that date.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Mr Nicholas Smedley
Interim Chairman

Dated this 27th day of February 2026

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ADNEO LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of AdNeo Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 31 December 2025, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of material accounting policies and other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of AdNeo Limited and Controlled Entities does not comply with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(a) in the financial report, which indicates that the Consolidated Entity incurred a net loss of \$1,666,267 during the half year ended 31 December 2025. As stated in Note 1(a), these events or conditions, along with other matters as set forth in Note 1(a), indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



HALL CHADWICK WA AUDIT PTY LTD



CHRIS NICOLOFF FCA
Director

Dated this 27th day of February 2026
Perth, Western Australia