AdNeo

Identify potential, maximise value.

ASX Announcement - AdNeo Limited (ASX: AD1)

30 October 2026

Q1 FY27 Delivering Progress Across AdNeo

Quarterly Activities Report and Appendix 4C · Quarter Ended 30 Sept 2026

AdNeo Limited (ASX:AD1) ('AD1' or the 'Company') provides its quarterly activities report and Appendix 4C for the quarter ended 30 September 2026. Q1 FY27 delivered cash flow and receipts from customers in line with management expectations. AdNeo also announced in August that it had received commitments for a placement and debt conversion with an aggregate value of approximately $1.5 million and implemented a significant cost out program.

Key Highlights

$2,033k	$1,332k	$543k
Q1 Customer Receipts	**Q1 Cost Saving annualised**	**Closing Cash**
+43.1% on PCP (Q1 FY26)	Reduction by 9.9 FTE, -$1m in wages	R&D plus T2 equity raise to land in Q2 FY27 est ~$800k

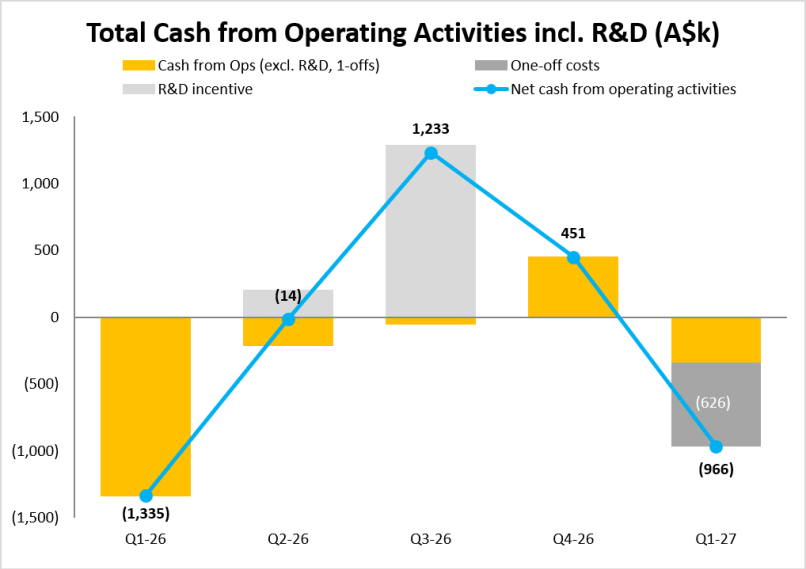
- **Operating cash flow for Q1 FY27 of -$966k** included a planned -$626k in one-off expenses and seasonality of receipts from one subsidiary (Art of Mentoring). Next quarter receipts are expected to be in line with comparable prior quarters and expenses reduced in line with cost reductions, as well as the receipt of R&D tax incentive (est $1.3m to $1.5m).
- **Cash receipts of $2,033k for Q1 FY27,** $612k above the prior comparable period Q1 FY26 (+43%) and -$890k (down -30%) compared to prior quarter Q4 FY26. Q1 FY26 includes Learnt only from 15 August 2025.
- **Public sector reach** - during the quarter AdNeo announced material customer wins with Queensland Human Rights Commission and TAFE SA contracts. A strong tenders pipeline of $6.1m has developed, with $0.7m contracts in delivery and $2m of new tenders under submission.
- **Cost discipline** delivered $1,332k in cost savings annualised, with the cash flow impact to be fully realised in Q2 and Q3 FY27. The value of the cost savings has increased from $1.5m to $2.1m.

Key Customer Wins

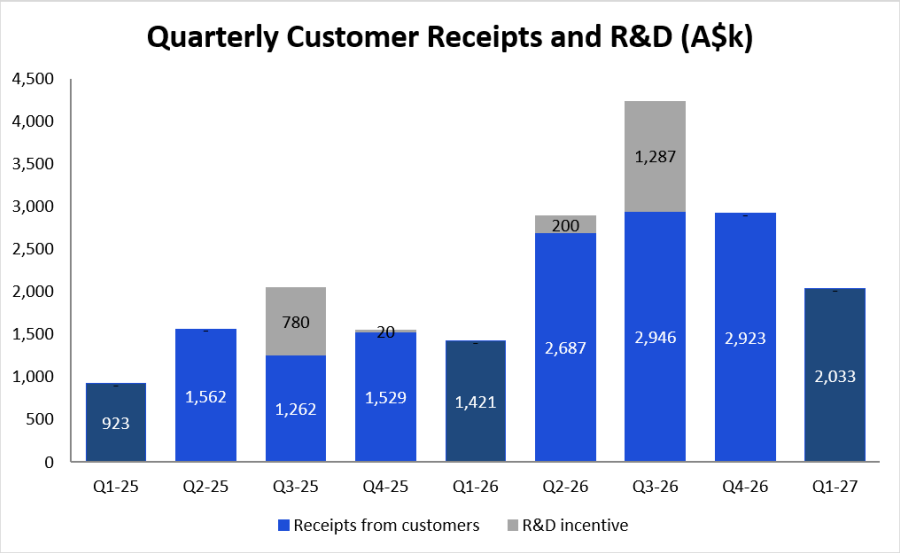
Cuttable AI leader in Marketing Ads. Firmable AI leaders in Sales Intelligence.	Queensland Human Rights Commission **Queensland Human Rights Commission** $187k eLearning contract announced on 7th July 2026; the second engagement with the Commission.	tafeSA Government of South Australia **TAFE SA** Brand-new customer win, extending AdNeo's presence in public vocational education.

Financial Performance

Net operating cash flow was -$966k for the quarter, an improvement of $369k from previous comparable period Q1 FY26. The quarter had forecasted material one-off costs of -$626k, which are not expected to recur. The company expects to deliver positive cash flows from Q2 FY27 driven by new material sales, positive seasonality, R&D and the full impact of the implemented cost savings plan, with a further $250k cash investment planned to occur in Q2 to deliver the full savings plan (as announced to ASX in Aug'26).



Customer receipts were $2,033k for Q1 FY27, $612k above the prior comparable period Q1 FY26 (+43%) and -$890k (down -30%) compared to prior quarter Q4 FY26. Q1 FY26 includes Learnt only from 15 August 2025. The quarterly cash receipts were impacted by three key factors: expected seasonality in the AoM business (circa -$400k); some delayed customer payments from Q1 to Q2 FY27 (circa -$200k); and a reduction in one-off contracts during the quarter (circa -$300k). AdNeo expects Q2 FY27 to offset the reduction in Q1 and be in line with historical trends. Total Company cash receipts for the cumulative **prior 12 months were $10,589k**, up 83% on the prior 12 months. This represents record customer receipts for AdNeo which was driven by product and market diversification, organic growth, ARR retention and the acquisition of Learnt Group, which was consolidated from the 15th August 2025.

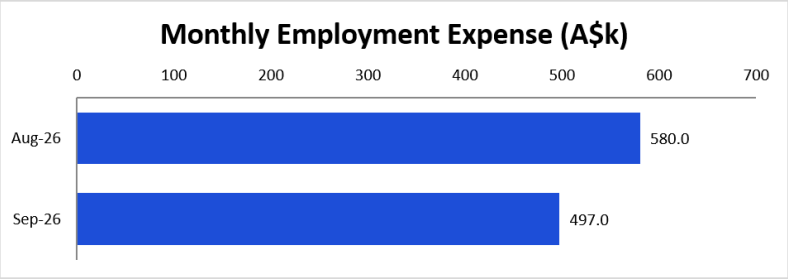


Cost Reductions Delivered

Completed Actions Are Building a Lower Operating Cost Base

The FY27 cost programme is now in execution. Management has completed the planned role reductions and implemented cloud-cost savings. The cost programme started in Aug'26 delivered $1,332k in cost savings annualised during the quarter, with the full cash flow impact benefit to be realised in Q2 and Q3 FY27.

The value of the cost savings pipeline has further increased from the previously announced $1.5m to $2.1m.



Employment expense is an accrual-based management measure. The $83k monthly reduction represents a 14.3% reduction in wages, with annualised value of $996k cost reduction.

What Has Been Achieved

PEOPLE	**A leaner structure:** completed role reductions across the Group, with further planned measures continuing into Q2.
TECHNOLOGY	**Cloud-cost optimisation:** infrastructure actions reduce ongoing expense while the Group continues to invest in its platforms and content.
EXECUTION	**Better operating discipline:** focus on recurring costs, delivery capacity and customer conversion as the benefits flow through.

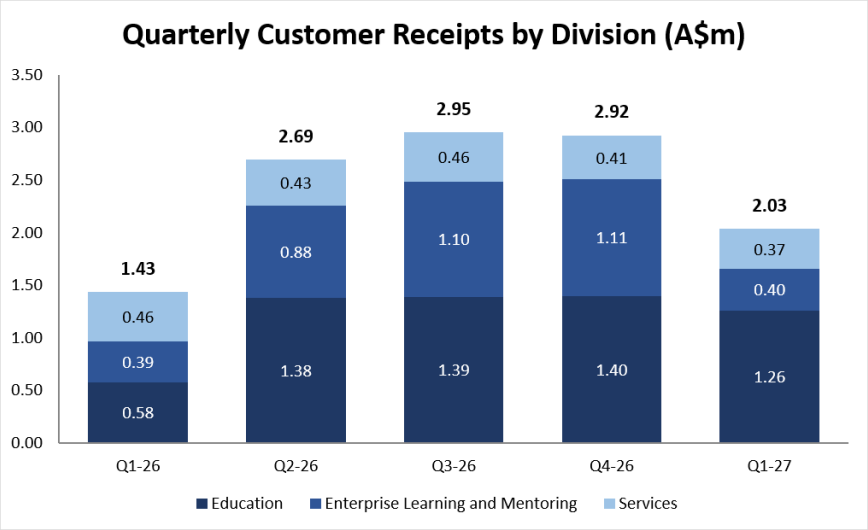
Cash Benefit Builds as Implementation Completes in Q2

Implementation and employee-entitlement payments affect near-term cash flow. The programme's annualised estimates describe prospective recurring benefits; they are distinct from savings realised in the quarter. The focus is on carrying completed actions through to a lower recurring cost base while maintaining customer delivery capacity. The company expects a further $250k cash investment in cost savings initiatives to occur in Q2 to deliver the full savings target of $2.1m.

Commercial Activity and Outlook

Performance by market vertical

In Q1, the Education division contributed $1.3m of customer receipts, Enterprise Learning and Mentoring contributed $0.4m, and Innovative Services contributed $0.4m.



Note: Education contribution in Q1 FY26 applies from 15 August 2025 upon the completion of the acquisition of Learnt Group.

The seasonal dip in Q1 for Enterprise receipts is driven by the Art of Mentoring business, which is historically seasonal in nature, with 13% of the yearly receipts received in Q1, and each following quarter representing 29%.

Customer Wins and Commercial Progress

Public-Sector Delivery and a Broader Route to Education Customers

Queensland Human Rights Commission

$187,546 repeat engagement

Aspire by Catapult's second engagement covers human-rights and anti-discrimination eLearning. Announced in July, the contract was signed on 29 June and scheduled through 28 September, with revenue expected in Q1 FY27.

TAFE SA

Approved Supplier Appointment

Catapult was appointed to supply vocational education training resources under an agreement to 31 December 2028, with extension options. The panel creates a route to future orders; it does not guarantee revenue.

Capabilities That Support Larger Customer Relationships

The portfolio combines learning content, student and workforce technology, mentoring and specialist services. QHRC's repeat engagement demonstrates customer confidence in delivery capability; the TAFE SA appointment extends the addressable customer opportunity. Management's focus is to convert these relationships into further contracted work and cash receipts.

Building the Next Phase of Growth, Connecting Education, Mentoring and Workforce Capability

AdNeo's opportunity is to deepen customer relationships across complementary businesses: more relevant content, more connected technology and a broader service offering. The Group enters FY27 with a larger customer platform and operating improvements demonstrated during FY26.

One Group, Complementary Capabilities

EDUCATION

Content and Learning

Catapult, Aspire, Smallprint and Vasto bring learning resources, content services and student technology.

MENTORING

People Development

Art of Mentoring combines mentoring programmes, technology and implementation expertise.

WORKFORCE

Technology and Services

Learnt, ApplyDirect and specialist services extend the Group's enterprise capability.

Shared customer relationships • Reusable intellectual property • Cross-selling opportunities

Tender Pipeline

As at 30 September 2026, the Company's submitted tender pipeline was approximately $6 million, with around $2 million of new submissions added during the quarter. A further $0.7 million of awarded tender contracts are now in delivery. Management continues to target a conversion rate of approximately 25% yearly target (management estimate).

The submitted pipeline is not contracted revenue, and there is no assurance that any or all opportunities will convert. Management remains focused on disciplined bid selection, lifting conversion rates and growing cross-sell across enterprise, government and education customers.

Strategic Activity

Q1 FY27 was the first full quarter of AdNeo's Second Phase. Having substantially completed its turnaround, with three acquisitions integrated and costs reduced by around 40%, the Company is now focused on sharpening product positioning, scaling toward $30m+ in revenue through organic growth and EPS-accretive acquisitions, and embedding AI across the business and its products.

AdNeo's strategy centres on becoming a unified, AI-driven capability platform that connects education, mentoring and workforce technology to employment outcomes. During the quarter, the Company made strong progress on a number of synergistic acquisition opportunities that align with this strategy. Operating cash flow for the quarter was in line with management expectations.

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

"Q1 is seasonally our softest quarter, and this result also carries around $626k of one-off costs as we reset the business. That work is now largely done. We have taken $1.3m of annualised cost out, grown customer receipts 43% on the prior comparable quarter, and built a tender pipeline of more than $6m, with new public-sector work from the Queensland Human Rights Commission and TAFE SA. With cost savings flowing through, stronger seasonal receipts and the R&D tax incentive expected, we expect to return to positive operating cash flow from Q2. We are also progressing a number of synergistic acquisition opportunities that strengthen our education, mentoring and workforce platform."

Nicholas Smedley, AdNeo's Chairman, commented on the result:

"The Board is pleased with how quickly management has acted on costs this quarter, while continuing to grow receipts on the prior year and win new public-sector work. We thank shareholders for their support of the August capital raise. AdNeo now has a broader platform, complementary capabilities and valuable customer relationships, and our priority is to turn that into sustainable, cash-generative growth through disciplined execution and careful capital allocation, including in how we assess acquisitions."

Authorised for Release by AD1's Board of Directors

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

AdNeo Ltd (ASX: AD1)

AdNeo (ASX:AD1) is an AI-powered learning innovation company connecting education to employment for every learner. Our workforce capability platform unites a fragmented market of education, mentoring and workforce technology, into a single AI-driven capability engine -grounded in 20+ years of expertise and built for a world where skills change faster than careers.

Forward-looking statements

You are cautioned not to place undue reliance on any forward-looking statements regarding our belief, intent or expectations with respect to AD1's businesses, market conditions and/or results of operations (particularly in light of the current economic uncertainties and volatility).

Not advice

Information in this announcement, including forecast financial information, should not be considered as investment, legal, tax or other advice. You should make your own assessment and seek independent professional advice in connection with any investment decisions.

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity	
AdNeo Ltd	
ABN	**Quarter ended ("current quarter")**
29 123 129 162	30 September 2026

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	2,033	2,033
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(238)	(238)
	(c) advertising and marketing	(30)	(30)
	(d) leased assets	-	-
	(e) staff costs	(2,083)	(2,083)
	(f) administration and corporate costs	(630)	(630)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(18)	(18)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(966)**	**(966)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(7)	(7)
	(d) investments	-	-
	(e) intellectual property	(311)	(311)
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(318)**	**(318)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	895	895
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(53)	(53)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(7)	(7)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**835**	**835**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	983	983
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(966)	(966)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(318)	(318)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	835	835
4.5	Effect of movement in exchange rates on cash held	9	9
4.6	**Cash and cash equivalents at end of period**	**543**	**543**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	543	983
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**543**	**983**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	183[1]
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

[1] Total of amounts paid to directors for monthly directors' fees, wages and superannuation.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	3,699	3,699
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	**Total financing facilities**	**3,699**	**3,699**

7.5	**Unused financing facilities available at quarter end**	-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

1) The company has a $3.008m facility with Pure Asset Management that is fully utilised. The loan is secured against the business at 10% interest per annum. The facility ends on 28 Aug 2027, being 24 months from the time of the completion of conditions precedent.

2) The Group, through its subsidiary Learnt Global Pty Ltd, also maintained a secured R&D funding facility with Kashcade RD1 Pty Ltd with an initial limit of $524k, and the ability to increase the limit with consent of the lender. The current drawn balance of the facility is $691k, including capitalised interest. Initial maturity was 30 Sep 2026, however this is extended until the assessment of the Group's R&D claim for FY2026.

   Loans bear interest at 1.38% per month, accruing daily and capitalised monthly, increasing to 2.0% per month if an extension is approved. The facility is secured by a first-ranking general security interest over all present and future assets of the borrower and its guarantors, being Catapult Smallprint Pty Ltd and Vasto Software Pty Ltd (also subsidiary companies). Repayment is intended to be made from the borrower's R&D tax incentive refund for the 2026 financial year.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(966)
8.2	Cash and cash equivalents at quarter end (item 4.6)	543
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	543
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	0.56

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: No. Cyclically, Q1 of each financial year is the weakest quarter for cash receipts due to annual renewal timing across the year. In addition, the company also incurred additional one-off cash outflows implementing cost reduction initiatives, as announced to the market on 13 August 2026. The benefits of these initiatives will result in reduced cost outflows in later periods. In addition, the Group has lodged its FY26 refundable R&D offset claim, and anticipates that this is received in Q2 of about $1.3m to $1.5m..

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Yes. On 13 August 2026 the Company announced a placement and debt conversion with an aggregate value of approximately $1.5 million. Tranche 1 cash proceeds of approximately $895k were received during the quarter (item 3.1). A further approximately $273k of Director Placement commitments remain subject to shareholder approval under Listing Rule 10.11 at the next AGM in Nov 2026. In addition, the Group has lodged its FY26 R&D tax incentive claim, with the refund expected in Q2 FY27, from which the Kashcade R&D facility (item 7.6) will be repaid.

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, as stated above, the following initiatives will see the business operations fully funded: seasonality of receipts, the cost reductions taking effect, the R&D refund, and the director placement proceeds.

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 30/10/2026

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been

prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.