

Learnt Group Acquisition

ASX: AD1

12 May 2025



AdNeo

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Content

01 Acquisition Summary & Rationale

02 Group Financials & Investment Highlights

03 Overview of Acquisition and current opportunity
in the VET Education Sector

04 Board Additions & Key Personnel

05 Transaction Details and Investor Opportunity

06 Learnt Business Overview

07 Q & A

Summary of Transaction

Highly Accretive Acquisition: AdNeo Limited (ASX:AD1) to acquire the market leader in Ed Tech and Course Content, **Learnt Global (Learnt)**, for \$5.775m representing a revenue multiple of 1.0x. This is a 67% discount to market comparables at > 3.0x.

Scrip Consideration: AdNeo will issue 82.5m shares to acquire Learnt in a **100% scrip deal** at a share price of 7c, representing a 49% premium to 30 days VWAP. At the deal price, the combined business will be valued at 1.2x EV/Rev (FY26), representing great value for shareholders.

Product Expansion

Exciting expansion for AdNeo's product portfolio into the **Australian Vocational Education sector**, a \$23b market growing at 13% CAGR to 2030. Learnt offers 3 integrated products:

- ❑ 4,000 micro-credentials and 1,300 Nationally accredited courses to 450 RTO clients in all education sectors, including national TAFE. The Catapult courses are used by **1,000,000+ students per year**.
- ❑ A modern and integrated Student Management System (SMS), Vasto, used by 30 RTOs in Australia to deliver end to end education services to more than **400,000+ students a year**.
- ❑ A Learning Management Software (LMS) for Enterprises to deliver education, onboarding and compliance for employees, used by 30 large enterprises in Australia. The Learnt platform engages **50,000+ employees a year**.

Positive impact from transaction for AdNeo's financials and Board

As part of the acquisition, Kevin Lynch will join AdNeo's Board of Directors. Kevin has built 3 major education businesses (Torrens University; Open Colleges; UP Education), worked extensively with Seek, and is the strategy adviser to a large US Education Fund. Kevin will spearhead the company growth strategy in Vocational Education in Australia.

Shareholders: Learnt has a very supportive Board and Shareholder group (including ALIUM Capital) who value the benefits of scale and believe the business combination to be in the best interests of both entities.


Financial Impact : Future Earnings, Synergies and Profitability:

- ❑ The combined group will double yearly revenues from ~\$5m+ to ~\$11m+, based on the acquisition Due Diligence.
- ❑ FY26 EBITDA is forecast to exceed \$2.0m+.
- ❑ \$2.0m of cost synergies identified with \$500,000 to be delivered prior to settlement.
- ❑ As part of the transaction and equity raise, AdNeo will eliminate \$3m worth of debt and become net cash positive.
- ❑ Learnt has a rich pipeline of Sales and Growth Opportunities, including several 'Super Projects and Joint-Ventures'. These projects can generate significant revenue.

Investment Highlights

With the acquisition of Learnt Global, AdNeo enters the high growth vocational education sector, which is projected to grow at a CAGR of 13% until 2030. Based on the growth initiatives and synergies identified, the merged group is expected to be Cash Flow positive from 1H FY26.

Group Customers




Platform

Industry leading platform products

1.4m+

Students managed annually



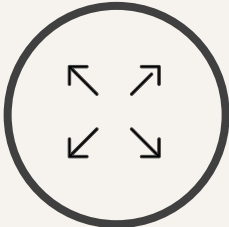
Clients

Diversified Client portfolio

500+

VET and enterprise clients

Group Financials



Technology

Integrated solutions offering

\$2.0m+

in cost synergies already identified



Profitability

Share of wallet growth

\$2.0m+

FY26E EBITDA



Scale

Sustainable growth & Cross-selling

\$13m+

FY26E Revenue

Bringing together the technology leaders in Mentoring, Learning and Vocational Education in a unified offering to deliver learning and career advancement to millions of people.





Learnt company overview: Market adoption



450

Enterprise subscribers

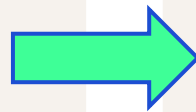
Consuming our VET LMS,
Corporate LMS, Student
Management System and
Content Management System.



120_k

Corporate Employees

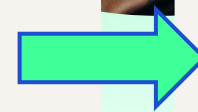
Individual employees utilising
Learnt Group technology for
training, onboarding, safety and
compliance.



1.4 mil

Students per annum

Unique students engaging with
our content and student
management system platform.



5,300+

Online courses

4,000 microcredentials and
1,300 Nationally accredited
courses covering all major
industry verticals.

The acquisition of Learnt Global by AdNeo represents a unique opportunity to create significant Equity Value for AD1 shareholders.

Strategic Rationale

Scale & Growth

Create a high growth ASX small cap company, with baseline of \$11m+ in high quality recurring revenue and plans to double it in 3 years, via organic growth and targeted M&A.

Portfolio Diversification

6 independent business units, each cash flow positive, spanning 3 large industries: Enterprise Software; Vocational Education; Innovative Services.

Management & Control

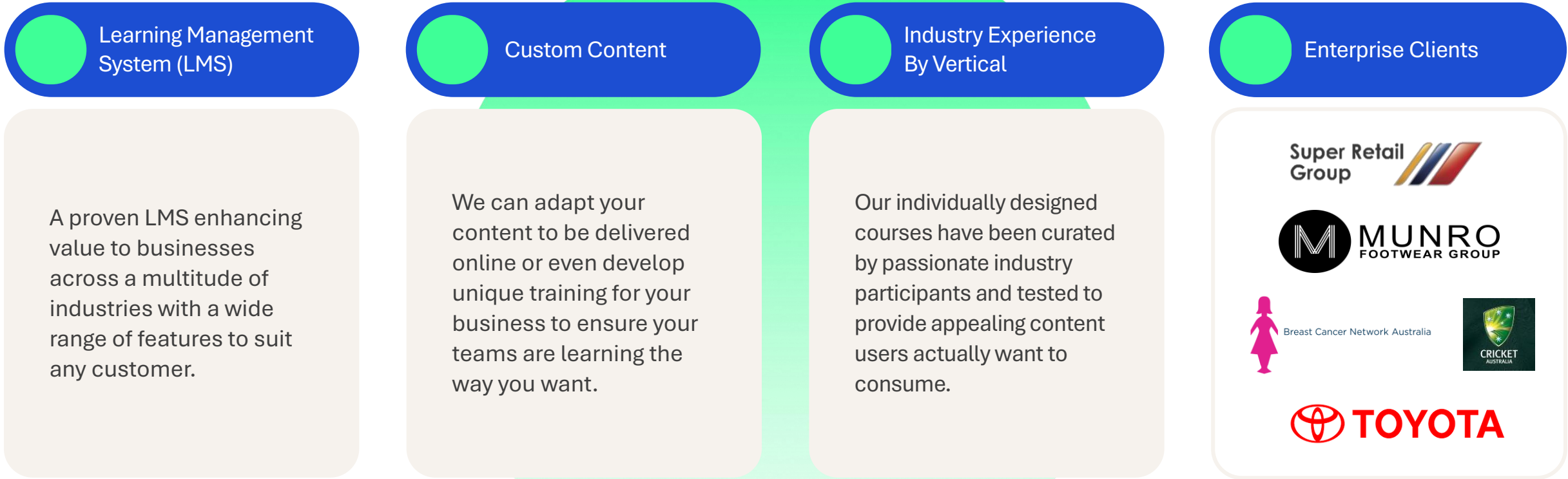
Experienced management and Board, with deep industry expertise and prior successful exits. AdNeo shareholders to retain control of merged entity, while growing the organisation value, liquidity and potential dividends.

Value Creation

- ❑ Attractive acquisition valuation at **1x Revenue Multiple**, while market comparables are >3x
- ❑ Combined **Revenue of ~\$11m** in 2025
- ❑ Combined **EBITDA Positive from H1 FY26**, forecasted FY26 EBITDA \$2.0m+
- ❑ Joint strategy for rapid growth through **pre-identified EPS accretive Super-Projects** (JV Academies; RTOs; Micro-credentials, Skills pathways).
- ❑ With existing combined sales pipeline FY26 revenue growth of more than 20% forecasted

(*) All numbers are to be considered indicative only and subject to change.

Learnt Product #1:
Enterprise Learning Management System



Learnt Products #2 & 3:

Vocational Education Training (VET) Industry Offering



Student Management System

An end-to-end solution for RTO's in one system, including enrolment, student management, learning management plus finance and reporting.



Education and Assessment Resources

One of the largest commercial suppliers of VET learning and assessment resources in Australia.

Learning Management System

Easily map unit outcomes to the TGA elements for each unit (skills and knowledge), SCORM compliant, virtual classrooms, authoring and content, Moodle, Canvas and other LTI integrations and 18 different learning activity types

Digital Badges

Showcase a students learning for life. Learners can receive an intuitive and shareable digital badge to certify they've completed their training.

Violet AI

Our AI assistant, Violet, streamlines the assessment process for maximum efficiency.

My Catapult

An easy and cost effective solution to host an RTO's content on the Catapult LMS.

Our experts to do the heavy lifting of online resource development, while assessors concentrate on high quality training.

Edify

Catapult's new online tool that will revolutionise the way users create and modify assessments in Catapult LMS.

Hardcopy Services

We provide professional development resources to deliver non-accredited training available as self-guided workbooks or workshop participant guides and facilitator manuals.

AdNeo's Enriched Product Portfolio Post Acquisition



1 Market Leader in Enterprise & Mentoring



Mentoring Software (AUS+ USA)
\$3.0m+ ARR
100+ clients (Gov't & Enterprise)

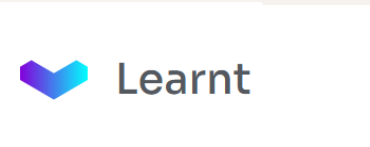


Government JobBoard Platform
\$0.7m ARR
4 clients (Largest employers in AUS)

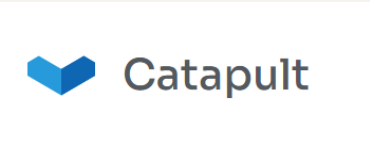


Brand Strategy and Product
\$1.3m Services
35+ clients

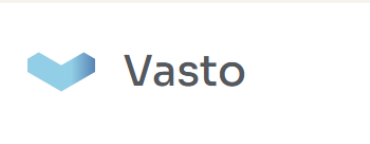
2 Market Leader in VET Education & Learning



Learning Management System
\$3.0m ARR
20 clients (Enterprise)

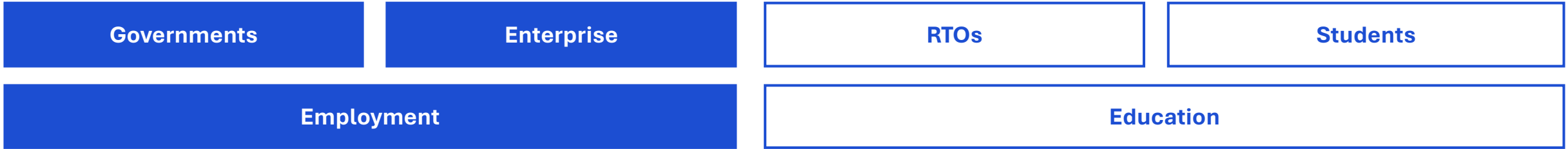


Education Content – 5,000+ courses
\$2.0m Pay as you Go
420 clients (RTOs)



Student Management System
\$1.0m ARR
35 clients (RTOs)

Complimentary Offering Expansion Strategy



Why the timing is right to transform VET Education



Supporting student acquisition



Supporting student progression and career transformation

● **The vocational education market is substantial** and expanding, benefiting from strong momentum.

● **The number of RTOs in Australia has decreased** from approximately 4,000 to 3,000, leading to reduced competition as regulators adopt a stricter approach.

● **Anticipated positive developments** are expected at both federal and state government levels concerning student funding.

● **Learnt Global possesses three essential elements for success:** comprehensive content, advanced technology, and significant industry experience gained over previous cycles.

● **Collaboration to establish Academies** aims to create a platform that generates considerable lead volume and enrolments. This marks the first occurrence of such a model since 2014, resembling the Seek & Seek Learning framework.

● **Future prospects include the potential to acquire RTOs** specialising in specific sectors, utilizing Academy partnerships to enhance student recruitment.

● **Colleges engaged with the international student market** are subject to regulatory shifts—this presents an opportunity to acquire at lower multiples, around 3-5X EBITDA, and build a large education group focused on domestic markets while also excelling internationally.

Learnt is well positioned to deliver on significant NEW Growth Opportunities in the VET education sector

Existing

- ❑ Vertical Education Plays (eg Animal Academy)
- ❑ Micro-credential offering
- ❑ AI powered learning
- ❑ Focus on new large enterprise clients

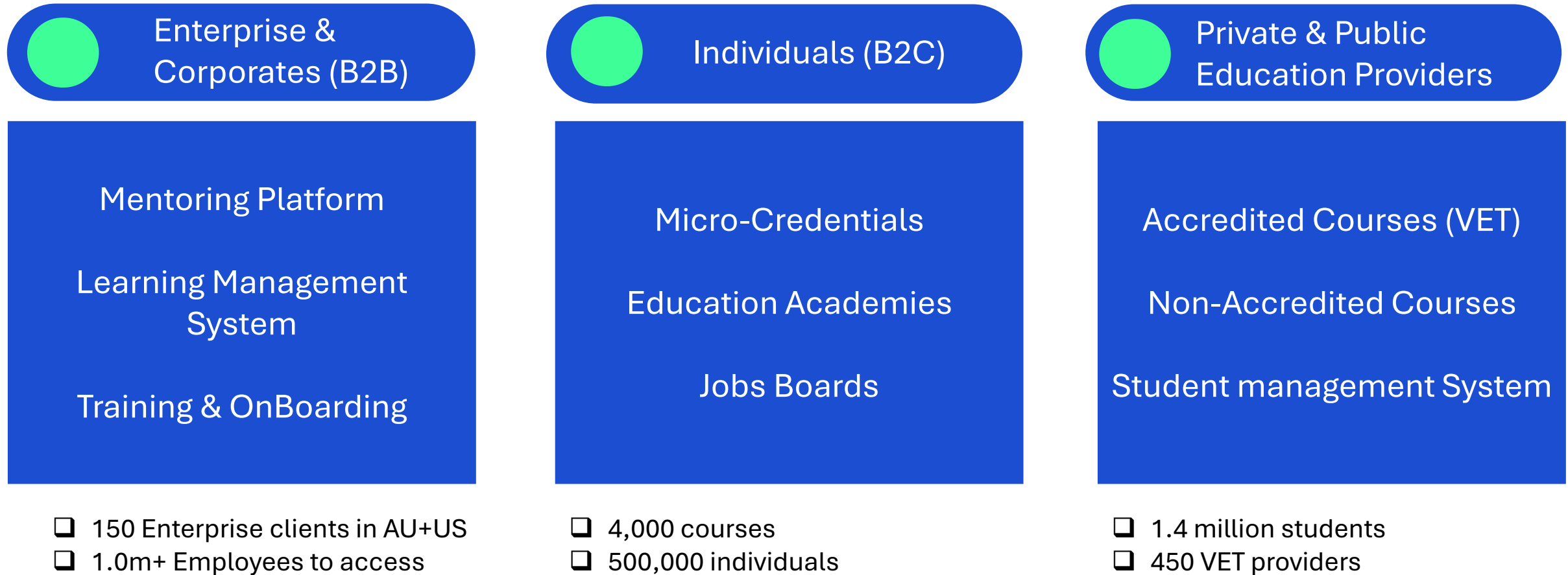
Rapidly Growing

- ❑ Partner/Acquire fully accredited RTO
- ❑ Plug and Play Full Tech Stack for RTOs
- ❑ Student Acquisition Tech for RTOs
- ❑ Art of Mentoring for VET Students

Emerging

- ❑ Roll-up strategy of RTO providers
- ❑ School Leavers Skills Programs
- ❑ Federal Volunteer Skills Program
- ❑ Education and Skills Passport

In summary, AdNeo is becoming the industry leader in **Solutions for the Workforce Transformation in the AI-era.**



Strategic Board additions to support strategy, governance and M&A



New

Ian Basser

Independent Non-Exec Director

- ❑ ASX-listed company Chair and CEO experience
- ❑ M&A expertise both in selling businesses and successful acquisitions
- ❑ International HR technology expertise



New

Kevin Lynch

Independent Non-Exec Director
and VET Industry Leader

- ❑ Learnt Global Chairman
- ❑ Education industry expertise in AUS, EU and USA.
- ❑ Founder of Torrens, Open Collages and successful exit of both businesses



The team to lead



Nicholas Smedley

Non Exec Chairman

- ❑ M&A
- ❑ IR
- ❑ Capital Markets
- ❑ Risk



Angus Washington

CEO, Managing Director

- ❑ Strategy
- ❑ Leadership
- ❑ Growth
- ❑ Human Resources



Prerna Sinha

Group CTO

- ❑ Software
- ❑ Security
- ❑ Product Strategy
- ❑ Infrastructure



Antonluigi Gozzi

Board Advisor Strategy & Technology

- ❑ Strategy Execution
- ❑ Technology
- ❑ M&A
- ❑ AI

Learnt Acquisition commercial structure: 1x Revenues FY25, plus Earn-Out based on achieving 50% revenue growth

Initial Acquisition

(Apr'25)

- ☐ 1.0x FY25 Revenues (82.5m AdNeo shares)
- ☐ Scrip only (Subject to shareholder approval)
- ☐ \$2m+ in synergies
- ☐ Cash flow positive Q1 FY26

Earn Out

(Jun'27)

- ☐ 1.25x FY25 Revenues
- ☐ Scrip or cash, at discretion of the AD1 Board
- ☐ Must deliver on growth targets of +50% in 24 months to \$8.5m revenue, and \$1.15m EBIT

The learnt acquisition, equity raise and Pure debt conversion improve materially AdNeo's financial and investor metrics

Metrics*	AdNeo (FY25 Est)	AdNeo + Learnt (FY25 Est Combined)	% Change	Impact
Revenue	\$5m+	\$11m+	+120%	✓
Enterprise Value	\$13.2m	\$18.0m	+36%	✓
EV/Revenue	2.7x	1.6x	-1.1x	✓
Debt (Pure)	\$5.5m	\$2.5m	-\$3.0m	✓
Debt Ratio/Revenue	110%	23%	-87%	✓

(*) All numbers are to be considered indicative only and subject to change.

Capital raise and debt conversion details

Equity Raising

- AdNeo placement received cornerstone investment of \$1.5m from Salter Brothers Asset Management Pty Ltd (SB2) fund.
- AdNeo capital raise priced at \$0.045c which represents a modest discount of -3.3% to the 30 days VWAP.
- Chairman's list interest between Nicholas Smedley (AdNeo Chairman) and Kevin Lynch (Learnt Chairman). Highly supportive existing substantial investors, both from US and AU.
- Use of funds: Growth projects in Education; Synergies Realisation and Working Capital; Pure debt deduction.

Pure Debt Conversion

- As part of the Acquisition of Learnt and the Capital Raise, the exiting debt holder, Pure Asset Management, agreed to convert \$1.5m of debt into equity at the transaction value of \$7.0c per share. Which represents a premium of 49% from the 30 days VWAP.
- AdNeo will use part of the proceeds from the capital raise to pay down \$1.5m in Pure debt.
- AdNeo will carry forward \$2.5m in Pure debt at market terms, which represents a modest 23% debt to revenue ratio.
- Carry over debt extended out for 24 months at same terms.



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Q&A

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