



AD1 Holdings Limited

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AD1 secures \$5.0 million in loan facility

Melbourne, Australia, 13 December 2021: AD1 Holdings Limited (ASX:AD1) (**AD1** or the **Company**) is pleased to announce that it has secured a \$5.0 million, four-year secured term loan facility (**Loan Facility**) under a binding term sheet with PURE Asset Management Pty Ltd (**PURE**). The arrangement includes the grant of unlisted and detached warrants to PURE to acquire ordinary shares in the Company. A summary of key terms of the Loan Facility is provided below.

AD1 CEO and Managing Director, Brendan Kavenagh commented: "We are pleased to have partnered with PURE Asset Management to secure this facility to provide loan funding to execute our immediate and expanding future growth strategy.

"The Board and management have been working diligently in identifying how the Company can acquire necessary additional funding to fuel its appetite for growth while minimising shareholder dilution. This arrangement as structured represents the Company's best opportunity in the current market to achieve this objective while removing any capital constraints in our growth and expansion."

PURE Asset Management Director, Tim Callan said: "We are excited to support the future growth of AD1 Holdings. All three business units are growing rapidly, operate in large addressable markets, and are receiving traction within their chosen customer sets. We are especially excited about Art of Mentoring as it embarks upon an expansion into the US. Mentoring is a nascent component of HR technology, with AoM taking the right product to market at the right time."

The proceeds from this facility will be used on the development and enhancement of the Company's existing and new products, the expansion of its HR tech into the US market and other growth initiatives, the repayment and retirement of its existing credit facility with Moneytech (as announced on 29 April 2021), with the remainder to fund other working capital requirements to support the structure required to deliver on the Company's strategy for growth.

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This release has been authorised by the Directors

Andrew Henderson
Chairman
AD1 Holdings Limited
03 8199 0455

Brendan Kavenagh
CEO
AD1 Holdings Limited
03 8199 0455



Summary of key terms of the Loan Facility

- a. \$5,000,000 of secured term loan facility
 - b. Four (4) years to maturity (from the date of utilisation)
 - c. Annual interest rate of 9.95% (or 14.50% per annum following an Event of Review or Default)
 - d. Grant of 83,333,333 unlisted detached warrants with a four-year expiry date and exercise price at the lower of:
 - i. \$0.060;
 - ii. 115% premium to the share price immediately prior to the Facility being announced to the ASX; and
 - iii. if the Issuer makes an issue of Equity Securities (or a series of consecutive issuances of Equity Securities in any period not exceeding 12 months) and the diluted amount of those Equity Securities (in aggregate) exceeds 15% of the number of Shares on issue immediately before the announcement of the issue or first issuance:
 - the Adjusted Price; or
 - in the case of a series of issuances, the volume weighted Adjusted Price in relation to those issuances.
- The warrants will be issued as soon as the Company obtains shareholder approval or has sufficient placement capacity to do so.
- e. Early repayment penalties ratcheting down from 4%, 3% to 0% over the facility amount as it gets closer to maturity date.
 - f. First-ranking general security over all present and after-acquired property of the Borrower and each Guarantor
 - g. Corporate guarantees and other standard covenants applied.



AD1 Holdings Limited is a portfolio Software as a Service (SaaS) business. The SaaS market has experienced incredible growth over recent years and the need to automate process through technology continues to increase as a result of recent world events. The world has increased its reliance on technology so that they can operate anywhere anytime. The HR Technology and Energy Industries are markets that are changing at speed and generating significant investment which are resulting in big opportunities for technology products and service providers. This has prompted businesses to accelerate their digitisation to better automate processes and drive faster, more efficient outcomes. ApplyDirect, Art of Mentoring and Utility Software Services are uniquely positioned for growth in these highly disrupted markets.



ApplyDirect is a recruitment platform that facilitates direct candidate sourcing through Career Site Technology that fosters attraction and engagement. The key benefits of our products are they enable businesses to promote their Employer Brand, attract and engage candidates faster and in a more organised and cost-effective way. Products include:

- **Enterprise, Government & Association solution:** This enables organisations to communicate their brand story to the marketplace including career opportunities and roles they are actively recruiting for. This solution caters to the bespoke needs of large organisations with complex structures. Two examples of the platform working are here: <https://iworkfor.nsw.gov.au/> <https://www.careers.vic.gov.au/>
- **Mid-market solution:** A scalable, SaaS product for SME businesses to manage their recruitment processes through clever career site technology. This enables SME market to compete with larger organisations in attracting and engaging talent while showcasing their employer brand. This enables businesses to attract, source and engage talent and have greater control over the entire process while reducing the need for 3rd parties, saving business time and money.



Art of Mentoring (AoM) is a SaaS business with a suite of software, products, and services that guide organisations to implement high impact, successful mentoring programs. The key benefits of our products are the reduction in program management time and enablement of better-quality mentoring outcomes for individuals and their employers, which includes improvements in employee performance, productivity, engagement, retention and overall wellbeing. Products include:

- **Platform** – Program management software
- **Managed Services** - AoM can design, set up and manage the mentoring programs for the client
- **Online mentoring training and resources** – eLearning with sophisticated media production and a large library of best-practice templates and resources, all embedded in the platform or available separately.



Utility Software Services (USS) specialises in SaaS hosted customer interface solutions (CIS) and Business Process Outsourcing (BPO) services for energy providers, enabling high levels of efficient and cost-effective customer service. Our customers are Tier 2, 3 & start up energy retailers, embedded network providers and brokers. The key benefits of our products are that they enable energy providers to manage their customers in the most efficient and cost-effective manner whilst maintaining the highest levels of customer satisfaction. Products include:

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| ▪ Core | ❖ | Central program to manage clients' accounts, payments, and communications | ❖ | Compliant with regulations in all Australian Energy Regulator (AER) jurisdictions |
| | ❖ | Provides detailed insights for reporting | | |
| ▪ Acquire | ❖ | An Energy Sales Intelligence Online and Tablet SaaS delivered sales solution | ❖ | Simple and complex quoting |
| | | | ❖ | Provides seamless transition from point of sale to invoicing |
| ▪ Zone | ❖ | Provide customers with up-to-date account information | ❖ | Advanced Customer portal for service, metrics & insights |
| | ❖ | Offers self service capabilities to end customer | ❖ | Converts customer data into analytics to improve operations |