

ASX Announcement

8th Oct 2025

\$2.5m in Cost Synergies Completed from the Learnt Acquisition

AdNeo Limited (ASX: AD1) ('AD1' or the 'Company') is pleased to announce that it has completed the execution of **\$2.5 million in cost synergies** from the acquisition of Learnt Group (**Learnt**), materially exceeding the \$2.0m synergies target communicated to shareholders on 12 June 2025. A bottom line expense reduction of \$0.625m is expected to be delivered each quarter going forward in FY26.

Highlights:

- Savings of \$2.5 million delivered by the 30 September 2025 from Learnt Acquisition, achieving full bottom line impact from 1 October 2025, significantly ahead of target of \$2.0m in 6 months.
- Learnt raised \$0.5m before the acquisition to fund the realisation of cost synergies, employee redundancies and leave liabilities, hence not impacting AdNeo's cash reserves.
- Significant simplification and consolidation initiatives have been thoroughly implemented, resulting in a much more efficient and transparent operating model across all units, including finance, IT, support, sales and marketing.
- AdNeo established a High-Performance Management System and Training to support high levels of outputs from a more efficient workforce and operations.
- The sales synergies plan is in full implementation mode between Learnt and Art of Mentoring customers, shared customer tenders and marketing campaigns. The first client has been signed into an integrated learning and mentoring platform offer valued at \$75k in platform fees over 2 years with additional customised content. The pipeline comprises now of 16 cross-sell deals of which 4 in advance stages.
- The company debt has reduced to \$3m, while extending the terms by 2 years on same preferential terms, resulting in a reduction in annual interest by \$0.36m

AdNeo's Group CEO, Angus Washington, commented: *"I am pleased to announce that it has exceeded the target savings, ahead of schedule and at a lower cost than FY26 budget. I have been pleased with the speed of execution and the commitment of all employees to make this acquisition successful, by achieving the cost saving target and implementing multiple turnaround initiatives.*

We have now established a High Performing culture across all our businesses, and have implemented a much stronger customer-focused posture in all functions, with leaner and more efficient operations. Our leadership team is now working effectively together, sharing a growth mindset and strong focus on commercial outcomes, profitability and financial rigour.

Finally, our product portfolio has significantly increased, providing real opportunities to increase share of wallet within our extensive client base. We look forward to executing on sales synergies and shared tenders to accelerate the top line growth of AdNeo Group."

The cost saving initiatives included the following:

- A reduction in workforce and wages of about 32% from the acquired business, through targeted redundancies.
- Redundancy of duplicate executive positions and board roles
- Consolidation of entities and business units from 4 to 2
- Reduction in office locations and liabilities
- Reduction in interest repayments by halving the debt outstanding
- Re-alignment of 50% of roles towards sales and customer facing activities
- Simplification of organisation structure and reporting lines
- Implementation of High-Performance culture, strategic goals and clear KPIs.

END

This ASX announcement has been authorised for release by AdNeo's CEO, Angus Washington.

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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.

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 AdNeo'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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