AdNeo

Identify potential, maximise value.

Appendix 4E – Preliminary final report

For the year ended 30 June 2026

Name of entity: AdNeo Limited
ABN or equivalent company reference: ACN 123 129 162
Current reporting period: the year ended 30 June 2026
Previous corresponding period: the year ended 30 June 2025

Results for announcement to the market

Revenue from ordinary activities	Up	97%	to	9,558,573
Net loss after tax for the period attributable to members (from ordinary activities)	Down	42%	to	(2,832,681)
Net loss for the period attributable to members	Down	42%	to	(2,832,681)

Dividends

There were no dividends paid, recommended, or declared during the current financial period.

Explanation of results

The Group delivered operating revenue of $9.56 million, representing a 97% increase on FY25 ($4.86m). This uplift was driven primarily by the acquisition of Learnt Global Pty Ltd ("Learnt") on 15 August 2025, which expanded AdNeo's offering into vocational education and training, together with organic growth in managed services and professional services.

The following table sets out the full FY26 result against the full FY25 result.

	FY25 $'000	FY26 $'000	FY26 v FY25 variance %
Operating Revenue	4,857	**9,559**	97%
Other income	35	**2,556**	
Total Income	**4,894**	**12,367**	**153%**
Total Expenses	(10,144)	**(15,500)**	
Net Loss	(5,250)	**(2,833)**	-46%
Adjustments			
Depreciation and Amortisation	2,403	**2,574**	
Interest	821	**543**	
Debt restructure	-	**(1,104)**	
Impairment	100	**741**	
EBITDA	**(1,926)**	**(79)**	**-96%**

The Group recorded a net loss after tax of $2.83 million (FY25: $5.25 million loss), a 46% reduction. The improvement can be attributed to:

- A $1.58 million R&D tax incentive recognised in FY26 (FY25: $32k), following resolution of the FY25 claim flagged in last year's Appendix 4E;
- Consolidation of Learnt Global from 15 August 2025, contributing to a $2.61 million increase in depreciation and amortisation to $5.02 million (FY25: $2.40 million) and a $3.29 million increase in employee benefit expense to $6.83 million (FY25: $3.54 million);
- An $1.10million gain on debt restructuring recognised on the Art of Mentoring facility during FY26, with no equivalent gain in FY25;

Subsequent to the end of FY26, in August 2026, the position of AdNeo was further strengthened through the following changes:

Subsequent to the end of FY26, in August 2026, the position of AdNeo was further strengthened through the following changes:

- A $1.5 million placement completed 13 August 2026, comprising $1.24 million in cash (before costs) and the conversion of $256k of existing debt owed to Pure Asset Management into equity;
- Approximately $460k of the funds raised to be applied to further cost reduction initiatives, targeting savings of approximately $1.0 million in FY27 and $1.82 million per annum thereafter.

Net tangible asset per share

	30 June 2026	30 June 2025
Net tangible asset per share (cents)	(1.79)	(5.60)

Other information required by Listing Rule 4.2A

- Distribution Reinvestment Plan – N/A
- Changes in controlled entities – on 15 August 2025 the Group acquired 100% of the issued capital of Learnt Global Pty Ltd and its subsidiaries, Catapult Smallprint Pty Ltd and Vasto Software Pty Ltd. There were no entities over which control was lost during the period.
- Details of associates and joint venture entities – N/A
- Details of individual and total dividends or distributions and dividend or distribution payments – N/A

Audit

This report is based on the financial report which is in the process of being audited.

AdNeo Limited

ACN 123 129 162

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2026

	Note	2026 $	2025 $
Revenue			
Operating revenue	2	**9,558,573**	4,857,445
Other income	2	**2,774,228**	35,143
Interest income		**34,331**	981
Total revenue		**12,367,132**	4,893,569
Expenses			
Employee benefits expense		**(6,839,027)**	(3,537,791)
Software development and other IT expense		**(1,262,416)**	(922,043)
Consulting and professional service expense		**(2,661,133)**	(1,650,377)
Advertising and marketing expense		**(240,925)**	(234,794)
Occupancy, utilities and office expense		**(285,440)**	(126,515)
Depreciation and amortisation expense		**(2,573,695)**	(2,403,360)
Travel expense		**(49,394)**	(9,881)
Asset impairment		**(741,363)**	(100,000)
Finance expenses		**(543,187)**	(820,605)
Other expense		**(3,234)**	(338,425)
Total expenses		**(15,199,814)**	(10,143,791)
Loss before income tax expense from continuing operations		**(2,832,682)**	(5,250,222)
Income tax benefit		**-**	-
Loss after income tax for the year		**(2,832,682)**	(5,250,222)
Other comprehensive income, net of tax			
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		**55,869**	47,598
Total comprehensive loss for the year		**(2,776,813)**	(5,202,624)
Loss per share			
Basic loss per share (cents)		**(0.81)**	(4.10)
Diluted loss per share (cents)		**(0.81)**	(4.10)

AdNeo Limited

ACN 123 129 162

Consolidated Statement of Financial Position

As at 30 June 2026

	Note	2026 $	2025 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	**983,032**	384,930
Trade and other receivables		**1,443,586**	376,093
Inventories		**29,605**	-
TOTAL CURRENT ASSETS		**2,456,223**	761,023
NON-CURRENT ASSETS			
Property, plant and equipment		**185,877**	74,321
Right-of-use assets		**172,437**	26,226
Intangible assets	5	**9,770,114**	5,956,157
Other assets		**20,387**	150,000
TOTAL NON-CURRENT ASSETS		**10,148,815**	6,206,704
TOTAL ASSETS		**12,605,038**	6,967,727
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	4	**3,000,430**	2,640,366
Borrowings		**3,033,076**	3,757,297
Current tax liabilities		**367,401**	931,352
Lease liabilities		**121,554**	21,605
Employee benefits		**1,089,900**	194,055
Contract liabilities		**1,542,197**	975,591
Contingent consideration		**-**	477,000
TOTAL CURRENT LIABILITIES		**9,154,558**	8,997,266
NON-CURRENT LIABILITIES			
Borrowings		**58,926**	86,484
Lease liabilities		**203,449**	4,957
Employee benefits		**136,645**	30,401
Non-current tax liabilities		**87,596**	93,422
Make Good provisions		**14,370**	-
TOTAL NON-CURRENT LIABILITIES		**500,986**	215,264
TOTAL LIABILITIES		**9,655,544**	9,212,530
NET LIABILITIES		**2,949,494**	(2,244,803)
EQUITY			
Issued capital		**46,561,471**	36,829,686
Reserves		**1,846,876**	1,734,749
Accumulated losses		**(45,458,853)**	(40,809,238)
TOTAL EQUITY		**2,949,494**	(2,244,803)

AdNeo Limited

ACN 123 129 162

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2026

2026

	Share Capital $	Options Reserve $	Foreign Translation Currency Reserve $	Accumulated Losses $	Total $
Balance at 1 July 2025	**36,829,686**	**1,749,255**	**(14,506)**	**(40,809,236)**	**(2,244,801)**
Loss for the year	**-**	**-**	**-**	**(2,832,682)**	**(2,832,682)**
Other comprehensive income for the year, net of tax	**-**	**-**	**55,869**	**-**	**55,869**
Prior year adjustments - AASB 15 Change in accounting policy	**-**	**-**	**-**	**(615,296)**	**(615,296)**
	36,829,686	**1,749,255**	**41,363**	**(44,257,214)**	**(5,636,910)**
Transactions with Equity holders in their capacity as Equity holders					
Shares issued	**11,501,127**	**-**	**-**	**-**	**11,501,127**
Options granted	**-**	**906,084**	**-**	**-**	**906,084**
Capital raising costs	**(2,149,909)**	**-**	**-**	**-**	**(2,149,909)**
Share-based payment expense	**380,567**	**816,841**	**-**	**-**	**1,197,408**
Business acquisition	**-**	**-**	**-**	**(1,201,639)**	**(1,201,639)**
Options expired/forfeited	**-**	**(1,666,667)**	**-**	**-**	**(1,666,667)**
Balance at 30 June 2026	**46,561,471**	**1,805,513**	**41,363**	**(45,458,853)**	**2,949,494**

AdNeo Limited

ACN 123 129 162

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2026

2025

	Share Capital $	Options Reserve $	Foreign Translation Currency 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 year	-	-	-	(5,250,222)	(5,250,222)
Prior year adjustments - R&D	-	-	-	(39,062)	(39,062)
Other comprehensive income for the year, net of tax	-	-	47,598	-	47,598
	34,092,386	3,392,624	(14,506)	(42,535,195)	(5,064,691)
Transactions with Equity holders in their capacity as Equity holders					
Shares issued	2,983,500	-	-	-	2,983,500
Options granted	-	101,400	-	(18,812)	82,588
Capital raising costs	(246,200)	-	-	-	(246,200)
Share-based payment expense	-	53,636	-	(53,636)	-
Options expired/forfeited	-	(1,798,405)	-	1,798,405	-
Balance at 30 June 2025	36,829,686	1,749,255	(14,506)	(40,809,238)	(2,244,803)

AdNeo Limited

ACN 123 129 162

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2026

	Note	2026 $	2025 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		**9,976,429**	5,276,323
Payments to suppliers and employees (inclusive of GST)		**(10,691,130)**	(6,345,209)
Government grants and R&D claims		**1,487,143**	799,606
Interest received		**3,774**	1,886
Interest and other costs of finance paid		**(270,819)**	(261,692)
Net cash inflow/(outflow) from operating activities		**505,397**	(529,086)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		**(1,907)**	(1,363)
Payments for software development		**(1,850,420)**	(547,014)
Acquisition of OG (net of cash acquired)		**-**	(295,952)
Payment of deferred acquisition consideration		**(275,000)**	-
Rental bond		**12,886**	-
Loan advanced to Catapult Smallprint		**(150,000)**	-
Cash and cash equivalents acquired with Learnt Group		**222,250**	-
Net cash inflow/(outflow) from investing activities		**(2,042,191)**	(844,329)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of shares and other equity securities		**4,598,950**	1,745,000
Loan and borrowings		**-**	(50,000)
Capital raising costs		**(523,595)**	(77,728)
Transaction costs relating to loans and borrowings		**-**	(22,984)
Proceeds from borrowings		**648,200**	-
Repayment of lease liabilities		**(171,870)**	-
Repayments of borrowings		**(2,416,789)**	-
Net cash inflow/(outflow) from financing activities		**2,134,896**	1,594,288
Net increase/(decrease) in cash and cash equivalents held		**598,102**	220,873
Cash and cash equivalents at beginning of year		**384,930**	164,057
Cash and cash equivalents at end of financial year	3	**983,032**	384,930

1 Basis of Preparation

This Preliminary Final Report is for AdNeo Limited and its controlled entities (the Group) for the year ended 30 June 2026. The financial information is presented in Australian dollars. The report has been prepared in accordance with ASX Listing Rule 4.3A and Appendix 4E and the recognition and measurement requirements of Australian Accounting Standards. This report does not include all of the notes and disclosures normally included in an annual financial report. The accounting policies adopted are consistent with those applied in the previous financial year unless otherwise stated.

Material accounting policies

(a) Revenue from contracts with customers

Revenue arises mainly from managed services, IT development and consulting and digital marketing.

To determine when to recognise revenue, the Group follows a 5-step process:

1. Identify the contract with a customer;
2. Identify the performance obligations;
3. Determine the transaction price;
4. Allocating the transaction price to the performance obligations; and
5. Recognise the revenue when/as performance obligation(s) are satisfied.

The Group enters into transactions involving a range of the Group's products and services, for example for the delivery of managed services, IT consulting, software development etc. In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as contract liability in the statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

(i) Revenue from rendering of services

Revenue from rendering of services include SaaS and managed services and digital marketing.

SaaS and managed services relate to access to, and use of, software including associated hosting and maintenance. This service is considered a single performance obligation as the customer simultaneous receives and consumes the benefit as the services are rendered. Managed services also include business process outsourcing, which relates to provision of various front and back of house services as detailed in the customer contract. Revenue from subscription services is recognised over the invoiced time as the customer simultaneously receives and consumes the benefits provided by the entity’s performance over the service period.

(ii) Pay as You Go Income

As part of the Catapult product offering, customers have the option to pay for software services that they consume on an arrears, Pay as you Go basis. This will generally be for:

- Online enrolments of students to the platform, invoiced after a student is enrolled
- Additional usage of the catapult LMS above subscribed tiered limits

These amounts are not deferred and are recognised at the time of invoicing as they relate to services already consumed

(iii) Revenue from fees

Revenue from fees include IT development and consulting.

IT development activities relate to services involving initial development and implementation of software, subsequent functionality enhancements and new integrations. Consulting is IT professional services offered as a complement to the broader range of services provided by the Group. Revenue for IT development and consulting is recognised at a point in time when services are rendered and invoiced on a time and materials basis or for larger IT projects, when the fulfillment of each performance obligation (milestone) as defined in the commercial contract is satisfied.

(b) Government grants

For financial reporting purposes, the R&D tax offset can be analogised as a government grant or an income tax item. General practice is that refundable R&D credits are accounted for as government grants.

The Directors have considered AASB 112 Income Taxes ("AASB 112") and AASB 120 Accounting for Government Grants and Disclosure of Government Assistance ("AASB 120"). Given the above the directors have determined to recognise the R&D amount in accordance with AASB 120.

Government grants are recognised as income where there is a reasonable certainty that the grant will be received and the Group will comply with all attached conditions.

(c) Income tax

Tax consolidated group

Under Australian taxation law, the Company added its newly acquired Australian wholly owned entity (member) into the tax consolidated group from 26 October 2020 and are treated as a single entity for income tax purposes. The Company is the head entity of the Group and, in addition to its own transactions, it recognises the current tax liabilities and the deferred tax assets arising from unused tax losses and tax credits for all members in the Group.

Entities within the tax consolidated group have entered into a tax sharing agreement and a tax funding agreement with the head entity. The tax sharing agreement specifies methods of allocating any tax liability in the event the head entity defaults on its Group payment obligations and the treatment where a member exits the tax consolidated Group.

Under the tax funding agreement, the head entity and each of the members have agreed to pay/receive a current tax payable to/receivable from the head entity based on the current tax liability or current tax asset recorded in the financial statements of the members. The Company will also compensate the members for any deferred tax assets relating to unused tax losses and tax credits.

There are no amounts receivable or payable by the Company or members under the tax funding agreement in the next financial year upon final settlement of the current tax payable for the tax consolidated group.

(d) Trade receivables

Impairment

For trade receivables, the Group applies the simplified approach permitted by AASB 9 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of trade and other receivables. In using this practical expedient, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

(e) Plant and equipment

Each class of plant and equipment is carried at cost.

The depreciable amount of all fixed assets is recognised on a straight-line basis over the asset's estimated useful life to the Group commencing from the time the asset is held ready for use. The useful life for each class of depreciable assets is:

- Office furniture and equipment 3-20 years

(f) Intangible assets

(i) Licences and customer contracts

Separately acquired licences are shown at historical cost. Licences and customer contracts acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

(ii) Software

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use, over their useful life.

(iii) Amortisation methods and periods

Refer to Note 11 for details about amortisation methods used by the Group for intangible assets.

(g) Trade and other payables

The amounts are unsecured and are usually paid within 30 days of recognition.

(h) Share-based payments

Share-based compensation benefits are provided to employees via the Employee Share Option Plan and an employee share scheme collectively known as employee equity incentive plan ("EEIP"). In addition to this, other share-based payments are undertaken for certain goods and services provided to the Group.

The fair value of Options granted under the EEIP is recognised as an employee benefits expense with a corresponding increase in equity (other share-based payments are recognised in the statement of profit or loss or directly in equity depending upon goods or services received).

The total amount to be expensed is determined by reference to the fair value of the Options granted, which included any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions. Non-market vesting conditions are included in assumptions about the number of Options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Group revises its estimates of the number of Options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

The EEIP is designed to provide long-term incentives for staff to deliver long-term shareholder returns. Under the EEIP, participants may be granted Shares, Options and/ or performance rights. Participation in the plan is at the Board's discretion and no individual has a contractual right to participate in the EEIP or to receive any guaranteed benefits.

(i) Operating segment

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 financial report.

(j) Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below.

(i) Deferred tax assets

The Group has not recognised deferred tax assets relating to carried forward tax losses or timing differences. These amounts have not been recognised given the recognition requirements of AASB 112 Income Taxes and the fact the Group has not previously generated taxable income.

(ii) Intangible assets

Licenses and customer contracts acquired in a business combination are recognised at fair value on acquisition date. In the process of determining this value, management has exercised judgment and estimation on the useful life of the assets.

(iii) Share based payments

The determination of the fair value of options granted requires the utilisation of numerous variables. The fair value at grant date was determined using the Black-Scholes option pricing model.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

(iv) Impairment of goodwill

In assessing impairment, management estimates the recoverable amount of each asset or cash generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

(v) Research and Development

Capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to the hypothesis of the project.

2 Revenue and Other Income

Revenue from contracts with customers

(a) Disaggregation of revenue from contracts with customers:

	2026 $	2025 $
Rendering of services disaggregation:		
Managed services (including SaaS and business process outsourcing)	**3,999,033**	2,557,829
IT Development and Consulting	**527,257**	181,813
Managed services (USA)	**125,537**	892,206
IT Development and Consulting (USA)	**-**	23,217
Professional services	**1,602,704**	1,202,380
Education and training services	**3,304,042**	-
	9,558,573	4,857,445
Timing of revenue recognition		
- At a point in time	**6,510,653**	2,168,268
- Over time	**3,047,920**	2,689,177
	9,558,573	4,857,445

(b) Information about major customers:

The Group had the following major customers with revenues amount to 10% or more of the total Group revenues:

	2026 %	2025 %
Blue NRG*	**-**	2
DLB*	**-**	4
NSW Premier's Department*	**5**	9

*Less than 10%

Other income

	2026 $	2025 $
Research and development tax incentive	**1,583,394**	31,747
Gain on debt restructuring	**1,103,655**	-
Other income	**87,179**	3,396
	2,774,228	35,143

Notes to the Financial Statements

For the Year Ended 30 June 2026

3 Cash and Cash Equivalents

	2026 $	2025 $
Cash at bank	**983,032**	384,930
	983,032	384,930

4 Trade and Other Payables

	2026 $	2025 $
CURRENT		
Trade payables	**1,631,248**	1,278,181
Accrued expenses	**216,176**	533,509
Other payables	**1,153,006**	828,676
	3,000,430	2,640,366

5 Intangible Assets

	Goodwill $	Software and licenses $	Customer contracts $	Brand $	Customer Relationships $	Capitalised Acquisition Costs $	Total $
As at 30 June 2024							
Cost	3,953,191	8,864,053	548,588	-	-	-	13,365,832
Accumulated amortisation	(1,695,139)	(4,550,328)	(344,189)	-	-	-	(6,589,656)
Net book value	2,258,052	4,313,725	204,399	-	-	-	6,776,176
Movements:							
Opening net book value	2,258,052	4,313,725	204,399	-	-	-	6,776,176
Acquisitions via business combinations	582,086	7,105	-	-	-	-	589,191
Additions	-	547,014	-	443,000	45,000	-	1,035,014
Amortisation	-	(2,255,481)	(88,743)	-	-	-	(2,344,224)
Impairment	(100,000)	-	-	-	-	-	(100,000)
Closing net book value	2,740,138	2,612,363	115,656	443,000	45,000	-	5,956,157
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 on acquisition of new entity	601,363	15,311,497	-	-	1,271,000	405,686	17,589,546
Amortisation on acquisition of new	-	(11,137,718)	-	-	-	-	(11,137,718)

Notes to the Financial Statements

For the Year Ended 30 June 2026

entity							
Additions - Aspire business assets	-	50,000	-	-	-	-	50,000
Additions	-	334,556	-	-	-	-	334,556
Amortisation	-	(1,918,078)	(88,743)	-	-	(274,243)	(2,281,064)
Impairment charge	(741,363)	-	-	-	-	-	(741,363)
Closing net book value	2,600,138	5,252,620	26,913	443,000	1,316,000	131,443	9,770,114

As at 30 June 2026							
Cost	5,136,640	13,976,507	548,588	443,000	1,316,000	405,686	21,826,421
Accumulated amortisation/impairment	(2,536,502)	(8,723,887)	(521,675)	-	-	(274,243)	(12,056,307)
Net book value	2,600,138	5,252,620	26,913	443,000	1,316,000	131,443	9,770,114

(a) *Amortisation methods and useful lives*

The Group amortises intangible assets with a limited useful life using the straight-line method over the following periods:

• Software and licences: 3-10 years

• Customer contracts: 3-6 years

The customer contracts were acquired as part of a business combination in the prior year. They were recognised at their fair value at the date of acquisition and are subsequently amortised on a straight-line based on the timing of projected cash flows of the contracts over their estimated useful lives.

(b) *Impairment test for goodwill*

The Group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a cash-generating unit (CGU) is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets covering a five-year period.

Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The following key assumptions are used:

AoM:

- The discount rate applied to the AoM CGU is 32.97% per annum, comprising a CAPM-derived base of 10.25% and a company-specific risk premium of 22.72% reflecting the heightened risk associated with the voluntary administration and subsequent Deed of Company Arrangement (DOCA) undertaken during the year.
- Revenue growth rate of 1% per annum from FY27 to FY31 based on a conservative assessment of achievable performance.
- Overheads are assumed to grow at 5% per annum from FY27 to FY31.
- Terminal value is calculated based on a growth rate of 1% per annum.

Upon applying the value-in-use calculations and sensitivity tests across the AoM CGU, it was determined that the recoverable amount exceeds the carrying amount of goodwill, and accordingly no impairment expense has been recognised as at 30 June 2026. Sensitivity analysis indicates that headroom is maintained across a range of higher discount rates.

OG:

- Discount rate of 18.11% per annum has been applied, reflecting the risks specific to this CGU.
- Revenue growth rate of 5% per annum from FY28 to FY31, based on a conservative assessment of achievable performance.
- An annual growth rate of 1% has been estimated in the calculation of terminal value.

Upon applying the value-in-use calculations and sensitivity tests across the OG CGU it was determined that the carrying amount of goodwill exceed its recoverable amount giving rise to a $140k impairment expense as at 30 June 2026.

Learnt Group

- A post-tax discount rate of 21% per annum has been applied, reflecting the risks specific to the Learnt Group CGU.

Upon applying the fair value less costs of disposal calculations and sensitivity testing across the Learnt Group CGU, it was determined that the carrying amount of goodwill exceeded its recoverable amount, giving rise to an impairment expense of $600k as at 30 June 2026.

6 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 year ended 30 June 2026, the acquired entities contributed $4.6 million in revenue and $0.67 million in net profit before tax to the consolidated results of the Group.

Consideration transferred

Consideration for the transaction comprised an all-scrip offer of 82,500,000 shares issued at completion, and contingent earn-out based consideration of up to 113,437,500 shares, payable if Learnt Global achieves specified revenue and EBIT targets for FY2027.

At the half-year ended 31 December 2025, consideration was recognised on a provisional comprising completion shares deemed at $0.07 per share ($5,775,000) and earn-out shares discounted at the time value of money ($6,421,278), giving total provisional consideration transferred of $12,196,278.

Following completion of a valuation, the completion shares are measured at their fair value at the acquisition date, being the quoted market price of AdNeo shares on 15 August 2025 of $0.048 per share, giving a fair value of $3,960,000. No cash or additional consideration is payable.

The total fair value of consideration transferred was $3,960,000, comprising:

Notes to the Financial Statements

For the Year Ended 30 June 2026

	2026 $
Purchase consideration:	
Completion Shares	**3,960,000**
Contingent consideration - Earn-out shares (discounted)	**-**
Total purchase consideration	**3,960,000**

Assets acquired and liabilities assumed

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

	2026 $
Current assets	
Cash and cash equivalents	**296,123**
Trade and other receivables	**295,618**
Total current assets	**591,741**
Non-current assets	
Intangible assets	**4,125,936**
Property, plant and equipment	**570,750**
Total non-current assets	**4,696,686**
Total assets	**5,288,427**
Current liabilities	
Trade and other payables	**259,383**
Employee benefits	**1,670,408**
Total current liabilities	**1,929,791**
Total liabilities	**1,929,791**

7 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) Movement in share options during the year

The following reconciles the share options outstanding at the beginning and end of the year:

Notes to the Financial Statements

For the Year Ended 30 June 2026

	2026 No. of options	2026 Average exercise price $	2025 No. of options	2025 Average exercise price $
Outstanding at the beginning of the year	10,733,333	0.16	213,333,333	0.16
Consolidation/Split of options (14 Nov 2024)	-	-	21,333,333	0.16
Granted	95,235,513	0.08	27,400,000	0.21
Forfeited/expired/cancelled	(8,333,333)	-	(38,000,000)	0.16
Outstanding at year-end	97,635,513	0.07	10,733,333	0.16

(b) Fair value of options granted

The assessed fair value of options granted at grant date was determined using the black-scholes option pricing model that takes into account the exercise price, barrier price, life of the options, share price at grant date, the expected share price volatility of the underlying share, the expected dividend yield, the risk-free rate for the life of the options, as following:

Grant date	Expiry date	Exercise price $	No. of options granted	Share price at grant date $	Dividend yield	Expected volatility	Risk-free interest rate	Fair value gran date
20 Aug 2025	20 Aug 2029	0.07	10,000,000	0.045	Nil	0.785	0.0425	228,[illegible]
20 Aug 2025	20 Aug 2029	0.07	10,000,000	0.045	Nil	0.785	0.0425	228,[illegible]
20 Aug 2025	20 Aug 2029	0.09	5,000,000	0.045	Nil	0.785	0.0425	101,[illegible]
20 Aug 2025	20 Aug 2029	0.09	5,000,000	0.045	Nil	0.785	0.0425	101,[illegible]
20 Aug 2025	20 Aug 2027	0.07	5,000,000	0.045	Nil	0.785	0.0425	72,[illegible]
20 Aug 2025	20 Aug 2029	0.07	1,250,000	0.045	Nil	0.785	0.0425	28,[illegible]
20 Aug 2025	20 Aug 2029	0.07	1,250,000	0.045	Nil	0.785	0.0425	28,[illegible]
20 Aug 2025	20 Aug 2029	0.09	1,250,000	0.045	Nil	0.785	0.0425	25,[illegible]
20 Aug 2025	20 Aug 2029	0.09	1,250,000	0.045	Nil	0.785	0.0425	25,[illegible]
20 Aug 2025	20 Aug 2029	0.07	68,850	0.045	Nil	0.785	0.0425	1,[illegible]
20 Aug 2025	20 Aug 2027	0.07	2,500,000	0.045	Nil	0.785	0.0425	36,[illegible]
20 Aug 2025	20 Aug 2028	0.07	5,000,000	0.045	Nil	0.785	0.0425	95,[illegible]
20 Aug 2025	20 Aug 2028	0.09	5,000,000	0.045	Nil	0.785	0.0425	81,[illegible]
15 Aug 2025	15 Aug 2027	0.07	29,535,221	0.048	Nil	0.785	0.0425	455,[illegible]
15 Aug 2025	15 Aug 2027	0.07	11,111,111	0.048	Nil	0.785	0.0425	180,[illegible]
15 Aug 2025	15 Aug 2027	0.07	592,592	0.048	Nil	0.785	0.0425	9,[illegible]
15 Aug 2025	15 Aug 2027	0.07	2,074,074	0.048	Nil	0.785	0.0425	33,[illegible]
20 Aug 2025	20 Aug 2027	0.07	814,815	0.045	Nil	0.785	0.0425	11,[illegible]

(c) 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:

	2026 $	2025 $
Expense from options granted in current year	**779,429**	82,588
Expense from options granted in prior year	**37,411**	53,636
Reversal of expense from options expired/forfeited in current year	**(1,666,667)**	(1,779,594)
	(849,827)	(1,643,370)

8 Events occurring after the reporting date

On 8 July 2026, the company appointed Misters Sam Wright and Thomas May as Joint Company Secretaries, following the resignation of Ms Charly Duffy and Ms Shelby Coleman.

On 13 August, the company announced that it had received commitments for a $1.5million Placement and debt conversion. The transaction comprised of:

- 60 million new shares were issued at $0.025 per share
- Approximately $1.243 million in cash commitments before costs, including $273,175 from AdNeo directors, subject to shareholder approval under ASX listing Rule 10.11.
- Pure Asset Management Pty Ltd agreed to convert $256,269 of existing debt into new shares at the same issue price. The Debt conversion shares were issued using the Company’s existing placement capacity under ASX listing Rule 7.1

Cash proceeds will support operational efficiency initiatives, investment in the Group’s technology platforms and AI capabilities, potential acquisition opportunities, transaction costs and working capital.

The placement is completed on 19 August 2026.

9 Foreign Entities

The consolidated group includes Art of Mentoring Inc, a company incorporated in United States of America. Art of Mentoring Inc. is a subsidiary of AdNeo Limited, its financial reporting would typically align with the consolidated accounting policies of the parent company. AdNeo Limited, being an Australian public company, follows Australian Accounting Standards (AASB).