

ASX Announcement
12th May 2025

Acquisition of Learnt Global Group and Receipt of Material Commitments in Equity Placement

AdNeo Limited (ASX: AD1) ('**AdNeo**' or the '**Company**'), is pleased to announce that it has entered into a Share Sale and Purchase Agreement (**SPA**) with the shareholders (**Sellers**) of Learnt Global Pty Ltd ACN 601 738 872 (**Learnt Global**) to acquire, by way of an all scrip deal priced at \$0.07 (7 cents) per share with a +49% premium to 30 days VWAP, the entire issued share capital of Learnt Global and its subsidiaries (collectively, **Learnt Global Group**) (**Proposed Acquisition**). AdNeo is also pleased to announce that it has received material commitments from investors as part of an equity placement of fully paid ordinary shares in AdNeo (**Placement Shares**) which it is undertaking in connection with the Proposed Acquisition (**Placement**) to fund future growth. Finally, AdNeo entered into an agreement with its substantial shareholder and debt provider, Pure Asset Management Pty Ltd (**Pure Asset Management**), to convert \$1.5m from debt to equity at the deal price of \$0.07 (7 cents) per share, as part of the Proposed Acquisition and Placement.

Learnt Global Group is a leading technology and education services provider supplying both the education and enterprise markets. For over 20 years in Australia, Learnt Global Group has been an industry pioneer revolutionising the way people learn new skills, how companies train and engage their employees, and how Registered Training Organisations (RTOs) run their businesses. Across their comprehensive product suite, Learnt Global Group provides course content and micro-credentials to more than **450 RTOs** and **1,000,000+ students** per year, while their enterprise learning software is used by more than **30 Enterprises** and engages **50,000+ employees** per year.

Completion of the Proposed Acquisition (**Completion**) is conditional upon, amongst other things, the approval of the Proposed Acquisition by Shareholders at a General Meeting (**EGM**).

The Company's shares will remain in voluntary suspension pending completion of the Placement.

Key investment highlights:

- The **all scrip acquisition of Learnt (\$5.8m) and the Pure Asset Management Pty Ltd (Pure Asset Management) debt conversion (\$1.5m)** have a combined value of \$7.3m, valuing AdNeo equity at **\$0.07 (7 cents per share)**, representing a 49% premium to the prior 30 day VWAP, demonstrating high confidence in AdNeo's underlying technology assets, management and business fundamentals.
- The Acquisition of Learnt for **1.0x FY25 revenues as an all scrip deal** is highly value accretive for AdNeo's shareholders, with an ambitious **Earn Out target of +50% revenue in 48 months**.
- The combined group will **double AdNeo's annual revenue** base to ~\$11m, providing the platform for further expansion through sales synergies, enhanced product offering and growth capital.
- The **Equity Raise has been priced at \$0.045 (4.5 cents)**, which is a modest 3.3% discount to prior 30 day VWAP, and has been cornerstoned for a total of \$1.5 m by Salter Brothers Asset Management Pty Ltd (**Salter Brothers**) (discussed further below). Salter Brothers will also support the AdNeo Board with advisory services to continue to build out the investor network in AdNeo.

- The company has attracted to its Board **two new talented Independent Board members**, Kevin Lynch and Ian Basser, with significant prior experience in rapidly growing technology companies and M&A.
- All new shareholders from the Learnt Global acquisition are supporting the long-term strategy of the combined business, and have agreed to enter into **voluntary escrow agreements for the entirety of their holdings on completion of the Proposed Transaction** for up to 24 months.
- Post completion of the Placement and debt conversion (discussed further below), the business will have a **reduced debt position of \$2.5m** with Pure Asset Management (-57%), which will also be extended by 24 months.
- The management of Learnt Global and AdNeo have identified **\$2,000,000 in cost synergies**, which will be immediately implemented in the first 90 days post-acquisition.

AdNeo's CEO, Angus Washington, commented on the deal:

"I can attest to the Board's excitement and conviction that this is a truly transformative Acquisition our business and shareholders, as the Learnt Global products complete and complement the AdNeo offering to become the leading solution provider to support the Workforce Transformation in the AI-era.

We now have products to support the Enterprise investment into employee learning and development, the individual investment in micro-credentials and education academies, and the VET industry with accreditations and Student Management Systems.

We are thankful to the Learnt founders and shareholders, who have provided invaluable inputs into this acquisition and who are committing the equity into a full script deal.

We thank Salter Brothers and our Board Directors for their commitment into cornerstoning the equity raise, and we thank our technology and M&A advisor Antonluigi Gozzi. Finally, we thank Pure Asset Management for their continuous support, capital advice and market insights."

Nicholas Smedley, AdNeo's Chairman, commented on the Board Additions:

"As Chairman of AdNeo, I am pleased to see our CEO Angus Washington quickly executing our strategy to acquire visionary businesses shaping tomorrow. The Learnt business presents a valuable opportunity for our shareholders to acquire strategic products, achieve cost and sales synergies, and double our business revenues.

As part of our Board evolution, I am pleased to welcome Kevin Lynch, who is a global leader in the education sector and has been the Chairman of Learnt Global for the last 2 years.

I am also excited to welcome Ian Basser, who has extensive ASX Chair and CEO listed experience in the technology and workforce services sectors.

We look forwards to working with our new Board members to deliver the vision and the potential of AdNeo for all our shareholders."

Background of the Learnt Global Group, acquisition rationale and the combined business

The flagship product of the Learnt Global Group business (**Target Business**) is an online learning platform that assists businesses in training and improving employee performance and productivity. Its product offerings include an extensive library of content and course material which can be used by registered training organisations (**RTO**) and enterprises to develop their employees and students. The full product suite includes a student management systems (**SMS**), a learning management systems (**LMS**) and a course library (**CML**).

The Target Business is separated into three divisions (**Target Business Divisions**):

- a) **Learnt**: An enterprise Learning Management System, used for training and onboarding in companies such as Super Retail Group.

- b) **Catapult:** The leading industry provider of accredited course content, providing their course material to 420+ RTOs.
- c) **Vasto:** A Student Management System, which is sold to RTOs to run their business by onboarding students, administer course training, and provide credentials.

The Target Business will add to the Company's mentoring and education-based offerings of the current business and represents further revenue opportunities for already scoped projects such as mentoring for students, AI for mentoring and fee-for-service strategies. As such, the Company considers the Target Business to be complementary to the Company's existing business model of providing SaaS-based enterprise solutions for recruitment, mentoring and strategic branding.

The Company's growth strategy is centred on acquiring synergistic businesses to complement the Company's recurring SaaS and software-based services revenue across a diverse client base and ultimately creating a large portfolio of integrated products that can address our clients most pressing issues in the areas of workforce transformation, skills, education and AI. The Company believes this will allow it to cross-sell its existing products into new markets and upscale its product offering to existing customers. In this context, the Proposed Acquisition presents a compelling opportunity that is consistent with and would further accelerate the Company's growth strategy, diversify the Company's current business offering and significantly increase its contracted recurring revenue.

Key terms of the SPA

Key terms of the SPA are summarised below.

- a) **Consideration:** Under the terms of the Proposed Acquisition, the Company has agreed to acquire 100% of the shares in Learnt Global in consideration for:
 - i. issue to the Sellers collectively 82,500,000 ordinary shares in the Company at an issue price of \$0.07 per share on completion of the Proposed Transaction (**Completion Consideration Shares**) representing a value of A\$5.775 million (1x FY25 Estimated Revenue Multiple); and
 - ii. upon achieving financial revenue and EBIT targets for FY27, the Company has agreed to issue **Earn Out Shares** up to a maximum of 113,437,500 ordinary shares in the Company (1.25x FY25 Estimated Revenue Multiple) at an issue price of \$0.07 per share or a cash equivalent (at the discretion of the Board), noting that no shares or cash will be issued if the relevant targets are not met. Specifically, the Earn Out Shares are subject to Learnt Global achieving at least \$8 million revenue and \$1.15 million EBIT for the FY27,

(collectively the **Consideration Shares**).
- b) **Conditions Precedent:** Completion of the acquisition of the Learnt Global shares is subject to and conditional upon the satisfaction or waiver of a conditions precedent, including the following:
 - iii. the Company conducting a capital raise to raise at least \$2 million (**Capital Raise Condition**);
 - iv. no material adverse change in respect of the Company or Learnt Global having occurred prior to Completion;
 - v. the Company and Learnt Global obtaining all regulatory approvals required in order to complete under the SPA;
 - vi. the reduction of \$1.5 million debt owed to Pure Asset Management;
 - vii. the Company obtaining Shareholder approval for the issue of the Consideration Shares a general meeting (**EGM**);

- viii. each Seller entering into a voluntary escrow deed with the Company in respect of their respective Consideration Shares;
- ix. certain key employees of Learnt Global entering into employment agreements with the Company; and
- x. Learnt Global undertaking a capital raise of at least \$500,000 prior to completion of the SPA.

Board appointment: Upon Completion of the Proposed Acquisition, Kevin Lynch will be appointed to the Board. Kevin is the Chairman of Learnt Global and has over 20 years of experience in the learning and training industry. Kevin Lynch is not associated with the Company as at the date of this notice, but his options in Learnt Global will vest and automatically be exercised for shares in Learnt Global prior to completion, making him a Seller in the Proposed Acquisition.

Placement & Firm Commitment from Salter Brothers

In connection with the Proposed Acquisition, AdNeo is presently undertaking a Placement to raise capital in satisfaction of the Capital Raise Condition.

As at the date of this announcement the Company has received firm commitments from Salter Brothers for \$1.5 million worth of shares under the Placement.

The Placement is still underway and continues to be conducted by the Company with a view of completing it as soon as possible.

Reduction of \$1.5 million debt owed to Pure Asset Management

The Company has received a notice to exercise from Pure Asset Management to convert A\$1.5 million of the \$5 million facility into 21,428,571 ordinary shares in the Company at a conversion price of \$0.07 per share.

The conversion price of \$0.07 represents a premium of 49% to the prior 30 Day VWAP and is a testament to the confidence of Pure Asset Management in the Company.

END

Authorised for Release by AdNeo's Board of Directors

For further information, please contact: investors@AdNeo.com.au

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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