

AdNeo Limited (formerly AD1 Holdings Limited)

ACN 123 129 162

Consolidated Financial Statements

For the Year Ended 30 June 2025

AdNeo Limited (formerly AD1 Holdings Limited)

ACN 123 129 162

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For the Year Ended 30 June 2025

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AdNeo Limited (formerly AD1 Holdings Limited)

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Chairman and CEO Update

30 June 2025

AdNeo Limited (ASX: AD1)

Chairman Letter

Dear Shareholders,

It is a privilege to address you in what has been a truly transformational year for AdNeo Limited (ASX: AD1). With your continued support, we restructured the business from AD1 Holdings to AdNeo Limited, pivoted to a focused growth strategy, reduced our cost base by approximately 30%, recapitalised the balance sheet, and completed several strategic acquisitions.

We welcomed several new substantial shareholders to our register through the acquisition of Learnt Global and the \$5.6 million capital raise cornerstone by Salter Brothers. This investment reflects a long-term commitment and confidence in AdNeo's strategic direction.

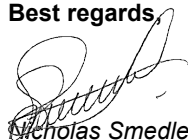
During the year we were pleased to appoint Angus Washington as Managing Director and Chief Executive Officer. Angus brings extensive technology leadership experience, and his appointment, together with the refreshed leadership team and Board, strengthens our operational capability and execution focus.

From a financial perspective, AdNeo made meaningful operational progress. We delivered back-to-back quarters of positive operating cashflow and reported a positive EBITDA in the second half of FY25. These results reflect material cost reductions, efficiency improvements, and disciplined execution across the business.

While our share price has not yet fully reflected the operational and financial improvements we have made, we are focused on continuing to build investor relationships through consistent reporting, prudent capital allocation, and delivering on the drivers of sustainable growth. We will continue to pursue acquisitions where they meet clear strategic and financial criteria, and where they accelerate our path to cashflow-positive growth.

On behalf of the Board and leadership team, I thank you for your continued support. I look forward to discussing our progress and priorities with you at the upcoming AGM.

Best regards,



Nicholas Smedley
Non-Executive Chairman

AdNeo Limited (formerly AD1 Holdings Limited)

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Chairman and CEO Update

30 June 2025

CEO Update for the Annual General Meeting - FY25

Introduction

Dear Shareholders,

It is a privilege to address you for the first time as Chief Executive Officer of AdNeo Limited. I would like to thank you for your continued support and commitment as we deliver on the next exciting chapter of growth and transformation for AdNeo.

Reflection on Strategy and Execution

At last year's AGM, AdNeo set a clear strategy to actively acquire, own and operate high-growth companies in the SaaS and innovative services sector. Over the past 12 months, we have made progress across these areas:

- **Cost-out and operational discipline** - We continued to deliver substantial cost reductions throughout FY25, while maintaining a disciplined approach to operating expenditure, positioning the Group closer to cashflow breakeven.
- **Oliver Grace acquisition** - Expanded our service offering into strategic marketing and branding, with integration progressing well and cross-sell opportunities emerging.
- **Art of Mentoring (AoM)** - Advanced a pipeline of 35 opportunities valued at more than \$3 million across Australia and the US. AoM also improved scalability, reducing client onboarding from 14 weeks to 2 weeks.
- **ApplyDirect** - Delivered continued engagement from government clients, with the IWorkforNSW platform reaching 8.2 million active users (up 30%). A major Gen 4 platform upgrade was secured with the NSW Government in Q4.
- **Pipeline development for M&A** - During FY25 we established a structured approach to evaluating acquisition opportunities. We now have a disciplined M&A pipeline under consideration, focused on complementary SaaS technology and innovative services businesses. This ensures future opportunities are assessed with an emphasis on strategic fit, cultural alignment, and financial discipline.
- **Governance and leadership renewal** - During the year, I was appointed as new Managing Director and CEO (February 2024) to develop and deliver the new strategic direction for AdNeo Limited, Justin Mouchacca was appointed as Company Secretary (January 2025), enhancing governance and compliance capability. The Board has also welcomed two new members on 15 August 2025:
 - Kevin Lynch - Kevin was the Chairman of Learnt Global prior to its acquisition and has over 20 years of experience in the learning and training industry.
 - Ian Bassar - Ian was previously the Chairman of PayGroup Limited (ASX: PYG) which was sold to Deel.com in around 2022. Mr Bassar has over 20 years experience in the technology and human resources (HR) business and, notably, was the CEO of Chandler Macleod Group Limited (ASX:) during its sale to Recruit Holdings Ltd.

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Chairman and CEO Update

30 June 2025

FY25 Financial Performance

FY25 was a year of continued transformation for AdNeo Limited (formerly AD1 Holdings Limited). Building on the cost-reduction and stabilisation initiatives of FY24, the Group entered FY25 with renewed strategic focus, undertaking a material acquisition, strengthening its SaaS platforms for sustainable growth, and securing the financial resources necessary to deliver on our growth ambitions.

The Group delivered operating revenue of \$4.86 million, representing a 14% increase on FY24 (\$4.26 million). This uplift was driven primarily by the acquisition of Oliver Grace Pty Ltd ("Oliver Grace") in August 2024, which expanded AdNeo's service offering into professional and strategic marketing services. The inclusion of Oliver Grace revenue offset the loss of income from the USS business (2024: \$359k), which was discontinued in FY24.

Despite revenue growth, the Group recorded a net loss after tax of \$5.25 million (FY24: \$1.31 million loss). The year-on-year change reflects:

- A \$685k increase in depreciation and amortisation charges;
- The absence of one-off USS-related income and R&D grants recognised in FY24 (totalling more than \$2.4 million); and
- Higher operating and capital raising costs associated with Oliver Grace acquisition
- Reduced R&D income.

Operating cash outflow for the period was \$529k (2024: inflow \$907k). While customer cash receipts rose 8.6% to \$5.28 million, increased supplier and employment costs from the Oliver Grace acquisition, reduced R&D inflows, and higher finance costs impacted operational cashflow.

At 30 June 2025, cash was \$0.38million and the balance sheet reflected a negative net asset position of \$2.2million. Post year-end, however, the Company materially strengthened its position through a \$5.65 million capital raise, supported by new and existing shareholders, and the retirement of \$3million of debt with Pure Asset Management via a combination of cash repayment and debt-to-equity conversion. These actions have reset our balance sheet to a positive providing a stronger foundation for the year ahead

Strategy Renewal for FY26

We are not departing from last year's plan but renewing and extending it with sharper execution. Our strategy for FY26 is anchored around four priorities:

- **Achieving Cashflow Positivity** - Each of our operating businesses is expected to deliver positive cashflow on a quarterly basis. A \$2+ million cost-out program, already underway, will underpin this outcome while preserving investment in growth initiatives.
- **Driving Organic Growth** - We are targeting strong organic growth across our SaaS and services businesses. cross-selling opportunities, enhanced client engagement, and identified revenue synergies from the Learnt Global acquisition will support double-digit growth ambitions.
- **Inorganic Growth** - Inorganic expansion remains a central part of our growth strategy. We have established a disciplined pipeline of synergistic acquisition opportunities across Australia and the US, with a clear focus on SaaS and workforce solutions. At the same time, we are diligently executing on the recent integration of Learnt Global, which expands AdNeo into the vocational education sector and is expected to be cashflow positive during the first half of FY26.
- **Building Investor Confidence and Governance** - With a reset balance sheet and renewed leadership team, we will continue to strengthen investor relationships through transparent reporting, consistent engagement, and disciplined capital management.

AdNeo Limited (formerly AD1 Holdings Limited)

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Chairman and CEO Update

30 June 2025

Outlook

AdNeo enters FY26 with a stronger platform and clearer path forward. Key elements shaping our outlook include:

- A more diversified operating model, spanning SaaS, managed services, and vocational education, with identified cost and revenue synergies already being realised.
- A disciplined focus on achieving quarterly cashflow positivity across all business units, supported by a \$2+ million cost-out program.
- Integration of Learnt Global, expected to add more than 400 enterprise and education clients, delivering both scale and cross-selling opportunities.
- A structured M&A pipeline that positions AdNeo to accelerate growth, while maintaining focus on cashflow and strategic fit.
- Continued strengthening of governance and investor engagement, underpinned by a reset balance sheet and ongoing debt reduction.

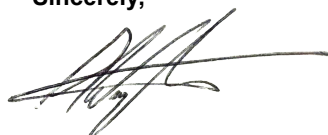
With a sharpened strategy, supportive investors, and momentum from recent initiatives, we believe AdNeo is well placed to convert its opportunities into sustainable growth and long-term shareholder value.

Closing

On behalf of the Board and leadership team, I extend my gratitude to our shareholders, clients, and employees for their ongoing support and commitment. Together, we are building a stronger AdNeo, one that is positioned to grow, diversify, and deliver value over the long term.

I look forward to sharing further progress with you in the year ahead.

Sincerely,

A handwritten signature in black ink, appearing to read 'Angus Washington', with a long horizontal flourish extending to the right.

Angus Washington
Chief Executive Officer
AdNeo Limited

AdNeo Limited (formerly AD1 Holdings Limited)

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Directors' Report

30 June 2025

The Directors present their report on the consolidated entity consisting of AdNeo Limited (formerly AD1 Holdings Limited) (the "Company") and the entities it controlled (together, the "Group" or "AdNeo") at the end of, or during the year ended 30 June 2025.

Directors

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

Michael Norster

Non-Executive Director

Chair of Audit Risk & Compliance Committee

Appointed to the Board

29 May 2018

Resigned from the Board

23 September 2025

Experience

Michael Norster has been and is the major driving force in forming a number of successful start-up, Australian businesses. Michael founded the Australian Energy group of companies in 1997 that traded under the name Powerdirect. He was the major shareholder in that group from ASX listing in 2001 until its completed sale to Ergon Energy in early 2006. He is the founder and Executive Chairman of the Green Generation group of private companies, which commenced in 2010. The group owns electricity retailer Blue NRG and renewable energy developer and risk manager GG Renewable Energy. In addition to ApplyDirect, Michael was also the seed investor in the information technology recruitment company Primex Solutions Pty Ltd. He has assisted in the formation and establishment of one of Australia's largest telecommunications carriers Axicorp Pty Ltd (which became Primus Telecommunications) and was a director and shareholder in Hotkey Internet Services Pty Ltd (all now a part of Vocus Communications). He received a graduate degree from Monash University.

Directorships held in other listed entities

Nil

Nicholas Smedley

Non-Executive Chairman

Appointed to the Board

6 March 2020

Experience

Mr Smedley is an experienced investment banker and M&A adviser, with 14 years' experience at UBS and KPMG. He has worked on M&A transactions in the UK, Hong Kong, China, and Australia with transactions ranging from the A\$9 billion defence of WMC Resources through to the investment of \$65 million into Catch.com.au. Mr Smedley currently oversees investments in the property, aged care, technology and medical technology space. Key areas of expertise include M&A, debt structuring, corporate governance and innovation. He holds a Bachelor of Commerce from Monash University.

Directorships held in other listed entities

Vitasora Health Limited (VHL), Findi Limited (FND)

AdNeo Limited (formerly AD1 Holdings Limited)

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Directors' Report

30 June 2025

Directors (continued)

Angus Washington

Appointed to the Board

Experience

Managing Director & CEO

26 February 2024

Mr Washington brings over 20 years' experience in leading technology businesses from initial founding and executive leadership, through to eventual acquisition across Asia Pacific. Mr Washington relocated back to Australia in 2020 from Asia, where he joined a SEEK invested business to assist with scale and growth. Prior, He founded two recruitment businesses in Hong Kong, Inspire Search & Selection acquired by Chandler Macleod Group (ASX) in 2011 where he was appointed Chief Operating Officer - Asia and Wellesley Associates by MBO in 2019. He holds a Bachelor of Commerce majoring in Finance from Bond University.

Directorships held in other listed entities

Nil

Ian Bassier

Appointed to the Board

Experience

Independent Non-Executive Director

15 August 2025

Ian is a seasoned executive with 28+ years of global experience founding, growing and acquiring service companies. A former CEO and Managing Director of Chandler Macleod Group, he also founded the Mettle Group. His career includes key leadership roles at Harvey Nash and Michael Page International, where he was instrumental in global expansion.

Directorships held in other listed entities

Nil

Kevin Lynch

Appointed to the Board

Experience

Independent Non-Executive Director

15 August 2025

Kevin has 18+ years of experience building and scaling successful companies across technology, digital, and education. His expertise lies in disrupting traditional industries through strategic investments and advisory roles. Kevin played a pivotal role in the Australian education market, co-founding Open Colleges Group (sold to AEG in 2014) and helping establish Think Education Group (acquired by SEEK in 2010).

Directorships held in other listed entities

Nil

Company secretary

Mr. Justin Mouchacca has been appointed as Company Secretary of AdNeo on 31 January 2025.

Mr. Mouchacca is a Chartered Accountant and Fellow of the Governance Institute of Australia with over 18 years' experience in public company responsibilities including statutory, corporate governance and financial reporting requirements.

Mr. Mouchacca replaced Mr. Todd Perkinson as Company Secretary.

AdNeo Limited (formerly AD1 Holdings Limited)

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Directors' Report

30 June 2025

Principal Activities

During the reporting period, the Group's principal activities included:

- providing and delivering software services and technology platforms to its customers, and other related supporting and consulting services; and
- providing strategic marketing and branding professional services.

The Group's principal activities expanded during the financial year following the acquisition of Oliver Grace Pty Ltd ("Oliver Grace").

Operating and Financial review

Our financial performance for the year was supported by a total of \$4.9 million operating revenue (2024: \$4.3million), an increase of 14%.

AdNeo continued to progress in line with its new strategic direction during the year, acquiring professional services company Oliver Grace Pty Ltd and integrating it into the group. The acquisition of this entity has seen the group's cost base increase, particularly with regard to employment costs. However management has continued to prioritise cost efficiencies without impacting the ability to deliver revenue growth. Over the course of the year the cost savings initiatives have been delivered against and the group is now ready to commence a revised focus on growth, investing in people and software development when new revenue and cashflow are obtained from client wins.

The Group delivered operating revenue of \$4.86 million, representing a 14% increase on FY24 (\$4.29m). This uplift was driven primarily by the acquisition of Oliver Grace Pty Ltd ("Oliver Grace") in August 2024, which expanded AdNeo's service offering into professional and strategic marketing services. The inclusion of revenue from Oliver Grace offset the loss of operating revenue from the USS business (2024: \$359k) which was loss making and discontinued in FY24.

The results for H2 FY25 are a strong improvement on the results on for the half year ended 31 December 2025, improving operating revenue by 31.8%, net loss improvement by 48% and EBITDA by 96.8%. The following table summarises the turnaround achieved over the last 6 months.

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Directors' Report

30 June 2025

Operating and Financial review (continued)

	H1 Actual \$ 000's	H2 Actual \$ 000's	Full Year \$ 000's	H2 v H1 variance %
Operating Revenue	2,096	2,762	4,858	31.8%
Other income	2	34	36	1,600.0%
Total Revenue	2,098	2,796	4,894	33.3%
Total Expenses	(5,487)	(4,657)	(10,144)	15.1%
Net Profit	(3,389)	(1,861)	(5,250)	45.1%
<i>Adjustments</i>				
Depreciation and Amortisation	1,188	1,215	2,403	(2.3%)
Interest	335	486	821	(45.1%)
EBITDA	(1,866)	(160)	(2,026)	91.4%

The Group recorded a net loss after tax of \$5.25 million (FY24: \$1.31m loss). The difference in performance between the financial years can be attributed to:

- R&D grant income not being accrued in FY25 (FY24: \$817k). It is noted a claim is being pursued for the FY25 financial year and will be treated as income in FY26 when confirmed.
- An increase of \$685k in depreciation and amortisation charges from capitalised software development expenditure in earlier years.
- One off and discontinued other income from USS received in FY24 for \$750k
- A share consolidation of 1:10 shares executed in Nov'24;
- One off reversal of expense benefits crystallised as part of the USS wind up in FY24 of \$845k. Overall, USS contributed a one-off profit of \$2.05m to the result of FY24.

Cash at bank as at 30 June 2025 \$0.38m, which has been substantially increased post period from a successful capital raise completed in August 2025.

Dividends

No dividends have been paid or declared by the Company since the beginning of the financial year. No dividends were paid for the previous financial year.

Significant Changes in State of Affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of entities in the Group during the financial year under review not otherwise disclosed in the Annual Report.

Environmental regulations

The Group is not affected by any significant environmental regulation in respect of its operations under Australian Commonwealth or state law.

AdNeo Limited (formerly AD1 Holdings Limited)

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Directors' Report

30 June 2025

Risk Management

The Group is subject to normal business risks, including but not limited to interest rate movements, labour conditions, government policies, securities market conditions, exchange rate fluctuations, and a range of other factors which are outside the control of the Board and management.

More specific material risks of the operating sector and the Group include, but are not limited to:

Competition

The Group operates in a competitive industry which is subject to increasing competition from companies in Australia and throughout the world, through a combination of established organisations and new entrants to the market.

Failure to protect intellectual property

The Group's proprietary cataloguing system and search engine is not protected through any patent or other form of registered intellectual property. The Group considers that, in practical terms, its proprietary cataloguing system and search engine are not likely to be capable of intellectual property registration. A lack of registered protection is likely to enhance the risk that the Group's intellectual property may be the subject of unauthorised disclosure or unlawfully infringed. The Group may need to incur substantial costs in monitoring, asserting or defending its intellectual property rights.

Funding Risk

In recognition of the profitability outcomes in the financial year's ended 30 June 2025 and 30 June 2024, the Company is focused on getting to an operational cashflow positive position with cost control whilst maintaining existing revenue sources and winning new business, which in Q4 FY25 has had pleasing results. The Group will maintain reviewing and investigating acquisitions which are profit and cash accretive and reviewing platforms that align to the future growth of the group.

Cyber security, computer crime and privacy breaches

Increased cyber security threats and computer crime also pose a potential risk to the security of the Group's information technology systems, including those of contracted third-party service providers, as well as the confidentiality, integrity and availability of the data stored on those systems. Any breach in information technology security systems could result in the disclosure or misuse of confidential or proprietary information, including sensitive employer, employee or investor information maintained in the ordinary course of business. Any such event could cause damage to reputation, loss of valuable information or loss of revenue and could result in large expenditures to investigate or remediate, to recover data, to repair or replace networks or information systems, or to protect against similar future events.

Failure to execute strategic initiatives/operating costs and margins

The Group's strategy involves a significant expansion of its sales, marketing and business development teams. It will involve the Group in the recruitment of additional senior management personnel and the undertaking of an extensive multi-media brand recognition and awareness campaign. The ability of the Group to achieve growth of its business is dependent on the successful implementation of the Group's growth strategies, business plans and strategic initiatives. An inability to successfully implement these plans and initiatives, whether wholly or partially, could adversely affect the Group's operating and financial performance.

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Directors' Report

30 June 2025

Meetings of Directors

A number of formal meetings and circular resolutions were held during the year as tabled below:

	Directors' Meetings		Audit, Risk and Compliance Committee		Remuneration & Nomination Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Ian Bassar	-	-	-	-	-	-
Nicholas Smedley	3	3	-	-	-	-
Michael Norster	3	3	-	-	-	-
Angus Washington	3	3	-	-	-	-

For the date of appointment and resignation of each Director and Executive, please refer to the Directors Details Section of the Directors' Report.

Indemnification of Officers and Auditors

Insurance of officers and indemnities

The Group has indemnified the Directors and Executives of the Group for costs incurred, in their capacity as a Director or Executive, for which they may be held personally liable, except where there is a lack of good faith. During the financial year, the Group paid a premium in respect of a contract to ensure the Directors and Executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Insurance of auditors and indemnities

The Group has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the Group or any related entity against a liability incurred by the auditors. During the financial year, the Group has not paid a premium in respect of a contract to insure the auditors of the Group or any related entity.

Proceedings on Behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit Services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

During the year ended 30 June 2025 the Company did not engage the external auditor to provide non-audit services.

Auditor's Independence Declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the year ended 30 June 2025 has been received and can be found on page 15 of the consolidated financial report.

AdNeo Limited (formerly AD1 Holdings Limited)

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Directors' Report

30 June 2025

Share Options on Issue as at the End of Financial Year

Unissued ordinary shares under options of the Company as at the end of financial year are as follows:

Grant date	Expiry date	Exercise Price \$	Options over ordinary shares	No. of Options post consolidation
24 Dec 2021	17 Dec 2025	0.060	83,333,333	8,333,333
05 May 2025	05 May 2027	-	2,400,000	2,400,000

There were no listed options outstanding at the reporting date.

Corporate Governance

In accordance with ASX listing Rule 4.10.3, the Company's 2025 Corporate Governance Statement can be found on its website at www.adneo.com.au.

Remuneration Report (Audited)

The Directors present the AdNeo 2025 remuneration report, outlining key aspects of our remuneration policy and framework, and remuneration awarded this year in accordance with the requirements of the Corporations Act 2001 and its Regulations. The report is structured as follows:

- Principles used to determine the nature and amount of remuneration;
- Details of remuneration;
- Service agreements;
- Share-based compensation;
- Relationship between the remuneration policy and Group performance; and
- Key Management Personnel disclosures.

Remuneration Policy

Remuneration in respect of Directors and executives of the Group is overseen by the full Board of Directors of AdNeo Group.

The Board of Directors of the Group will ensure that the Group has coherent remuneration policies and practices to attract, motivate and retain Executives and Directors who will create value for shareholders and who are appropriately skilled and diverse; observe those remuneration policies and practice; fairly and responsibly reward executives having regard to the Group and individual performance, the performance of the executives and the general external pay environment; and integrate human capital and organisational issues into its overall business strategy.

Remuneration will be reviewed on at least an annual basis with consideration given to individuals' performance and their contribution to the Group's success (against measurable key performance indicators), external market relativities, shareholders' interests and desired market positioning.

The Board will review the remuneration of executive and Non-Executive Directors and other executives having regard to any recommendations made by the Chief Executive Officer of the Group and other external advisers, including legal counsel.

Executive remuneration

Executive remuneration consists of fixed remuneration, equity-based remuneration, and termination payments. Superannuation contributions are paid into the executive's nominated superannuation fund.

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Directors' Report

30 June 2025

Remuneration Report (Audited) (continued)

Remuneration Policy (continued)

Non-Executive Director remuneration

Non-Executive Director remuneration consists of fixed remuneration, equity-based remuneration and superannuation.

Fixed remuneration

Executive and Non-Executive Directors are offered a competitive level of base pay which comprises the fixed (unrisked) component of their pay and rewards, which should be reasonable and fair; take into account the Group's legal and industrial obligations and labour market conditions; be relative to the scale of the Group's business; reflect core performance requirements and expectations; and take into account incumbent skills and experience, and the time commitment and responsibilities of the role.

Equity-based remuneration

Equity based performance in regard to achieving annual based company targets with elements of cash & equity as part of the short-term based incentives. There are also long-term incentives (LTI) programs in place which are based on share price performance and performance hurdles for individual and company. These are assessed annually and form the basis of the remuneration committee mandate.

Termination payments

All Directors and executives are not entitled to retirement benefits other than superannuation or those required under law.

Securities trading policy

The trading of Group's securities by employees and Directors is subject to, and conditional upon, the Policy for Trading in Company Securities, which is available on AdNeo's website at www.adneo.com.au.

Remuneration Policy Versus Company Financial Performance

Remuneration of Executives consists of an unrisks element (base pay) and share bonuses based on performance in relation to key strategic, financial and non-financial measures linked to drivers of performance in future reporting periods.

Non-Executive Directors' remuneration is not affected by the Group performance.

Details of remuneration

Key Management Personnel (KMP) of AdNeo are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any Director (whether Executive or otherwise) of the Group receiving the highest remuneration. Details of the remuneration of the KMP of the Group are set out in the following tables.

The following persons held office as Directors of AdNeo during the whole of the financial year and up to the date of this report:

Mr Michael Norster (Non-Executive Director)

Mr Nicholas Smedley (Non-Executive Chairman)

Mr Angus Washington (Executive Director & CEO)

Mr Todd Perkinson (CFO) (Resigned 31 December 2024)

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Directors' Report

30 June 2025

Remuneration Report (Audited) (continued)

Remuneration Policy Versus Company Financial Performance (continued)

There are no other Key Management Personnel other than those stated above.

Consequences of performance on shareholder wealth

In considering the Group's performance and benefits for shareholder wealth, the Board has regard to the following indices in respect of the current financial year and the previous four financial years:

	Net Loss	Share Price at Balance Sheet Date	Loss per Share (cents)
	\$	\$	\$
Financial Year			
2025	(5,250,222)	0.050	(4.10)
2024	(1,312,523)	0.006	(0.15)
2023	(8,014,529)	0.005	(1.23)
2022	(2,666,229)	0.012	(0.42)
2021	(2,219,600)	0.037	(0.39)

Performance Based Remuneration

The purpose of a performance bonus is to reward individual performance in line with Company objectives. Consequently, performance based remuneration is paid to an individual where the individual's performance clearly contributes to a successful outcome for the Company. This is regularly measured in respect of performance against key performance indicators (KPI's).

The Company uses a variety of short-term and long-term KPI's to determine achievement, depending on the role of the executive or director being assessed and the particular KPI being targeted.

These include:

- successful contract negotiations;
- company share price consistently reaching a targeted rate on the ASX or applicable market over a period of time; and
- completion of set milestones.

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Directors' Report

30 June 2025

Remuneration Report (Audited) (continued)

Details of Remuneration for the Year Ended 30 June 2025

The remuneration for each Director and each of the other Key Management Personnel of the consolidated entity during the year was as follows:

	Short-term Employee Benefits	Post- employment benefits	Long-term benefits	Share-based payments		
	Cash salary and fees	Superannuation contribution	Long service leave	Equity- settled shares	Equity- settled options	
2025	\$	\$	\$	\$	\$	\$
Directors						
Michael Norster	93,333	10,733	-	-	-	104,066
Nicholas Smedley	120,000	-	-	-	-	120,000
Angus Washington	282,415	-	-	-	-	282,415
Other KMP						
Todd Perkinson*	136,292	14,375	-	-	-	150,667
	632,040	25,108	-	-	-	657,148

Note: The remuneration details above, for both financial years were 100% not related to performance.

* Resigned on 31 December 2024

	Short-term Employee Benefits	Post- employment Benefits	Long-term benefits	Share-based payments		
	Cash salary and fees	Superannuation contribution	Long service leave	Equity-settled shares	Equity- settled options	
2024	\$	\$	\$	\$		\$
Directors						
Michael Norster	55,000	6,050	-	-	98,336	159,386
Nicholas Smedley	120,000	-	-	-	98,336	218,336
Brendan Kavenagh*	250,081	17,209	-	-	-	267,290
Angus Washington**	12,000	-	-	-	-	12,000
Other KMP						
Todd Perkinson	245,000	26,950	7,682	-	-	279,632
	682,081	50,209	7,682	-	196,672	936,644

* Resigned on 8 September 2023

** Appointed on 26 February 2024

AdNeo Limited (formerly AD1 Holdings Limited)

ACN 123 129 162

Directors' Report

30 June 2025

Remuneration Report (Audited) (continued)

Share-based Compensation

Issue of shares

During the year ended 30 June 2025, there have been no issues of ordinary shares to the Directors and other Key Management Personnel as part of their remuneration.

Issue of options over ordinary shares

The number of options over ordinary shares granted to and vested by Directors and other Key Management Personnel as part of compensation during the year ended 30 June 2025 is set out below:

Name	No. of options granted during the year	No. of options granted during the prior year	No. of options vested during the year	No. of options vested during the prior year
Michael Norster	-	-	-	-
Nicholas Smedley	-	-	-	-
Angus Washington	-	-	-	-

Options granted carry no dividend or voting rights.

Options held by the Directors or other key management personnel have been lapsed and cancelled during the year.

AdNeo Limited (formerly AD1 Holdings Limited)

ACN 123 129 162

Directors' Report

30 June 2025

Remuneration Report (Audited) (continued)

(a) Shareholdings

The number of shares in the Company held during the financial year by each Director and other members of Key Management Personnel of the Group, including their personally related parties, is set out below:

	Balance at Start of the Year	Consolidation/ Split of shares (10:1)	Granted as Compensation	Purchases	Disposals/ other	Balance at End of the Year \$
30 June 2025					-	
Directors						
Michael Norster	209,354,069	20,935,408	5,000,000	-	-	25,935,408
Nicholas Smedley	156,037,116	15,603,712	6,560,000	-	-	22,163,712
Angus Washington	-	-	1,550,552	-	-	1,550,552
	365,391,185	36,539,120	13,110,552	-	-	49,649,672

	Balance at Start of the Year	Granted as Compensation	Purchases	Disposals/ other	Balance at End of the Year
30 June 2024					
Directors					
Michael Norster	187,492,408	-	21,861,661	-	209,354,069
Nicholas Smedley	95,079,616	-	60,957,500	-	156,037,116
Brendan Kavenagh*	1,402,500	-	-	(1,402,500)	-
Angus Washington**	-	-	-	-	-
	283,974,524	-	82,819,161	(1,402,500)	365,391,185

* Resigned 8 September 2023

** Appointed 26 February 2024

AdNeo Limited (formerly AD1 Holdings Limited)

ACN 123 129 162

Directors' Report

30 June 2025

Remuneration Report (Audited) (continued)

(b) Options and Rights

The number of options over ordinary shares in the Company held during the financial year by each Director and other members of Key Management Personnel of the Group, including their personally related parties, is set out below:

	Balance at Start of the Year	Consolidation/ Split of Options (10:1)	Granted as Compensation	Exercised	Expired, forfeited and other	Balance at the end of the year
30 June 2025						
Directors						
Michael Norster	65,000,000	6,500,000	5,000,000	-	(11,500,000)	-
Nicholas Smedley	65,000,000	6,500,000	5,000,000	-	(11,500,000)	-
Angus Washington	-	-	5,000,000	-	(5,000,000)	-
	130,000,000	13,000,000	15,000,000	-	(28,000,000)	-
30 June 2024						
Directors						
Andrew Henderson*	65,000,000	-	-	-	(65,000,000)	-
Michael Norster	65,000,000	-	-	-	-	65,000,000
Nicholas Smedley	65,000,000	-	-	-	-	65,000,000
Brendan Kavenagh**	15,000,000	-	-	-	(15,000,000)	-
	210,000,000	-	-	-	(80,000,000)	130,000,000

* Resigned 20 January 2023

** Resigned 8 September 2023

AdNeo Limited (formerly AD1 Holdings Limited)

ACN 123 129 162

Directors' Report

30 June 2025

Remuneration Report (Audited) (continued)

(b) Options and Rights (continued)

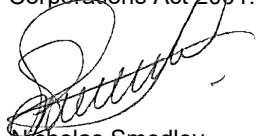
During the reporting period ended 30 June 2025, AdNeo Limited (formerly AD1 Holdings Limited) had 1 executive who met the definition of key management personnel as summarised below.

CEO	\$	Description
Contract duration	Ongoing contract	Annual Short Term Incentive (ASTI) of up to 50% of the base salary subject to delivered KPI's set by the board on an annual basis. KPIs: 1. The company meets board agreed budget 2. New customer growth 3. Customer retention 4. IR relations 5. Acquisition pipeline plus one targeted acquisition per year
Notice by the individual/company	6 months	
Fixed Remuneration	275,000	
Short Term Incentive	up to 50% of the base salary (as per Employment contract)	
Long term incentives (share options)	TBC (number to be agreed with Chairman)	

This is the end of the Audited Remuneration Report.

This director's report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors.

The Directors' Report has been issued following a resolution of the Directors pursuant to Section 298(2)(a) of the Corporations Act 2001.


Nicholas Smedley
Non-Executive Chairman

Dated this 30th day of September 2025

Melbourne, Australia

To the Board of Directors,

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

As lead audit director for the audit of the financial statements of Adneo Limited and its controlled entities for the year ended 30 June 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 audit; and
- any applicable code of professional conduct in relation to the audit.

Yours Faithfully

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD



CHRIS NICOLOFF FCA
Director

Dated this 30th day of September 2025
Perth, Western Australia

AdNeo Limited (formerly AD1 Holdings Limited)

ACN 123 129 162

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2025

	Note	2025 \$	2024 \$
Revenue			
Operating revenue	4	4,857,445	4,258,185
Other income	4	35,143	1,567,059
Interest income		981	1,575
Total revenue		4,893,569	5,826,819
		4,893,569	5,826,819
Expenses			
Employee benefits expense	5	(3,537,791)	(1,685,203)
Software development and other IT expense		(922,043)	(811,866)
Consulting and professional service expense		(1,650,377)	(935,368)
Advertising and marketing expense		(234,794)	(301,675)
Occupancy, utilities and office expense		(126,515)	(24,497)
Depreciation and amortisation expense	5	(2,403,360)	(1,718,304)
Travel expense		(9,881)	(88,906)
Asset impairment	11	(100,000)	(1,057,402)
Finance expenses	5	(820,605)	(492,768)
Other expense		(338,425)	(118,850)
Total expenses		(10,143,791)	(7,234,839)
Loss before income tax expense from continuing operations		(5,250,222)	(1,408,020)
Income tax benefit	7	-	95,497
Loss after income tax for the year		(5,250,222)	(1,312,523)
Other comprehensive income, net of tax			
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		47,598	(30,162)
Total comprehensive loss for the year		(5,202,624)	(1,342,685)
Loss per share			
Basic loss per share (cents)	6	(4.10)	(0.15)
Diluted loss per share (cents)	6	(4.10)	(0.15)

The accompanying notes form part of these financial statements.

AdNeo Limited (formerly AD1 Holdings Limited)

ACN 123 129 162

Consolidated Statement of Financial Position

As at 30 June 2025

	Note	2025 \$	2024 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	384,930	164,057
Trade and other receivables	9	376,093	1,204,851
TOTAL CURRENT ASSETS		761,023	1,368,908
NON-CURRENT ASSETS			
Property, plant and equipment	10	74,321	16,341
Right-of-use assets	10	26,226	-
Intangible assets	11	5,956,157	6,776,176
Other assets	24	150,000	-
TOTAL NON-CURRENT ASSETS		6,206,704	6,792,517
TOTAL ASSETS		6,967,727	8,161,425
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	2,640,366	1,879,852
Borrowings	25	3,757,297	3,586,175
Current tax liabilities		931,352	1,295,121
Lease liabilities		21,605	-
Employee benefits	13	194,055	134,328
Contract liabilities	26	975,591	1,064,017
Other liabilities	27	477,000	-
TOTAL CURRENT LIABILITIES		8,997,266	7,959,493
NON-CURRENT LIABILITIES			
Borrowings	25	86,484	-
Non-current tax liabilities		93,422	-
Lease liabilities		4,957	-
Employee benefits	13	30,401	24,937
TOTAL NON-CURRENT LIABILITIES		215,264	24,937
TOTAL LIABILITIES		9,212,530	7,984,430
NET ASSETS		(2,244,803)	176,995
EQUITY			
Issued capital	14	36,829,686	34,092,386
Reserves	15	1,734,749	3,330,520
Accumulated losses		(40,809,238)	(37,245,911)
TOTAL EQUITY		(2,244,803)	176,995

The accompanying notes form part of these financial statements.

AdNeo Limited (formerly AD1 Holdings Limited)

ACN 123 129 162

Consolidated Statement of Changes in Equity For the Year Ended 30 June 2025

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
Total comprehensive loss for the year	-	-	-	(5,250,222)	(5,250,222)
Prior year adjustments - R&D	-	-	-	(39,062)	(39,062)
Other movements	-	-	47,598	-	47,598
	34,092,386	3,392,624	(14,506)	(42,535,195)	(5,064,691)
<i>Transactions with Equity holders in their capacity as Equity holders</i>					
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)

The accompanying notes form part of these financial statements.

AdNeo Limited (formerly AD1 Holdings Limited)

ACN 123 129 162

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2025

2024

	Share Capital	Options Reserve	Foreign Translation Currency Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2023	33,663,769	4,867,011	(31,942)	(37,604,445)	894,393
Total comprehensive loss for the year	-	-	-	(1,312,523)	(1,312,523)
Other movements	-	-	(30,162)	-	(30,162)
	<u>33,663,769</u>	<u>4,867,011</u>	<u>(62,104)</u>	<u>(38,916,968)</u>	<u>(448,292)</u>
<i>Transactions with Equity holders in their capacity as Equity holders</i>					
Shares issued	428,617	-	-	-	428,617
Share-based payment expense	-	196,670	-	-	196,670
Options expired/forfeited	-	(1,671,057)	-	1,671,057	-
Balance at 30 June 2024	<u>34,092,386</u>	<u>3,392,624</u>	<u>(62,104)</u>	<u>(37,245,911)</u>	<u>176,995</u>

The accompanying notes form part of these financial statements.

AdNeo Limited (formerly AD1 Holdings Limited)

ACN 123 129 162

Consolidated Statement of Cash Flows
For the Year Ended 30 June 2025

	Note	2025 \$	2024 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		5,276,323	4,859,357
Payments to suppliers and employees (inclusive of GST)		(6,345,209)	(4,811,670)
Government grants and R&D claims		799,606	1,024,270
Income taxes paid		-	(7,836)
Interest received		1,886	1,575
Interest and other costs of finance paid		(261,692)	(158,577)
Net cash inflow/(outflow) from operating activities	20	(529,086)	907,119
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(1,363)	(2,349)
Payments for software development		(547,014)	(1,951,643)
Acquisition of OG (net of cash acquired)		(295,952)	-
Net cash inflow/(outflow) from investing activities		(844,329)	(1,953,992)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of shares and other equity securities		1,745,000	-
Loan and Borrowings		(50,000)	-
Capital raising costs		(77,728)	-
Transaction costs relating to loans and borrowings		(22,984)	-
Net cash inflow/(outflow) from financing activities		1,594,288	-
Net increase/(decrease) in cash and cash equivalents held		220,873	(1,046,873)
Cash and cash equivalents at beginning of year		164,057	1,210,930
Cash and cash equivalents at end of financial year	8	384,930	164,057

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2025

1 General information and basis of preparation

Corporate information

The financial statements cover AdNeo Limited (formerly AD1 Holdings Limited) (the “Company”) and its controlled entity (together referred to as, we, us, our, AdNeo, Group) for the year ended 30 June 2025. The Company is a ‘for profit’ company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange (ASX).

The Group’s principal activities are providing and delivering of software services and technology platforms to its customers, and other related supporting and consulting services.

Significant changes in the current reporting period

There were no significant changes on the entities in the Group during the financial year.

Basis of Preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. The Group is a ‘for-profit’ entity for the purpose of preparing the financial statements.

Where necessary, comparative figures have been adjusted to comply with the changes in presentation in the current period.

(i) Compliance with IFRS

The financial statements of AdNeo comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) Historical cost convention

These financial statements have been prepared under the historical cost basis, except for the revaluation of certain financial instruments to fair value.

(iii) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Group operates (‘the functional currency’). The financial statements are presented in Australian dollars, which is the Group’s functional and presentation currency.

(iv) Principles of consolidation

These consolidated financial statements include the assets and liabilities of the Company and its controlled entity as at the end of the financial year.

An entity is a controlled entity where we are exposed, or have rights, to variable returns from our involvement with the entity and have the ability to affect those returns through our power to direct the activities of the entity. We consolidate the results of our controlled entity from the date on which we gain control until the date we cease control.

The acquisition method of accounting is used to account for business combinations by the Group - refer to note 3(d). Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. The financial statements of the controlled entity are prepared for the same reporting period as the Company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies.

Notes to the Financial Statements

For the Year Ended 30 June 2025

1 General information and basis of preparation (continued)

Going Concern Basis

During the year the Group incurred a loss of \$5,250,222 and had net cash outflows from operating activities of \$529,086. The financial position of the Group at 30 June 2025 shows an excess of current liabilities over current assets of \$8,236,243. Included in these liabilities are borrowings with Pure Asset Management (Note 25). Given the Group's net current liability position, equity deficiency and operating cash outflows, there is a material uncertainty as to the Group's ability to continue as a going concern, including its ability to pay its debt as and when they fall due.

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:

- As announced to the ASX on 18 August 2025, the Group completed an acquisition of the Learnt Global group and placement of \$5.65m. With this placement, the company has significantly reduced its debt obligations to Pure Asset Management by converting \$1.5million of debt into equity at \$0.07 cents per share, and repaying \$1.5million of the debt in cash received from the placement funds.
- Post acquisition of the Learnt Group, the Group is actively undertaking new cost synergies for the larger group.
- The Group has prepared budget and cash flow forecast for the next 12 months from the date of this report which indicate the Group will have a positive cash balance during this period. The cash flow forecasts do not require further capital raising over the next 12 months.
- 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.

The Directors consider there is a reasonable basis that the above can be achieved. Accordingly, the financial statements have been prepared on a going concern basis which assumes that the Group will realise its assets and extinguish its liabilities in the normal course of business. 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.

2 New and amended standards and interpretations

(a) New and amended standards adopted by the group

The Consolidated entity has adopted all of the new, revised or amending Accounting standards and Interpretation issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

(b) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2025 reporting periods and have not been early adopted by the Group. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New standards, amendments and interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Group's financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2025

3 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 is recognised over time based on the level of effort involved. Around 80% of the revenue is recognised in the first four months, reflecting the greater effort required to set up and start the program. The remaining revenue is recognised as the program continues, with less effort needed during the ongoing delivery phase.

Digital marketing services relates to promotion of employer jobs and other marketing campaigns advertised on AdNeo websites. Revenue is recognised on a monthly basis over the campaign or service period.

Notes to the Financial Statements

For the Year Ended 30 June 2025

3 Material accounting policies (continued)

(a) Revenue from contracts with customers (continued)

(ii) 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.

Notes to the Financial Statements

For the Year Ended 30 June 2025

3 Material accounting policies (continued)

(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(a) for details about amortisation methods used by the Group for intangible assets.

Notes to the Financial Statements

For the Year Ended 30 June 2025

3 Material accounting policies (continued)

(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.

Notes to the Financial Statements

For the Year Ended 30 June 2025

3 Material accounting policies (continued)

(j) Critical accounting estimates and assumptions (continued)

(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.

Notes to the Financial Statements

For the Year Ended 30 June 2025

4 Revenue and Other Income

Revenue from contracts with customers

(a) Disaggregation of revenue from contracts with customers:

	2025	2024
	\$	\$
<i>Rendering of services disaggregation:</i>		
Managed services (including SaaS and business process outsourcing)	2,557,829	3,379,682
IT Development and Consulting	181,813	332,181
Managed services (USA)	892,206	495,053
IT Development and Consulting (USA)	23,217	51,269
Professional services	1,202,380	-
	<u>4,857,445</u>	<u>4,258,185</u>
<i>Timing of revenue recognition</i>		
- At a point in time	2,168,268	2,499,179
- Over time	2,689,177	1,759,006
	<u>4,857,445</u>	<u>4,258,185</u>

(b) Information about major customers:

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

	2025	2024
	%	%
Blue NRG*	2	22
DLB*	4	-
NSW Premier's Department*	9	-

*Less than 10%

Other income

	2025	2024
	\$	\$
Research and development tax incentive	31,747	817,059
Other income	3,396	750,000
	<u>35,143</u>	<u>1,567,059</u>

Notes to the Financial Statements

For the Year Ended 30 June 2025

5 Expenses

Loss before income tax from continuing operations includes the following specific expenses:

	2025	2024
	\$	\$
Employee benefit expense		
Share-based payment	82,588	196,670
Salaries and wages	2,307,519	912,559
Superannuation	255,949	329,299
Other employee related expenses	891,735	246,675
	3,537,791	1,685,203
Depreciation and amortisation expense		
Depreciation of right-of-use assets	14,124	-
Depreciation of other property, plant and equipment	45,012	25,807
Amortisation of intangible assets	2,344,224	1,692,497
	2,403,360	1,718,304
Finance expense		
Interest expense on lease liability	-	-
Other interest expenses	820,605	492,768
	820,605	492,768

6 Loss per Share

	2025	2024
	Cents	Cents
Basic loss per share	(4.10)	(0.15)
Diluted loss per share	(4.10)	(0.15)
Loss attributable to the ordinary equity holders of the Group used in calculating basic and diluted earnings per share	(5,250,222)	(1,312,523)
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share	128,130,766	857,504,886

The loss per share for 2024 being disclosed has been restated to reflect the 1:10 consolidation that took place on 14 November 2024, following approval at the Company's extraordinary general meeting held on 4 November 2024, in accordance with AASB 133 Earnings per Share.

Notes to the Financial Statements

For the Year Ended 30 June 2025

7 Income Tax Expense

(a) Income tax expense

	2025	2024
	\$	\$
Current tax	-	-
Adjustments for prior period(s)	-	(95,497)
Deferred tax expense/(credit)	-	-
	<u>-</u>	<u>(95,497)</u>

(b) Numerical reconciliation of income tax expense to prima facie tax payable

	2025	2024
	\$	\$
Loss from continuing operations before income tax expense	(5,250,222)	(1,408,020)
Tax at the Australian tax rate of 25.0% (2024: 25.0%)	25.00 %	25.00 %
	<u>(1,312,556)</u>	<u>(352,005)</u>
<i>Tax effect of amounts which are not deductible (taxable) in calculating taxable income:</i>		
Non-assessable R&D rebate	(194,901)	(245,292)
Non-allowable expenses	116,760	442,491
Tax losses and other timing differences for which no DTA is recognised	1,390,697	154,806
Income tax expense	<u>-</u>	<u>-</u>

(c) Unrecognised deferred tax assets and liabilities

Deferred taxes arising from temporary differences and unused tax losses calculated at a tax rate of 25% (2024: 25%) disclosed in the table below have not been recognised given the recognition requirements of AASB 112 and the fact the Group has not previously generated taxable income.

	2025	2024
	\$	\$
<i>Deferred tax assets not recognised at the reporting date</i>		
Unused tax losses and other timing differences	31,270,525	27,246,896
- Opening balance	6,811,724	6,837,503
Potential tax benefit at 25% (2024: 25%)	<u>7,817,631</u>	<u>6,811,724</u>

8 Cash and Cash Equivalents

	2025	2024
	\$	\$
Cash at bank	384,930	164,057
	<u>384,930</u>	<u>164,057</u>

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Notes to the Financial Statements For the Year Ended 30 June 2025

9 Trade and other receivables

	2025	2024
	\$	\$
CURRENT		
Trade receivables	257,211	271,247
Provision for impairment	(5,095)	-
Accrued revenue	-	5,278
Prepayments	94,673	121,407
R&D tax claim receivable	-	806,919
Other receivables	29,304	-
	376,093	1,204,851

All amounts are short term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

Allowance for expected credit losses

Note 22(b) includes disclosures relating to the credit risks exposures and analysis relating to the allowance for expected credit losses.

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Notes to the Financial Statements For the Year Ended 30 June 2025

10 Property, plant and equipment & Right-of-use asset

	Office furniture and equipment \$	Right-of-use asset \$	Total \$
As at 30 June 2023			
Cost	197,176	125,056	322,232
Accumulated depreciation	(155,477)	(125,056)	(280,533)
Net book value	41,699	-	41,699
<i>Movements:</i>			
Opening net book value	41,699	-	41,699
Additions	450	-	450
Disposals	(18,415)	-	(18,415)
Depreciation charge	(7,393)	-	(7,393)
Closing net book value	16,341	-	16,341
As at 30 June 2024			
Cost	179,210	-	179,210
Accumulated depreciation	(162,869)	-	(162,869)
Net book value	16,341	-	16,341
<i>Movements:</i>			
Opening net book value	16,341	-	16,341
Assets acquired from acquisition	101,629	-	101,629
Additions	1,363	40,350	41,713
Disposals	(10,815)	-	(10,815)
Depreciation charge	(34,197)	(14,124)	(48,321)
Closing net book value	74,321	26,226	100,547
As at 30 June 2025			
Cost	169,757	40,350	210,107
Accumulated depreciation	(95,436)	(14,124)	(109,560)
Net book value	74,321	26,226	100,547

Notes to the Financial Statements

For the Year Ended 30 June 2025

11 Intangible Assets

(a) Intangible assets

	Goodwill	Software and licenses	Customer contracts	Brand	Customer Relationships	Total
	\$	\$	\$	\$	\$	\$
As at 30 June 2023						
Cost	3,953,191	8,864,053	548,588	-	-	13,365,832
Accumulated amortisation	(1,695,139)	(4,550,328)	(255,477)	-	-	(6,500,944)
Net book value	2,258,052	4,313,725	293,111	-	-	6,864,888
<i>Movements:</i>						
Opening net book value	2,258,052	4,573,072	293,141	-	-	7,124,265
Additions	-	2,401,810	-	-	-	2,401,810
Amortisation	-	(1,603,755)	(88,742)	-	-	(1,692,497)
Impairment charge	-	(1,057,402)	-	-	-	(1,057,402)
Closing net book value	2,258,052	4,313,725	204,399	-	-	6,776,176
As at 30 June 2024						
Cost	3,953,191	8,864,053	548,588	-	-	13,365,832
Accumulated amortisation/impairment	(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
<i>Movements:</i>						
Opening net book value	2,258,052	4,313,725	204,399	-	-	6,776,176
Additions	-	547,014	-	443,000	45,000	1,035,014
Acquisitions via business combinations (Note 30)	582,086	7,105	-	-	-	589,191
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

Notes to the Financial Statements

For the Year Ended 30 June 2025

11 Intangible Assets (continued)

(a) Intangible assets (continued)

(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: 3-5 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:

- Discount rate is the weighted average cost of capital (WACC) for the group, estimated at 23% per annum.
- Revenue growth rate of 8% per annum from FY26 to FY30. Budgeted growth beyond FY26 is based on cumulative past performance and management's expectations of market development, customer retention and new opportunities.
- Overheads percentage of revenue rate to average of 94% per annum from FY26 to FY30.
- 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 carrying amount of goodwill exceed its recoverable amount giving rise to a \$100k impairment expense as at 30 June 2025.

Notes to the Financial Statements

For the Year Ended 30 June 2025

11 Intangible Assets (continued)

(a) Intangible assets (continued)

OG:

- Discount rate of 8% per annum has been applied, reflecting the risks specific to this CGU.
- Revenue growth rate of 13% per annum from FY26 to FY30, based on a conservative assessment of achievable performance.
- FY25 was a transition year for OG following its integration into the AdNeo consolidated group. The CGU is not expected to incur significant additional overheads, as these are largely absorbed by the corporate entity.
- A growth rate of 10% has been applied in the model, which is more conservative than assumptions used in the group's operating budget.

OG operates as a service-based business dependent on human capital. Revenue can scale while maintaining consistent gross margins, supporting the value in use outcome.

12 Trade and other payables

	2025	2024
	\$	\$
CURRENT		
Trade payables	1,278,181	1,370,847
Accrued expense	533,509	210,165
Other payables	828,676	298,840
	2,640,366	1,879,852

Information on the liquidity risk management is presented in Note 24(c).

13 Employee benefit obligations

	2025	2024
	\$	\$
Current		
Annual leave	194,055	134,328
Non-current		
Long service leave	30,401	24,937

Amounts not expected to be settled within the next 12 months

The current provision for annual leave includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire balance is presented as current, since the Group does not have an unconditional right to defer settlement. However, based on past experience, the Group does not expect all employees to take the full amount of accrued annual leave or require payment within the next 12 months. The amount of annual leave balance that is not expected to be taken or paid within the next 12 months is \$137,779 (2024: \$95,373).

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Notes to the Financial Statements For the Year Ended 30 June 2025

14 Share capital

(a) Ordinary shares

	2025 No.	2025 \$	2024 No.	2024 \$
Ordinary shares - fully paid	146,406,946	36,829,686	898,648,377	34,092,386

Ordinary shares participate in dividends and the proceeds on winding up of the Group in proportion to the number of shares held. At shareholder meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands. The ordinary shares have no par value.

(b) Movements in ordinary share capital

	Number of shares	\$
As at 30 June 2023	812,925,053	33,663,769
Issue of new ordinary shares - 29 Dec placement	39,723,324	198,617
Issue of new ordinary shares - 30 Nov placement	6,000,000	30,000
Issue of new ordinary shares - 30 Nov placement	40,000,000	200,000
As at 30 June 2024	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/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)
Closing balance	<u>146,406,946</u>	<u>36,829,686</u>

Notes to the Financial Statements

For the Year Ended 30 June 2025

14 Share capital (continued)

(b) Movements in ordinary share capital (continued)

During the year-ended 30 June 2025 the Company issued the following securities:

Date	Details	No. of Shares	Issue Price \$	Amount \$
2024				
29 Dec 2023	Issue of new ordinary shares under Placement	39,723,324	0.005	198,617
30 Nov 2023	Issue of new ordinary shares under Placement	6,000,000	0.005	30,000
30 Nov 2023	Issue of new ordinary shares under Placement	40,000,000	0.005	200,000
		<u>85,723,324</u>		<u>428,617</u>
2025				
31 Dec 2024	Issue of new ordinary shares under Placement (Acquisition of OG)	4,872,108	0.0821	400,000
04 Dec 2024	Issue of new ordinary shares under Placement	22,800,000	0.0500	1,140,000
04 Dec 2024	Issue of new ordinary shares under Placement	9,000,000	0.0500	450,000
14 Nov 2024	Movement due to Consolidation of Shares	(987,613,539)		
13 Aug 2024	Issue of new ordinary shares under Placement	198,700,000	0.0050	993,500
		<u>(752,241,431)</u>		<u>2,983,500</u>

15 Reserves

(a) Options reserve

	2025 No.	2025 \$	2024 No.	2024 \$
Options				
Options over ordinary shares	<u>10,733,333</u>	<u>1,749,255</u>	213,333,333	3,392,624
FX Reserve				
Balance at beginning of the year	-	(62,104)	-	(31,942)
Foreign currency translation reserve	-	47,598	-	(30,162)
Balance at end of the year	<u>-</u>	<u>(14,506)</u>	<u>-</u>	<u>(62,104)</u>
Total Reserves	<u>10,733,333</u>	<u>1,734,749</u>	<u>213,333,333</u>	<u>3,330,520</u>

The options reserve is used to recognise:

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

Notes to the Financial Statements

For the Year Ended 30 June 2025

15 Reserves (continued)

(b) Movements in options reserve

	Number of options	\$
As at 30 June 2023	299,633,333	4,867,011
Share-based payment expense	-	196,670
Options forfeited/expired	(86,300,000)	(1,671,057)
As at 30 June 2024	213,333,333	3,392,624
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	-	53,637
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	1,749,255

Date	Details	No. of options	Amount \$
2024			
30 Jun 2024	Options forfeited	(86,300,000)	(1,671,057)
30 Jun 2024	Share-based payment expense		196,670
		(86,300,000)	(1,474,387)
2025			
12 May 2025	Options forfeited	(38,000,000)	(1,798,406)
05 May 2025	Options issued	2,400,000	82,588
31 Dec 2024	Share-based payments expense		53,636
04 Dec 2024	Options issued	25,000,000	18,812
		(10,600,000)	(1,643,370)

(c) Outstanding options

Grant date	Expiry date	Exercise price	No. of options	Consolidation	No. of options
24 Dec 2021	17 Dec 2025	\$0.060	83,333,333	0.1	8,333,333
05 May 2025	05 May 2027	-	2,400,000	-	2,400,000
					10,733,333

16 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.

Notes to the Financial Statements

For the Year Ended 30 June 2025

16 Share-based Payments (continued)

(a) Movement in share options during the year

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

	2025 No. of options	2025 Average exercise price \$	2024 No. of options	2024 Average exercise price \$
Outstanding at the beginning of the year	213,333,333	0.16	299,633,333	0.16
Consolidation/Split of options (14 Nov 2024)	21,333,333	0.16	-	-
Granted	27,400,000	0.21	-	-
Forfeited/expired/cancelled	(38,000,000)	0.16	(86,300,000)	0.16
Outstanding at year-end	10,733,333	0.16	213,333,333	0.16

(b) Fair value of options granted

The assessed fair value of options granted at grant date was determined using the black-scholes 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 at grant date
5 May 2025	5 May 2027	-	2,400,000	0.05	Nil	31%	3.55%	120,000
4 Dec 2024	4 Dec 2029	0.15	12,500,000	0.15	Nil	104%	1.32%	542,195
4 Dec 2024	4 Dec 2029	0.30	12,500,000	0.15	Nil	104%	1.32%	475,720

(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:

	2025 \$	2024 \$
Expense from options granted in current year	82,588	-
Expense from options granted in prior year	53,636	196,670
Reversal of expense from options expired/forfeited in current year	(1,779,594)	-
Total	(1,643,370)	196,670

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17 Investments in controlled entities

The Group's principal subsidiaries at 30 June 2025 are set out below. Unless otherwise stated, it has share capital consisting solely of ordinary shares that is 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.

	Principal place of business / Country of Incorporation	Percentage Owned (%)* 2025	Percentage Owned (%)* 2024
<u>Parent Entity</u>			
AdNeo Limited (formerly AD1 Holdings Limited)	Australia	-	-
<u>Controlled entity</u>			
Art of Mentoring Holdings Pty Ltd	Australia	100	100
Art of Mentoring Pty Ltd	Australia	100	100
Art of Mentoring Inc.	USA	100	100
Oliver Grace Pty Ltd	Australia	100	-
Utility Software Services Pty Ltd	Australia	100	100

18 Key Management Personnel Remuneration

Below are the key management personnel compensation included within employee benefit expense for the year:

	2025	2024
	\$	\$
Short-term employee benefits	632,040	682,081
Long-term employee benefits	-	7,682
Post-employment benefits	25,108	50,209
Share-based payments	-	196,670
	657,148	936,642

Notes to the Financial Statements

For the Year Ended 30 June 2025

19 Related Party Transactions

The Group's related parties comprise of subsidiaries and key management personnel.

Disclosures relating to key management personnel are set out in the remuneration report. Transactions between the parent company and its subsidiaries are eliminated on consolidation and are not disclosed in this note.

Other transactions with related parties

The Group had the following transactions with Blue NRG, of which Michael Norster is a Director. Additional services were received from More Investment and Capital Heights, of which Nicholas Smedley is a Director.

	2025	2024
	\$	\$
Revenue from contract with customer (Blue NRG)	188,897	937,002
Payment for electricity supplied (Blue NRG)	-	967
Receivables for services rendered (Blue NRG)	983	59,156
Payables for M&A and corporate advisory services (More Investment & Capital Heights)	171,600	146,367
Directors loans	100,000	-
Payment for sub-lease	19,759	-
Total	481,239	1,143,492

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

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20 Cash Flow Information

	2025	2024
	\$	\$
Net loss for the year	(5,150,222)	(1,312,523)
Non-cash flows in profit:		
- depreciation and amortisation	2,403,360	1,718,300
- impairment	-	1,057,402
- share-based payments expense	82,588	196,670
- net exchange differences	-	(30,166)
- interest expense	597,585	-
- Other non-cash item changes	(6,105)	(19,643)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	828,758	1,157,330
- (increase)/decrease in other current assets	(697,014)	85,002
- increase/(decrease) in trade and other payables	760,517	(527,671)
- increase/(decrease) in contract liability	(88,426)	(906,948)
- increase/(decrease) in lease liability	26,562	-
- increase/(decrease) in provisions	65,189	(302,630)
- increase/(decrease) in other current liabilities	477,000	(208,004)
- increase/(decrease) in borrowings	171,122	-
Cashflows from operations	(529,086)	907,119

Notes to the Financial Statements

For the Year Ended 30 June 2025

21 Parent entity

(a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	2025	2024
	\$	\$
Consolidated Statement of Financial Position		
Assets		
Current assets	339,104	1,227,008
Non-current assets	1,323,352	7,924,084
Total Assets	1,662,456	9,151,092
Liabilities		
Current liabilities	(3,886,607)	(5,222,188)
Non-current liabilities	(20,658)	(15,517)
Total Liabilities	(3,907,265)	(5,237,705)
Equity		
Share capital	36,843,186	33,893,770
Accumulated losses	(42,553,066)	(34,067,783)
Options reserve	3,465,072	4,087,400
Total Equity	(2,244,808)	3,913,387
Consolidated Statement of Profit or Loss and Other Comprehensive Income		
Loss after income tax	(378,351)	2,977,693
Total comprehensive loss	(378,351)	2,977,693

The net assets of the parent entity exceed those of the consolidated group, primarily due to the elimination of the parent's investment in its subsidiaries during the consolidation process. In accordance with AASB 10 Consolidated Financial Statements, when preparing consolidated financial statements, the carrying amount of the parent entity's investment in subsidiaries is eliminated against the parent's proportionate share of the net assets of those subsidiaries.

This accounting treatment reflects the economic substance of the group as a single entity, removing intra group balances and investments to avoid double counting. As a result, the consolidated net asset position is lower than that of the parent entity on a standalone basis.

Following this process, an implied impairment of \$4.379 million has been recognised. This impairment reflects the value of the underlying investment in the subsidiaries, based on their consolidated financial position, and ensures that the parent entity's financial statements accurately reflect the recoverable amount of its investment.

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21 Parent entity (continued)

(b) Determining the parent entity financial information

The financial information for the parent entity has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries

Investments in subsidiaries are accounted for at cost in the financial statements of AdNeo Limited (formerly AD1 Holdings Limited).

(ii) Tax consolidation legislation

AdNeo Limited (formerly AD1 Holdings Limited) and its wholly-owned Australian controlled entity have implemented a tax consolidation legislation. The parent entity, AdNeo Limited, and the controlled entity within the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, AdNeo Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

The entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate the parent entity for any current tax payable assumed and are compensated by the parent entity for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to the parent entity under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as current amounts receivable from or payable to other entities in the Group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

(iii) Commitments and contingencies of the parent entity

The parent entity did not have any contingent liabilities or commitments as at 30 June 2025 (2024: nil).

22 Financial Risk Management

The Group's activities expose it to various types of risk that are associated with the financial instruments and markets in which it invests. The most important types of financial risk to which the Group is exposed to are market risk, credit risk and liquidity risk. The exposure to each of these risks, as well as the Group's policies and processes for managing these risks, are described below.

Notes to the Financial Statements

For the Year Ended 30 June 2025

22 Financial Risk Management (continued)

(a) Market risk

The Group's strategy on the management of investment risk is driven by the Group's investment objective. The Group's market risk is managed by the Chief Executive Officer and overseen by the Board.

(i) Currency risk

The Group is exposed to currency risk arising from financial assets and liabilities of its subsidiary operating in the US. The parent entity is not exposed to material currency risk as it does not hold any foreign currency cash reserves and all material transactions are denominated in Australian dollars.

The carrying amount of the foreign currency denominated monetary assets and liabilities at the reporting date is as follows, all amounts in the table below are displayed in \$AUD at year-end spot rates:

	2025
	\$
USD	
Cash and trade and other receivables	70,017
Trade and other payables	(54,493)

Sensitivity of profit or loss to movements in currency interest rates for instruments with cash flow risk:

	2025
	\$
Currency interest rates charged by $\pm$ 50 basis points	$\pm$ (5,388)

(ii) Interest rate risk

The Group is exposed to interest rate risk via the cash and cash equivalents and borrowings that it holds. Interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates. To reduce risk exposure, the Group ensures that cash and cash equivalents are placed in high credit quality financial institutions. The objective of managing interest rate risk is to minimise the Group's exposure to fluctuations in interest rate that might impact its interest revenue and cash flow.

The Group's exposure to interest rate risk and the weighted average interest rates on the Group's financial assets and financial liabilities are as follows:

	Fixed interest rate %	Fixed interest rate \$	Floating interest rate \$	Non- interest bearing \$	Total \$
2025					
<u>Financial assets</u>					
Cash at bank	-	-	384,930	-	384,930
Trade and other receivables	-	-	-	376,093	376,093
Other non-current assets	3.35	150,000	-	-	150,000

Notes to the Financial Statements

For the Year Ended 30 June 2025

22 Financial Risk Management (continued)

(ii) Interest rate risk (continued)

	Fixed interest rate %	Fixed interest rate \$	Floating interest rate \$	Non- interest bearing \$	Total \$
<i>Financial liabilities</i>					
Borrowings	9.95	(3,843,781)	-	-	(3,843,781)
Trade and other payables	-	-	-	(2,640,366)	(2,640,366)
Lease liabilities	13.95	(26,562)	-	-	(26,562)
Net position	-	(3,720,343)	384,930	(2,264,273)	(5,599,686)

2024

Financial assets

Cash at bank	-	-	164,057	-	164,057
Trade and other receivables	-	-	-	1,204,849	1,204,849
Other non-current assets	3.35	-	-	-	-

Financial liabilities

Borrowings	9.95	(3,586,175)	-	-	(3,586,175)
Trade and other payables	-	-	-	(1,879,851)	(1,879,851)
Net position	-	(3,586,175)	164,057	(675,002)	(4,097,120)

Sensitivity of profit or loss to movements in market interest rates for instruments with cash flow risk:

Market interest rates charged by ± 50 basis points **$\pm (18,602)$** $\pm (17,931)$

(iii) Price risk

The Group is not exposed to price risk arising from any financial assets or financial liabilities.

(b) Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to credit risk from financial assets including cash and cash equivalents held at banks, trade and other receivables.

	2025 \$	2024 \$
Cash at bank	384,930	164,057
Receivables	376,093	1,204,851
Maximum exposure to credit risk	761,023	1,368,908

Notes to the Financial Statements

For the Year Ended 30 June 2025

22 Financial Risk Management (continued)

(b) Credit risk (continued)

	Current	< 30 Days	30 Days	60 Days	90 Days & Older	Total
	\$	\$	\$	\$	\$	\$
Trade receivable aging						
AdNeo	25,762	-	-	-	-	25,762
AoM	4,455	4,114	-	-	-	8,569
AoM US	-	19,063	-	-	-	19,063
OG	102,997	37,664	42,356	11,724	9,075	203,816
Allowance for expected credit losses	-	-	-	-	(5,095)	(5,095)
	<u>133,214</u>	<u>60,841</u>	<u>42,356</u>	<u>11,724</u>	<u>3,980</u>	<u>252,115</u>

(i) Credit risk management

The credit risk in respect of cash at banks and deposits is managed by only having accounts with major reputable financial institutions.

The Group continuously monitors the credit quality of customers based on regular review of the debtors. Where available, external credit ratings and/or reports on customers are obtained and used. The Group's policy is to deal only with credit worthy counterparties. The credit terms range between 14 and 30 days. The credit terms for customers as negotiated with customers are subject to an approval process which forms part of the overall contract approval when signing up new customers. The ongoing credit risk is managed through regular review of ageing analysis, together with ongoing correspondences with customers.

Trade receivables consist of customers within one geographical area (Australia), across two major industries (public and utility sectors).

AdNeo Limited (formerly AD1 Holdings Limited)

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Notes to the Financial Statements For the Year Ended 30 June 2025

22 Financial Risk Management (continued)

(c) Liquidity risk

The Group monitors its exposure to liquidity risk by ensuring that there is sufficient cash on hand to meet the contractual obligations of financial liabilities as they fall due. Management monitors cash flows.

The maturity of financial liabilities at reporting date are shown below, based on the contractual terms of each liability in place at reporting date. The amounts disclosed are based on undiscounted cash flows.

	Interest rate %	Less than 12 months \$	1-5 years \$	Total contractual cash flows \$	Carrying amount of liabilities \$
2025					
<i>Financial liabilities</i>					
Borrowings	9.95	3,757,297	86,484	3,843,781	3,843,781
Trade and other payables		2,640,366	-	2,640,366	2,640,366
Lease liabilities	13.95	21,605	4,957	26,562	26,562
	-	6,419,268	91,441	6,510,709	6,510,709
2024					
<i>Financial liabilities</i>					
Borrowings	9.95	3,586,175	-	3,586,175	3,586,175
Trade and other payables	13.95	1,879,852	-	1,879,852	1,879,852
	-	5,466,027	-	5,466,027	5,466,027

23 Remuneration of auditors

This table below shows the total fees to the Group's external auditors, Hall Chadwick, split between audit and non-audit services.

	2025 \$	2024 \$
Remuneration of Company's auditor, Hall Chadwick (2024: PKF), for:		
- audit of financial statements	65,000	-
Remuneration of Company's auditor, PKF, for:		
- audit of financial statements	-	73,171
Total	65,000	73,171

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Notes to the Financial Statements For the Year Ended 30 June 2025

24 Other assets

	2025	2024
	\$	\$
NON-CURRENT		
Loan - Catapult Smallprint	150,000	-
	<u>150,000</u>	<u>-</u>

A \$150,000 loan was advanced to Catapult prior to its acquisition to support strategic cost reductions essential for integration.

25 Borrowings

	2025	2024
	\$	\$
CURRENT		
Convertible notes	3,757,297	3,586,175
Total current borrowings	<u>3,757,297</u>	<u>3,586,175</u>
	2025	2024
	\$	\$
NON-CURRENT		
Loan - KIA and Honda	86,484	-
Total non-current borrowings	<u>86,484</u>	<u>-</u>

The Company entered into a 4-year secured loan facility agreement for \$5 million at an interest rate of 9.95% per annum with 83,333,333 detached warrant shares which settled on 24 December 2021. The options were valued at \$1,666,667. On 14 November 2024, the detached warrant shares were stated to reflect the 1:10 consolidation, resulting in 8,333,333 shares post-consolidation.

In April 2025, Adneo Limited entered into a term sheet agreement with PURE Asset Management Pty Ltd to restructure its existing senior-secured debt and facilitate the acquisition of Learnt Global Pty Ltd. Under the agreement, PURE, acting as trustee for the PURE Income and Growth Fund, will convert A\$1.5 million of debt into equity at the lower of A\$0.07 per share or the price offered to Learnt's existing shareholders. Additionally, the repayment date for the remaining loan will be extended to 24 months after all conditions precedent are met, and all existing warrants held by PURE in Adneo will be cancelled.

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Notes to the Financial Statements For the Year Ended 30 June 2025

26 Contract Liabilities

	2025	2024
	\$	\$
CURRENT		
Unearned development revenue received in advance	188,993	88,167
Unearned subscription revenue paid in advance	786,598	975,850
	<u>975,591</u>	<u>1,064,017</u>

Unearned development revenue billed in advance is expected to be realised over the typical contract term of 12 to 24 months.

27 Other Liabilities

	2025	2024
	\$	\$
CURRENT		
Deferred Consideration - Cash Deferred Amount (discounted)	250,000	-
Deferred Consideration - Deferred Share Value (discounted)	227,000	-
	<u>477,000</u>	<u>-</u>

28 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2025 (30 June 2024:nil).

29 Events occurring after the reporting date

On 18 August 2025, the Company completed an acquisition of the Learnt Global Group, as announced to the ASX on 12 May 2025 ("Learnt Acquisition"), with an effective date of 15 August 2025. The Company also completed the placement of \$5.65 million, as approved by shareholders at the EGM. All funds have been received by the Company, and shares have been issued to the participants.

With this announcement, the Company has also significantly reduced its debt obligations with Pure Asset Management (PAM) by converting \$1.5 million of debt into equity at \$0.07 per share and by repaying \$1.5 million using funds from the Placement.

Notes to the Financial Statements

For the Year Ended 30 June 2025

30 Business combination

On 6 August 2024, AdNeo acquired 100% of the issued shares of Oliver Grace Pty Ltd ("OG"), a Melbourne-based marketing and digital product agency specialising in brand strategy, content creation, and user experience design. The acquisition aligns with AdNeo's strategic growth objectives in the technology and creative services sectors.

Financial effect of the acquisition

The results of OG have been included in the consolidated financial statements from the acquisition date. For the year ended 30 June 2025, OG contributed \$1.4m in revenue and \$36k in net profit before tax to the consolidated results of the Group.

Had the acquisition occurred on 1 July 2024, management estimates that consolidated revenue and loss before tax for the year ended 30 June 2025 would have been \$5.1m and \$5.5m, respectively. These amounts have been determined using OG's unaudited management accounts and assume the fair value adjustments at acquisition date had been applied from 1 July 2024.

Consideration transferred

The total fair value of consideration transferred was \$1.285 million, comprising:

Purchase consideration:

Cash paid	400,306
Completion Shares	400,000
Working capital adjustment	8,000
Deferred Consideration - Cash Deferred Amount (discounted)	250,000
Deferred Consideration - Deferred Share Value (discounted)	227,000
Contingent earn-out consideration ¹	-
Total purchase consideration	1,285,306

*Based on OG's historical and projected EBITDA performance, the contingent earn-out arrangement was assessed to have a 0% probability of being met and was therefore assigned a nil fair value.

Notes to the Financial Statements

For the Year Ended 30 June 2025

30 Business combination (continued)

Assets acquired and liabilities assumed

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

	2025 \$
Current assets	
Cash and cash equivalents	104,354
Trade and other receivables	157,454
Total current assets	<u>261,808</u>
Non-current assets	
Intangible assets	4,597
Property, plant and equipment	101,629
Other non-current assets	2,509
Total non-current assets	<u>108,735</u>
Total assets	<u>370,543</u>
Current liabilities	
Trade and other payables	116,240
Employee benefits	39,083
Total current liabilities	155,323
Non-current liabilities	
Borrowings	111,021
Total non-current liabilities	<u>111,021</u>
Total liabilities	<u>266,344</u>
 Net identifiable assets acquired	 215,220
Brand	443,000
Customer relationships (net of Deferred Tax Liability)	45,000
Goodwill	582,086
Total purchase consideration	<u>1,285,306</u>

The values assigned to identifiable intangible assets were determined by an independent expert using accepted valuation methodologies, including the relief-from-royalty method (brand) and the multi-period excess earnings method (customer relationships).

Goodwill represents the expected future economic benefits arising from synergies, assembled workforce, and new customer relationships that do not qualify for separate recognition under AASB 138 Intangible Assets. Goodwill is not amortised but is tested annually for impairment in accordance with AASB 136 Impairment of Assets.

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Consolidated Entity Disclosure Statement

As at 30 June 2025

Entity Name	Entity Type	Place found / Country of Incorporation	Ownership Interest %	Tax Residency
AdNeo Limited (formerly AD1 Holdings Limited)	Body corporate	Australia	100%	Australia*
Oliver Grace	Body corporate	Australia	100%	Australia*
Art of Mentoring Holdings Pty Ltd	Body corporate	Australia	100%	Australia*
Art of Mentoring Pty Ltd	Body corporate	Australia	100%	Australia*
Art of Mentoring Inc	Body corporate	USA	100%	USA
Utility Software Services Pty Ltd	Body corporate	Australia	100%	Australia*

* AdNeo Limited (formerly AD1 Holdings Limited) (the head entity) and its wholly owned Australian subsidiaries have formed an Income Tax Consolidated Group under tax consolidation regime.

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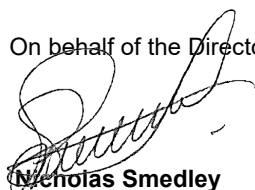
Directors' Declaration

The directors of the Company declare that:

1. the consolidated financial statements and notes, as set out on pages 14 to 48, and the remuneration disclosures that are contained within the Remuneration Report within the Directors' report, set out on pages 5 to 12, are in with the *Corporations Act 2001* and:
 - a. In the directors' opinion there are reasonable grounds to believe the company will be able to pay its debts as and when they become due and payable;
 - b. In the directors' opinion the financial statements and notes also comply with the International Financial Reporting Standards as disclosed in Note 1;
 - c. In the directors' opinion the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity; and
 - d. The directors have been given the declaration required by s295A of the *Corporations Act 2001*.
 - e. The information disclosed in the attached consolidated entity disclosure statement is true and correct.
3. 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 with the continuing support of creditors.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) *Corporations Act 2001*.

On behalf of the Directors



Nicholas Smedley

Non-Executive Chairman

Dated this 30th day of September 2025
Melbourne, Australia

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADNEO LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Adneo Limited ("the Company") and its subsidiaries ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the director's declaration.

In our opinion:

- a. the accompanying financial report of the Consolidated Entity is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2025 and of its financial performance for the year then ended; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Consolidated Entity 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 (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 \$ 5,250,222 during the year ended 30 June 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Carrying value of goodwill As disclosed in note 11 of the financial report, at 30 June 2025, the carrying value of goodwill totaled \$2,740,138 (30 June 2024: \$2,258,052). An annual impairment test for goodwill and other indefinite life intangibles is required under AASB 136 <i>Impairment of Assets</i>. Management's impairment assessment has been performed using a discounted cash flow model (Impairment Model) to estimate the value-in-use of each Cash-Generating Unit (CGU) to which these intangible assets have been allocated. The evaluation of the recoverable amount requires the Group to exercise significant judgement in determining key assumptions, which include: • 4-year cash flow forecast; • growth rate and terminal growth factor; • discount rate. During the period the Group recognised an impairment charge of \$100,000 in relation to goodwill We considered the valuation of goodwill to be a key audit matter due to the significance to the consolidated statement of financial position and the significant judgements involved in estimating discounted future cash flows.	Our procedures included, but were not limited to, assessing and challenging: • the appropriateness of Management's determination of distinct CGUs to which goodwill is allocated. • the reasonableness of the FY2026 budget approved by the Directors, comparing to current actual results and considering trends, strategies and outlooks. • the testing of inputs used in the Impairment Model, including the approved FY2026 budget. • the determination of the discount rate applied in the Impairment Model, comparing to available industry data. • the short to medium term growth rates applied in the forecast cash flow, considering historical results and available industry data. • Management's sensitivity analysis around the key drivers of the cash flow projections. • our sensitivity testing to understand the impact of changing key assumptions with respect to each distinct CGUs recoverable amount. • the reasonableness of terminal growth rate assumption in use. • the appropriateness of the disclosures as set out in note 11.
Capitalised Software Development Costs As disclosed in Note 11 of the financial report, at 30 June 2025 the Group had capitalised software	Our procedures included, but were not limited to, the following:

Key Audit Matter	How our audit addressed the Key Audit Matter
and licenses of \$2,612,363 (30 June 2024: \$4,313,725). These assets make up 37% of the Group's total non-current assets. The Group capitalises costs incurred in the development of its internally generated software. These costs are then amortised over the estimated useful life of the software. Internally developed software includes staff, contractor, and vendor costs. The Group's process for calculating the value of staff costs capitalised involves judgement as it includes estimating time staff spend developing software and determining the value attributable to that time. The Group is also required to assess the carrying value of these intangible assets in line with AASB 136 <i>Impairment of Assets</i> whenever there is an indication that they may be impaired. Capitalised software development costs is a key audit matter due to the material carrying value of the intangible assets and the level of judgement applied in estimating time spent in relation to developing software.	• assessing the nature of projects and activities against the requirements of AASB 138 Intangible Assets to determine if they were consistent with accounting standards. • for capitalised costs relating to contractors and vendors, tested amounts capitalised to third party documentation on a sample basis. • for capitalised costs relating to staff time: assessed the procedures used to determine the percentage of staff time spent on software projects and, for a sample of employees, the resulting percentages. • tested gross remuneration used in capitalisation calculations based on underlying employee records. • Compared costs capitalised in the year to those capitalised in the previous year to determine if changes aligned with our knowledge of project developments. • considered whether any indicators of impairment existed that may require the assets to be impaired. • assessed the reasonableness of amortisation periods in relation to the expected useful life of the assets. • reviewed the adequacy of disclosures in the financial report.
Business Combinations As disclosed in Note 30 of the financial statements during the year, the Group acquired Oliver Grace Pty Ltd. The acquisition constituted a business combination in accordance with <i>AASB 3 Business Combinations</i>. Accounting for business combinations constituted a key audit matter due to the size and scope of the acquisitions, and the complexities inherent in such transactions.	Our audit procedures included, but were not limited to: • Reviewing the acquisition agreements to understand the key terms and conditions of the transactions; • Assessing the fair value of the consideration transferred with reference to the terms of the acquisition agreements; • Verifying the acquisition date assets and liabilities acquired to underlying supporting documentation; • Assessing the basis for the purchase price

Key Audit Matter	How our audit addressed the Key Audit Matter
	allocation, including key inputs and assumptions; and Assessing the appropriateness of the disclosures included in Note 30 of the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the remuneration report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the Consolidated Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Company, for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.



HALL CHADWICK WA AUDIT PTY LTD



CHRIS NICOLOFF FCA
Director

Dated this 30th day of September 2025
Perth, Western Australia

Additional Information for Listed Public Companies

30 June 2025

SHAREHOLDERS INFORMATION as at 29 September 2025

A. Distribution of equity securities

Analysis numbers of ordinary shareholders by size of holding:

Holding	Securities	%	No. of holders	%
100,001 and over	371,086,716	97.52	172	21.97
10,001 to 100,000	8,295,089	2.18	215	27.46
5,001 to 10,000	596,858	0.16	78	9.96
1,001 to 5,000	497,203	0.13	194	24.78
1 to 1,000	62,140	0.02	124	15.84
	380,538,006	100.00	783	100.00
Unmarketable Parcels	1,665,259	0.55	438	57.03

B. Equity security holders

Twenty largest quoted equity security holders

The Group's 20 largest equity securities holders of quoted equity securities are listed below:

Security holder	Ordinary shares held	% of total shares issued
MORE CAPITAL HOLDINGS PTY LTD	50,208,369	13.19%
BOND STREET CUSTODIANS LIMITED	36,800,000	9.67%
JP MORGAN NOMINEES AUSTRALIA	34,897,321	9.17%
YARRIC HOLDINGS PTY LTD	25,511,647	6.70%
POTENTATE INVESTMENTS PTY LTD	22,334,803	5.87%
DEMPSEY CAPITAL PTY LTD	13,114,468	3.45%
YARRIC HOLDINGS PTY LTD	11,111,111	2.92%
AEQUUS PTY LIMITED	9,049,991	2.38%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	8,263,632	2.17%
JACK YETIV	8,000,000	2.10%
BECHM HOLDINGS PTY LTD	5,917,534	1.56%
BNP PARIBAS NOMINEES PTY LTD	5,425,594	1.43%
DMX CAPITAL PARTNERS LIMITED	5,333,333	1.40%
AB WASHINGTON HOLDINGS PTY LTD	5,111,111	1.34%
KLI PTY LTD	5,100,000	1.34%
DIXSON TRUST PTY LIMITED	4,081,108	1.07%
POTENTATE INVESTMENTS PTY LTD	3,835,748	1.01%
CLOSSIE PTY LTD	3,811,294	1.00%
DEMPSEY CAPITAL PTY LTD	3,733,295	0.98%
RITTENHOUSE SQUARE INVESTMENTS PTY LTD	3,341,055	0.88%

Additional Information for Listed Public Companies

30 June 2025

Substantial holders

The Group's substantial equity securities holders of quoted equity securities are listed below:

Security holder	Number held	Percentage of issued shares (%)
MICHAEL NORSTER AND ASSOCIATES	20,935,408	23.30%
NICHOLAS SMEDLEY AND ASSOCIATES	15,603,712	17.37%
PURE ASSET MANAGEMENT PTY LTD	13,468,750	10.16%
Salter Brothers Emerging Companies Limited	36,700,000	9.64%
Yarrick Holdings Pty Ltd	36,622,758	9.62%

Unlisted options - 99,096,663 held by 60 holders

C. Shareholder enquiries

Shareholders with enquiries about their shareholdings should contact the share registry:

MUFG Corporate Markets (AU) Limited

Liberty Place, Level 41, 161 Castlereagh Street Sydney NSW 2000

Telephone: +61 2 8280 7001

D. Change of address, change of name, consolidation of shareholdings

Shareholders should contact the share registry to obtain details of the procedure required for any of these changes.

E. Annual Report

Shareholders do not automatically receive a hardcopy of the Group's Annual Report unless they notify the share registry in writing. An electronic copy of the Annual Report can be viewed on the website www.adneo.com.au.

F. Tax file numbers

It is important that Australian resident shareholders, including children, have their tax file number of exemption details noted by the share registry.

G. CHESS (Clearing House Electronic Subregister System)

Shareholders wishing to move to uncertified holdings under the Australian Securities Exchange CHESS system should contact their stockbroker.

H. Uncertified share register

Shareholding statements are issued at the end of each month that there is a transaction that alters the balance of an individual/Group's holding.

Additional Information for Listed Public Companies

30 June 2025

CORPORATE DIRECTORY

Directors

Mr Nicholas Smedley - Non-Executive Chairman (Appointed 6 March 2020)
Mr Angus Washington - Managing Director & CEO (Appointed 26 February 2024)
Mr Ian Basser - Independent Non-Executive Director (Appointed 15 August 2025)
Mr Kevin Lynch - Independent Non-Executive Director (Appointed 15 August 2025)

Company Secretaries

Justin Mouchacca

Registered office and principal place of business

Level 4, Office 7
90 William Street
Melbourne 3000
03 8199 0455

Share and debenture register

MUFG Corporate Markets (AU) Limited
Liberty Place, Level 41, 161 Castlereagh Street Sydney NSW 2000
+61 2 8280 7001

Auditor

Hall Chadwick WA Audit Pty Ltd
283 Rokeby Rd
Subiaco WA 6008

Solicitors

Gadens Lawyers
Level 13, Collins Arch
447 Collins Street
Melbourne VIC 3000

Websites

www.adneo.com.au
www.artofmentoring.net
www.olivergrace.com.au