

Non-Renounceable Entitlement Offer Despatch of Entitlement Offer Documents to Eligible Shareholders

Melbourne, Australia, 11 April 2023: AD1 Holdings Limited ('AD1' or the 'Company') (ASX: AD1), is pleased to announce the despatch of the Offer Booklet and personalised Entitlement and Acceptance form to Eligible Shareholders, for the Entitlement Offer announced on 30 March 2023.

The Entitlement Offer opens on 11 April 2023 and closes at 5.00pm (AEST) on 1 May 2023.

The Entitlement Offer allows Eligible Shareholders to subscribe to 2 New Shares for every 7 Existing Shares held by Eligible Shareholders at the Record Date at an issue price of \$0.005 (0.5 cents) per New Share. The Entitlement Offer will raise up to approximately \$1 million.

If shareholders have any questions, they can contact AD1 on +61 3 8199 0455 (within Australia) from 8.30am to 5.30pm (AEST) or the Company's Share Registry, Link Market Services Limited, at CapitalMarkets@linkmarketservices.com.au.

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This release has been authorised by the Board of Directors of the Company.

For enquiries please contact:



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About AD1 Holdings

AD1 Holdings is a technology company with a growing portfolio of market-leading software businesses. We build, manage, and acquire best of breed, high potential software businesses that develop specialised software solutions to address the specific needs of the global workforce. The Company currently operates in two main verticals being 'HR Services' and 'Niche Services'. Under HR services the company provides talent recruitment solutions in the form of ApplyDirect and Jobtale and mentoring products under the Art of Mentoring banner. The Company also operates Utility Software Solutions which specialises in SaaS hosted customer interface solutions (CIS) and Business Process Outsourcing (BPO) services for energy providers.

For more information

-  Follow us on [LinkedIn](#)
-  Visit our investor websites: www.ad1holdings.com.au
-  Subscribe to our [mailing list](#) to receive updates

AD1 Holdings Limited

ACN 123 129 162

Entitlement Offer

For a non-renounceable entitlement issue of 2 Shares for every 7 Shares held by Eligible Shareholders registered at the Record Date at an issue price of \$0.005 (0.5 cents) per Share to raise up to approximately \$1 million.

This offer closes at 5.00pm (AEST) on 1 May 2023 (unless extended at the discretion of the Company).

IMPORTANT INFORMATION

This is an important document which is accompanied by an Entitlement and Acceptance Form. Both documents should be read in their entirety. This Offer Booklet is provided for information purposes only and is not a prospectus, product disclosure statement or other form of disclosure document. This Offer Booklet is dated 30 March 2023. This Offer Booklet does not contain all the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, Shares offered under this Offer Booklet. This Offer Booklet is issued pursuant to section 708AA of the Corporations Act for the offer of shares without disclosure to investors under Part 6D.2 of the Corporations Act.

If you have any questions please contact your professional adviser or AD1 on +61 3 8199 0455 (within Australia) from 8.30am to 5.30pm (AEST) during the offer period.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS

Important Notice

This Offer Booklet is dated 30 March 2023. This Offer Booklet is not a prospectus, product disclosure statement or other form of disclosure document under the Corporations Act and has not been lodged with ASIC. The Offer Booklet is for information purposes only. The information in this Offer Booklet is not intended to be comprehensive and should be read in conjunction with the more detailed information released by AD1 under its continuous disclosure obligations.

1. Jurisdiction

This Offer Booklet, the Chairman's Letter and the Entitlement and Acceptance Form, do not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. In particular, this Offer Booklet and anything contained in it does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any "US Persons" (as defined in Regulation S under the US Securities Act of 1933, as amended (**the Securities Act**) (**U.S. Persons**)). None of this Offer Booklet, the Chairman's letter, nor the Entitlement and Acceptance Form may be distributed to or released in the United States. The New Shares (and Additional New Shares) offered in the Entitlement Offer have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States. The New Shares (and Additional New Shares) may not be offered, or sold, or resold, in the United States or to, or for the account or benefit of, any U.S. Persons, except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any applicable securities laws of any state or other jurisdiction of the United States. The New Shares (and Additional New Shares) may not be deposited in any existing unrestricted American Depositary Receipt Facility or such future program with respect to the securities of AD1 Holdings Limited that has been or may be established until 40 days following the completion of the Entitlement Offer.

The Entitlement Offer to New Zealand investors is made pursuant to the New Zealand Securities Act (Overseas Companies) Exemption Notice 2013. Pursuant to this Act, the only members of the public to whom the Shares are offered in New Zealand under the Entitlement Offer are those who, at the Record Date, are holders of Shares in AD1. As ASX does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the securities and trading may differ from securities markets that operate in New Zealand.

2. Investment decisions

The information contained in this Offer Booklet is not intended to be relied on as advice. Before deciding to invest in AD1, potential investors should read the entire Offer Booklet and in particular the technical information and risk factors that could affect the future operations and activities of AD1 and consult their professional advisers. The Entitlement Offer contained in this Offer Booklet does not take into account the investment objectives, financial situation and particular needs of any investor.

3. Risk factors

Potential investors should be aware that subscribing for Shares in AD1 involves a number of risks. The key risk factors of which investors should be aware are set out in sections 3.26 and 3.27 of this Offer Booklet. Investors should carefully consider the risk factors that affect AD1 specifically and the human resources technology and human resources industries in which it operates.

4. Forward looking information

Forward looking statements, opinion, estimates provided in this Offer Booklet are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on the interpretations of current market conditions.

Forward looking statement including forecasts, projections, guidance on future revenues, earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Such forward-looking statements only speak as to the date of this Offer Booklet and AD1 Holdings Limited assumes no obligation to update such information. They are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of AD1 Holdings Limited and its Directors, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by any forward-looking statements in this Offer Booklet.

You should also refer to sections 3.26 and 3.27 of this Offer Booklet for a list of the key risks.

Summary of the Entitlement Offer

Issue Price	\$0.005
Your entitlement	2 New Share for every 7 Shares held on the Record Date

Key Dates (2023)*

Record Date for the Entitlement Offer	7:00 pm (AEST) on 4 April 2023
Offer Booklet is dispatched	11 April 2023
Entitlement Offer opens	11 April 2023
Entitlement Offer closes	5:00 pm (AEST) on 1 May 2023
Issue of New Shares under the Entitlement Offer	5 May 2023
Normal trading of New Shares issued under the Entitlement Offer expected to commence on ASX	5 May 2023

*Dates and times are indicative only and subject to change. All times refer to Australian Eastern Standard Time (AEST).

AD1 Holdings Limited reserves the right to vary these dates without prior notice subject to the Corporations Act, ASX Listing Rules and other applicable laws, including extending the Entitlement Offer or accepting late Applications, either generally or in particular cases, without notice. Any extension of the Entitlement Offer will have a consequential effect on the issue date of the New Shares. Commencement of quotation of New Shares is subject to approval by ASX.

Enquiries

For any enquiries please call AD1 on +61 3 8199 0455 or contact your stockbroker, accountant or other professional adviser.

Managing Director's Letter

30 March 2023

Dear Shareholder

On behalf of AD1 Holdings Limited ("**AD1**" or "**Company**"), I am pleased to invite you to participate in a 2 for 7 non-renounceable entitlement offer for new fully paid ordinary shares in AD1 (**New Shares**) at an issue price of \$0.005 per New Share (**Entitlement Offer**).

Company strategy

The Directors have been carrying out a detailed review of our operations and have identified key areas for improvement, to effectively generate greater shareholder value. We have made significant decisions to define a sustainable growth strategy. Our objective is clear:

1. to become a global leader in providing HR Technology Software-as-a-Solution (SaaS) solutions and services for markets across Australia and North America; and
2. to be scalable and highly profitable.

Historically, AD1 has had a portfolio roll up strategy which has produced one valuable addition to AD1 with limited success in relation to other opportunities in this market. Although AD1 has achieved revenue growth it has come with level of cash burn, which has become unsustainable. The current climate has required the Board to review this strategy and take steps to refocus on building a sustainable, profitable, growth platform for the future. To do this we have made the decision to concentrate on HR Technology with a focus on the Art of Mentoring (**AoM**) division.

AoM has experienced high revenue growth of 80% compared to the prior corresponding period (pcp). AoM is a leader in its market with strong product market fit, an in-demand product with an established and quickly growing customer base, record pipelines with strong conversions and renewals and industry leading customer satisfaction scores. AD1 has expanded AoM into North America and expects revenues to account for more than 40% of total revenue; supported by the upcoming launch of AoM's platform 2.0, the recent launch of the Academy and with online training gathering momentum across numerous countries. AoM presents an exciting opportunity for AD1 Holdings' future growth prospects.

ApplyDirect continues to service its existing customer base and is expected to deliver growth. The division has upgraded its platform to the new "Gen3" version, with all customers migrating across, over the course of the next 12 months. This is a significant step forward and reduces cost and resources from managing different bespoke legacy platforms.

Jobtale continues to operate under a minimum viable product (**MVP**), AD1 has witnessed positive indications from pilot customers and industry bodies. AD1 is currently exploring channel partner opportunities as we continue to collate feedback from pilot customers in order to plan out a future road map, which will assist in progressing Jobtale to commercialisation at scale.

The Board is in the process of reviewing the longer-term growth strategy. AD1 is seeking to focus on HR Technology products and services. In the first six months of financial year 2023, AD1 witnessed a 47% increase in HR Technology revenue compared to pcp.

Entitlement Offer

This information booklet (**Offer Booklet**) relates to the Entitlement Offer. I am pleased to invite you to participate in the Entitlement Offer.

Under the Entitlement Offer, eligible shareholders have the opportunity to invest at the price of \$0.005 per New Share (**Entitlement**). Your Entitlement is set out in your personalised Entitlement and Acceptance Form that is enclosed with this Offer Booklet.

If you take up your Entitlement in full, you can also apply for additional shares under a "Shortfall Facility" (refer to section 1 of this Offer Booklet for more information). I encourage you to read the Offer Booklet carefully before deciding whether or not to participate in the Entitlement Offer.

Please note that to participate in the Entitlement Offer you must apply and pay for your New Shares before 5pm (AEST) on 1 May 2023. Further information about how to apply for New Shares is set out in Section 2.

The Issue Price of \$0.005 represents a discount of approximately 30% to the closing price of AD1 shares on 27 March 2023 (being the last trading day before the Entitlement Offer was announced).

Net proceeds from the Entitlement Offer will be used for AD1's working capital requirements and achieving the Company's strategy plans.

The Entitlement Offer is non-renounceable and therefore is personal to you. It cannot be traded, transferred, assigned or otherwise dealt with. If you do not take up your Entitlement, it will lapse and you will not receive any New Shares, nor any other benefit, under the Entitlement Offer.

Eligible Shareholders who take up their full Entitlement may also apply for Additional New Shares under the Shortfall Facility. Further information about how to apply for Additional New Shares is set out in Section 2.

The Entitlement Offer closes at 5:00 pm AEST on 1 May 2023.

If you have any questions about the Entitlement Offer please call AD1 on +61 3 8199 0455 from 8.30am to 5pm (AEST) Monday to Friday during the Entitlement Offer Period.

Other Information

This Offer Booklet contains important information, including:

- instructions on how to apply, detailing how to participate in the Entitlement Offer if you choose to do so, and a timetable of key dates; and
- instructions on how to take up all or part of your Entitlement.

A personalised Entitlement and Acceptance Form which details your Entitlement, to be completed in accordance with the instructions contained therein, accompanies this Offer Booklet.

You should also consult your stockbroker, solicitor, accountant or other professional adviser to evaluate whether or not to participate in the Entitlement Offer.

On behalf of the Board of AD1, I encourage you to consider this investment opportunity and thank you for your continued support as we execute AD1's revised strategy.

Yours sincerely



Brendan Kavenagh

Managing Director

1. THE ENTITLEMENT OFFER

AD1 Holdings Limited (ASX Code: AD1) proposes to raise up to approximately \$1 million under the Entitlement Offer through the issue of up to 200,208,941 New Shares.

Where fractions arise in the calculation of an Entitlement, they have been rounded up to the next whole number of New Shares.

Eligible Shareholders (as defined in Section 3 below) are being offered the opportunity to subscribe for 2 New Shares for every 7 Existing Shares in AD1 (**Existing Shares**) held at 7.00pm (AEST) on 4 April 2023 (**Entitlement**), at the issue price of \$0.005 per New Share.

Eligible Shareholders may also apply for New Shares in excess of their Entitlement (**Additional New Shares**). Please note that New Shares in excess of Entitlements will only be allocated to Eligible Shareholders if, and to the extent that AD1 determines in its absolute discretion but subject to its shortfall allocation policy and having regard to the circumstances as at the time of the close of the Entitlement Offer. The shortfall allocation policy is described in more detail in the below section.

Any New Shares in excess of Entitlements will be limited to the extent that there are sufficient New Shares due to Eligible Shareholders who do not take up their full Entitlements or from New Shares that would have been offered to Ineligible Shareholders if they had been entitled to participate in the Entitlement Offer. AD1 may apply any scale-back (in its absolute discretion).

The Entitlement Offer is being made pursuant to provisions of the Corporations Act which allow rights issues to be offered without a prospectus. As a result, it is important for Eligible Shareholders to read and understand the information on AD1 and the Entitlement Offer made publicly available, prior to accepting all or part of their Entitlement or applying for Additional New Shares. In particular, please refer to this Offer Booklet, AD1's other periodic and continuous disclosure announcements to the ASX available at www.asx.com.au.

Your Entitlement is set out on the accompanying personalised Entitlement and Acceptance Form and has been calculated as 2 New Shares for every 7 Existing Shares you held as at the Record Date of 7.00pm (AEST) on 4 April 2023 rounded up to the nearest whole New Share. If you have more than one holding of Existing Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding. New Shares issued pursuant to the Entitlement Offer will be fully paid and rank equally with existing AD1 ordinary shares on issue.

Your Entitlement is non-renounceable. This means that your Entitlements are personal and cannot be traded, transferred, assigned or otherwise dealt with, whether on the ASX or privately. If you do not take up your Entitlement, it will lapse and you will not receive any New Shares under the Entitlement Offer. New Shares of an equivalent number to your Entitlement not taken up under the Entitlement Offer will be offered for subscription under Shortfall Facility. If you choose not to accept your entitlement under the Entitlement Offer, your shareholding in AD1 will be diluted.

Note: The Entitlement stated on your personalised Entitlement and Acceptance Form may be in excess of the actual Entitlement you may be permitted to take up where, for example, you are holding Existing Shares on behalf of a U.S. Person.

Shortfall Facility

Any New Shares not applied for under the Entitlement Offer will become Additional New Shares and form part of the Shortfall Facility.

The Shortfall Facility allows Eligible Shareholders who have subscribed for their Entitlements under the Entitlement Offer to subscribe for Additional New Shares in accordance with the accompanying Entitlement and Acceptance Form.

The Directors reserve the right to issue any Additional New Shares at their discretion, and subject to the Corporations Act and Listing Rules, within 3 months after the Closing Date.

If Eligible Shareholders seek to subscribe for more Additional New Shares than are available under the Shortfall Facility, AD1 may apply a policy to issue Additional New Shares in a manner that is in AD1's best interest and may apply a scale-back procedure to ensure a fair allocation of the Additional New Shares.

It is an express term of the Shortfall Facility that Eligible Shareholders subscribing for Additional New Shares will be bound to accept a lesser number of Additional New Shares allocated to them than applied for. If a lesser number is allocated, excess application moneys will be refunded without interest as soon as practicable after the Closing Date.

Ineligible Shareholders

In determining eligibility, pursuant to Listing Rule 7.7.1(a) and section 9A(3) of the Corporations Act, AD1 has regard to the legal and regulatory requirements of making offers of securities in certain countries, the number of shareholders in those countries and the number of shares they hold, the value of New Shares to which those shareholders would otherwise be entitled to and the cost of complying with the legal and regulatory requirement in those countries.

AD1 has determined, pursuant to Listing Rule 7.7.1(a) and section 9A(3) of the Corporations Act, that it would be unreasonable to make offers under the Entitlement Offer to all shareholders with addresses outside of Australia and New Zealand (**Ineligible Shareholders**) having regard to AD1's current shareholding and the costs of complying with legal and regulatory requirements in those jurisdictions.

Accordingly, the Entitlement Offer is not being extended to Ineligible Shareholders. Any entitlements to such shares will lapse and the relevant shares will form part of the additional shares and shortfall under the Entitlement Offer.

Nominees

The Entitlement Offer is being made to all shareholders on the register of AD1 at 7:00pm (AEST) on 4 April 2023 with an address in Australia or New Zealand, and that are not in the United States and are neither a U.S. Person nor acting for the account or benefit of a U.S. Person. AD1 is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Existing Shares.

Nominees and custodians may not distribute this document, and may not permit any beneficial shareholder to participate in the Entitlement Offer, in any country outside Australia and New Zealand except, with the consent of AD1, to beneficial shareholders resident in certain other countries where AD1 may determine it is lawful and practical to make the Entitlement Offer.

Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Entitlement Offer is compatible with applicable foreign laws. Any person in the United States or any person that is or is acting for the account or benefit of a U.S. Person with a holding through a nominee may not participate in the Entitlement Offer and the nominee must not take up any Entitlement or send any materials into the United States or to any person it knows to be a U.S. Person. AD1 is not able to advise on foreign laws.

2. HOW TO APPLY

If you wish to take up all or part of your Entitlement, or you wish to apply for Additional New Shares, you can do either of the following:

Payment by BPAY®

Payment may be made by BPAY®, please follow the instructions on your personalised Entitlement and Acceptance Form.

If you are unable pay via BPAY, please contact the Share Registry via email at CapitalMarkets@linkmarketservices.com.au to obtain electronic funds transfer (EFT) details and instructions.

Please note that should you choose to pay by BPAY® or EFT:

- You do not need to submit the personalised Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- If you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your application monies; and
- If you do pay for more than your full Entitlement, you are deemed to have applied for as many Additional New Shares as your excess amount will pay for in full (subject to any scale-back determined by AD1 in its absolute discretion).

It is your responsibility to ensure that your BPAY® or EFT payment is received by the share registry by no later than 5.00pm (AEST) on 1 May 2023. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.

If you are paying by BPAY® or EFT, please make sure to use the unique Customer Reference Number on the back of your personalised Entitlement and Acceptance Form. If you receive more than one personalised Entitlement and Acceptance Form, please only use the Customer Reference Number specific to the Entitlement on that form. If you inadvertently use the same Customer Reference Number for more than one of your Entitlements, you will be deemed to have applied only for New Shares (and Additional New Shares) on the Entitlement to which that Customer Reference Number applies. Please note that a limit may apply on the amount that can be transferred via BPAY® or EFT. It is your responsibility to check that the amount you wish to pay via BPAY® or EFT will not exceed that limit.

If you have multiple holdings, you will have multiple Customer Reference Numbers provided on each of your personalised Entitlement and Acceptance Forms. To ensure you successfully take up your Entitlement in respect of each holding, you must use the customer reference number shown on each personalised Entitlement and Acceptance Form when paying any New Shares that you wish to apply for in respect of those holdings.

New Zealand holders

Eligible Shareholders who are resident in New Zealand and are unable to pay in accordance with the processes set out above by the Closing Date should contact AD1 on +61 3 8199 0455 to make alternative arrangements.

Representations, allotment and refunds

If you take no action, you will not be allocated New Shares and your Entitlement will lapse. Your Entitlement to participate in the Entitlement Offer is non-renounceable and will not be tradeable

or otherwise transferable. Shareholders who do not take up their Entitlements in full will not receive any payment or value for those Entitlements they do not take up.

By completing and returning your personalised Entitlement and Acceptance Form with application monies or making a payment by BPAY®, you will be deemed to have:

- (a) made the Eligible Shareholder declarations set out in section 4 of this Offer Booklet; and
- (b) represented that you are an Eligible Shareholder as defined in Section 3.2 below.

If you take up and pay for all or part of your Entitlement before the close of the Entitlement Offer at 5.00pm (AEST) on 1 May 2023, you will be allotted your New Shares on 5 May 2023. If you apply for Additional New Shares then, subject to AD1's absolute discretion to scale-back your application for Additional New Shares (in whole or part), you will be issued these on 5 May 2023.

AD1's decision on the number of Additional New Shares to be allocated to you will be final. AD1 also reserves the right (in its absolute discretion) to reduce the number of New Shares (and if applicable, Additional New Shares) allocated to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if their claims prove to be overstated or otherwise incorrect or if they fail to provide information to substantiate their claims. AD1 also reserves the right to place the Additional New Shares at its discretion.

Cash payments will not be accepted. Receipts for payment will not be issued.

Any application monies received for more than your final allocation of New Shares and Additional New Shares that are greater than the cost of one New Share will be refunded to you as soon as practicable. No interest will be paid to applicants on any application monies received or refunded.

Applicants with queries on how to complete the Entitlement and Acceptance Form should contact AD1 on +61 3 8199 0455.

3. IMPORTANT INFORMATION

This Offer Booklet and accompanying personalised Entitlement and Acceptance Form have been prepared by AD1. The information in this Offer Booklet is dated 30 March 2023.

This Offer Booklet should be read in conjunction with AD1's other periodic and continuous disclosure announcements to the ASX available at www.asx.com.au.

No party other than AD1 has authorised or caused the issue of the information in this Offer Booklet, or takes any responsibility for, or makes, any statements, representations or undertakings in this Offer Booklet.

This information is important and requires your immediate attention.

You should read the information in this Offer Booklet carefully and in its entirety before deciding whether to invest in New Shares (and Additional New Shares). In particular, you should consider the risk factors outlined in sections 3.26 and 3.27 of the Offer Booklet, any of which could affect the operating and financial performance of AD1 or the value of an investment in AD1.

You should consult your stockbroker, accountant, solicitor or other independent professional adviser to evaluate whether or not to participate in the Entitlement Offer.

3.1 This document is not a prospectus

This Offer Booklet and the Entitlement and Acceptance Form are important documents and require your immediate attention. You should read these documents carefully before deciding whether or not to participate in the Entitlement Offer.

This Offer Booklet is issued pursuant to section 708AA of the Corporations Act without disclosure to investors under Part 6D.2 of the Corporations Act.

Accordingly, neither this Offer Booklet nor the Entitlement and Acceptance Form are required to be lodged with ASIC and no prospectus for the offer will be prepared. In general terms, section 708AA permits certain companies to undertake rights issues without being required to use or provide to shareholders a prospectus or other disclosure document. Accordingly, the level of disclosure in this Offer Booklet is significantly less than the level of disclosure required in, and what you would ordinarily expect in, a prospectus.

In accordance with the conditions imposed on AD1 by section 708AA of the Corporations Act, AD1 provided ASX with a notice that complied with the requirements of section 708AA(7) on 30 March 2023. The notice was required to:

- (a) set out information that had been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules and that Investors and their professional advisers would reasonably require, and would reasonably expect to find in a disclosure document, for the purpose of making an informed assessment of:
 - (i) assets and liabilities, financial position and performance, profits and losses and prospects of AD1; or
 - (ii) the rights and liabilities attaching to the Shares offered under this Offer Booklet; and
- (b) state the potential effect of the issue of Shares under the Entitlement Offer on the control of AD1 and the consequences of that effect.

3.2 Eligible Shareholders

The Entitlement Offer in this Offer Booklet contains an offer of New Shares to Eligible Shareholders in Australia or New Zealand and has been prepared in accordance with section 708AA of the Corporations Act.

Eligible Shareholders are those holders of Existing Shares who:

- (a) are registered as holders of Existing Shares as at 7:00pm (AEST) on 4 April 2023;
- (b) have a registered address on the AD1 share register in Australia or New Zealand;
- (c) are not in the United States and are not "U.S. persons" (as defined under Regulation S under the United States Securities Act of 1933, as amended) (**U.S. Persons**) or acting for the account or benefit of U.S. Persons; and
- (d) are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

(Eligible Shareholders).

Shareholders who do not satisfy this the above criteria are ineligible shareholders (**Ineligible Shareholders**).

3.3 Ineligible Shareholders

AD1 has decided that it is unreasonable to make offers under the Entitlement Offer to holders of Existing Shares who have registered addresses outside Australia or New Zealand, having regard to the number of such holders in those places, the number and value of the New Shares which they would be offered and the cost of complying with the relevant legal and regulatory requirements in those places. The Entitlement Offer is not being made in the United States or to, or for the account or benefit of, U.S. Persons.

3.4 Effect of the Entitlement Offer

If all Entitlements are accepted by Shareholders to the full extent, then the Entitlement Offer will not result in any change to the control of AD1 (other than to the Ineligible Shareholders whose holdings will be diluted). If all Entitlements under the Entitlement Offer are not accepted to the full extent, then the shareholding interest of non-participating shareholders will be diluted.

The effect of the Entitlement Offer on the capital structure of AD1, assuming all Shares offered under the Offer Booklet are issued, is set out below.

Fully Paid Shares	Number
Ordinary fully paid shares on issue as at date of Offer Booklet	700,731,292
Ordinary fully paid shares offered pursuant to the Entitlement Offer	200,208,941
Total Shares on issue after completion of the Entitlement Offer	900,940,233

Unquoted Options	Number
Total options at the date of Offer Booklet	315,211,109
AD1AE: OPTION EXPIRING 15-JUN-2024 EX 2C	175,000
AD1AF: OPTION EXPIRING 14-JUN-2025 EX 2C	175,000
AD1AL: OPTION EXPIRING 23-DEC-2025 EX \$0.10	75,000,000
AD1AM: OPTION EXPIRING VARIOUS DATES EX VARIOUS PRICES	145,000,000
AD1AI: OPTION EXPIRING 22-JUL-2024 EX 10C	666,668
AD1AH: OPTION EXPIRING 22-JUL-2024 EX 7.5C	666,666
AD1AG: OPTION EXPIRING 22-JUL-2024 EX 5C	666,666
AD1AD: OPTION EXPIRING VARIOUS DATES EX VARIOUS PRICES	9,527,776
AD1AP: WARRANTS	83,333,333
Total options after completion of Entitlement Offer	315,211,109

3.5 Effect on control of AD1

Shareholders should note that if they do not participate in the Entitlement Offer, and the Entitlement Offer and any Shortfall is fully subscribed, their holdings could be diluted by up to approximately 30%.

Examples of how the dilution may impact Shareholders are set out in the table below:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Entitlement Offer	Holdings if Entitlement Offer not taken up	% post Entitlement Offer
Shareholder 1	20,000,000	2.85%	5,714,286	20,000,000	2.22%
Shareholder 2	10,000,000	1.43%	2,857,143	10,000,000	1.11%
Shareholder 3	5,000,000	0.71%	1,428,572	5,000,000	0.55%

Notes:

1. The table assumes that the Entitlement Offer, and any Shortfall, is fully subscribed (other than by the participation of the relevant Shareholder).
2. The table assumes that AD1's existing unlisted options, referred to in section 3.4, are not exercised.

3.6 Details of substantial holders

Based on publicly available information as at the close of trading on 27 March 2023, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Substantial holders of relevant interest	Total number of votes attached to all voting shares that the substantial holder has a relevant interest in	Voting power as at the date of this Offer Booklet (%)	Entitlements under offer	Votes if all Entitlements are accepted	% Voting power after Entitlement Offer if all Entitlements taken
Potentate Investment Pty Ltd	143,688,161	20.51%	41,053,761	184,741,922	20.51%
More Capital Holdings Pty Ltd	44,483,333	6.35%	12,709,524	57,192,857	6.35%
Golden Pond Investments Pty Ltd	41,095,838	5.86%	11,741,668	52,837,506	5.86%
HSBC Custody Nominees (Australia) Limited	35,337,067	5.04%	10,096,305	45,433,372	5.04%

Notes:

1. The table assumes that the Entitlement Offer is fully subscribed by the relevant substantial holder, and no other person participates in the Entitlement Offer.
2. The table assumes that the relevant substantial holder does not participate in the Shortfall.
3. The table assumes that AD1's existing unlisted options, referred to in section 3.4, are not exercised.

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3.7 Implications of Chapter 6 of the Corporations Act

Shareholders may be prevented from acquiring Shares under the Entitlement Offer where to do so would contravene the takeovers prohibition in section 606 of the Corporations Act. Section 606 prohibits a person from acquiring a "relevant interest" (as defined in the Corporations Act) in issued voting shares in a listed company if, because of the transaction, that person's or someone else's voting power in the listed company increases from 20% or below to more than 20% or from a starting point that is above 20% and below 90%, unless an exception applies. There are various exceptions to the general prohibition. However, there is no guarantee that an exception would be available in the relevant circumstances and, even if an exception was potentially available, there is a risk that the exception could not be relied upon without significant cost or delay.

3.8 Allocation policy and scale-back

If there are excess oversubscription applications, AD1 reserves the right to scale back applications for Additional New Shares on an equitable basis at its discretion and will administer this scale back process in compliance with the takeover provisions in Chapter 6 of the Corporations Act.

In the event of a scale-back, the difference between the application monies received, and the number of Additional New Shares allocated to you multiplied by the issue price of \$0.005 will be refunded following allotment. No interest will be paid on any application monies received and returned.

3.9 Continuous disclosure

AD1 is a disclosing entity for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations including an obligation under the ASX Listing Rules (subject to certain exceptions) to disclose to ASX any information of which it is or becomes aware concerning AD1 and which a reasonable person would expect to have a material effect on the price or the value of shares. All such disclosures are available at www.asx.com.au.

This Offer Booklet is issued pursuant to section 708AA of the Corporations Act without disclosure to investors under Part 6D.2 of the Corporations Act. This Offer Booklet is intended to be read in conjunction with the publicly available information in relation to AD1 which has been notified to ASX and does not include all of the information that would be included in a prospectus or other disclosure document that is required to satisfy the Corporations Act. Shareholders should therefore have regard to the other publicly available information in relation to AD1 before making a decision whether or not to invest.

You have the opportunity to access any information about AD1 which has previously been disclosed to ASX. In particular, please refer to AD1's Annual Report for the year ended 30 June 2022. You should also have regard to any further announcements which may be made by AD1 to ASX after the date of this Offer Booklet.

3.10 No Entitlements trading

Entitlements are non-renounceable and will not be tradeable on the ASX or otherwise transferable.

3.11 Notice to nominees and custodians

Nominees and custodians which hold Shares as nominees or custodians will have received, or will shortly receive, a letter in respect of the Entitlement Offer. Nominees and custodians should consider carefully the contents of that letter.

AD1 is not required to determine whether or not any registered holder of Existing Shares is acting as nominee or the identity or residence of any beneficial owner of Shares. Where any registered holder of Existing Shares is acting as a nominee of a foreign person, that holder, in

dealing with its beneficiary, will need to assess whether the indirect participation in the Entitlement Offer is compatible with applicable foreign laws.

Nominees and custodians may not distribute this document, and may not permit any beneficial shareholder to participate in the Entitlement Offer, in any country outside Australia and New Zealand except, with the consent of AD1, to beneficial shareholders resident in certain other countries where AD1 may determine it is lawful and practical to make the Entitlement Offer.

AD1 is not able to advise on any foreign laws. However any person in the United States or any person that is, or is acting for the account or benefit of, a U.S. Person with a holding through a nominee may not participate in the Entitlement Offer, and such a nominee must not take up any Entitlement on behalf of such a person or send any material relating to the Entitlement Offer into the United States or to any person that is, or is acting for the account or benefit of, a U.S. Person.

3.12 Withdrawal

AD1 reserves the right to withdraw the Entitlement Offer at any time before the issue of New Shares under the Entitlement Offer, in which case AD1 will refund any Application Monies received.

3.13 Taxation

You should be aware that there may be taxation implications associated with participating in the Entitlement Offer and receiving New Shares (and Additional New Shares).

AD1 does not consider it appropriate to give shareholders advice regarding the taxation consequences of subscribing for New Shares (and Additional New Shares) under the Entitlement Offer. AD1, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to shareholders.

Shareholders should consult their professional tax adviser in connection with subscribing for New Shares (and Additional New Shares) under this Offer Booklet.

3.14 Rounding of Entitlements

Where fractions arise in the calculation of Entitlements, they will be rounded up to the nearest whole number of New Shares.

3.15 Ranking of New Shares (and Additional New Shares)

The New Shares (and Additional New Shares) will be issued on a fully paid basis and will rank equally in all respects with Existing Shares. The rights and liabilities attaching to the New

Shares (and Additional New Shares) are set out in AD1's constitution, a copy of which is available at www.asx.com.au.

3.16 Quotation and trading

AD1 will apply to ASX for the official quotation of the New Shares in accordance with the Listing Rules. Subject to approval being granted, it is expected that New Shares allotted under the Entitlement Offer will be quoted on ASX from 5 May 2023.

3.17 CHESS

AD1 participates in the Clearing House Electronic Subregister System (**CHESS**). CHESS is operated by ASX Settlement Pty Ltd (**ASPL**), a wholly owned subsidiary of ASX.

Under CHESS, AD1 does not issue certificates to investors. Instead, security holders will receive a statement of their holdings in AD1, including New Shares issued under this Offer Booklet. If an investor is broker sponsored, ASPL will send a CHESS statement.

The CHESS statement will set out the number of New Shares issued under this Offer Booklet, provide details of your holder identification number and give the participation identification number of the sponsor.

If you are registered on the issuer sponsored sub register, your statement will be dispatched by AD1's share registrar and will contain the number of New Shares issued to you and your security holder reference number.

A CHESS statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

3.18 Future performance and forward-looking statements

Neither AD1 nor any other person warrants or guarantees the future performance of the New Shares (and Additional New Shares) or any return on any investment made pursuant to the Entitlement Offer. This Offer Booklet contains certain "forward-looking statements". Forward-looking words such as, "expect", "should", "could", "may", "predict", "plan", "will", "believe", "forecast", "estimate", "target" and other similar expressions are intended to identify forward-looking statements within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this Offer Booklet are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

Forward-looking statements including forecasts, projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Such forward-looking statements only speak as to the date of this Offer Booklet and AD1 assumes no obligation to update such information. They are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of AD1 and its Directors, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by any forward-looking statements in this Offer Booklet.

3.19 Past performance

Investors should note that the past share price performance of AD1's shares provides no guidance as to future share price performance. For further information, please see past announcements released to the ASX.

3.20 No cooling off rights

Cooling off rights do not apply to an investment in New Shares (and Additional New Shares). You cannot withdraw your application once it has been accepted.

3.21 Not investment or financial product advice

This booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC. It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. AD1 is not licensed to provide financial product advice in respect of the New Shares (and Additional New Shares). The Information does not purport to contain all the information that you may require to evaluate a possible application for New Shares (and Additional New Shares).

Before deciding whether to apply for New Shares (and Additional New Shares), you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading the Information, you have any questions about the Entitlement Offer, you should contact your stockbroker, accountant, solicitor or other independent professional adviser.

3.22 Governing law

This Information, the Entitlement Offer and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the laws applicable in Victoria, Australia. Each applicant for New Shares (and Additional New Shares) submits to the non-exclusive jurisdiction of the courts of Victoria, Australia.

3.23 Optionholders

Existing optionholders will not be entitled to participate in the Entitlement Offer unless they:

- (a) have become entitled to exercise their existing options under the terms of their issue and do so, so that they are registered as holders of shares prior to 7.00pm (AEST) on 4 April 2023; and
- (b) participate in the Entitlement Offer as a result of being a holder of Existing Shares registered on the register of AD1 at 7.00pm (AEST) on 4 April 2023.

3.24 Foreign jurisdictions

This Offer Booklet has been prepared to comply with the requirements of the securities laws of Australia.

The New Shares (and Additional New Shares) under the Entitlement Offer are not being offered or sold to the public other than to existing shareholders with registered addresses in Australia and New Zealand.

The Entitlement Offer to New Zealand investors is made pursuant to the New Zealand Securities Act (Overseas Companies) Exemption Notice 2013. Pursuant to this Act, the only members of the public to whom the Shares are offered in New Zealand under the Entitlement Offer are those who, at the Record Date, are holders of Shares in AD1.

This Offer Booklet has not been registered, filed or approved by any regulatory authority in countries outside Australia. This Offer Booklet is not an investment statement or prospectus

under laws outside of Australia and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand, Hong Kong, US, Canada, European Union, Singapore or United Kingdom law is required to contain.

This Offer Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Entitlement Offer, the Entitlements or the New Shares (and Additional New Shares), or otherwise permit the public offering of the New Shares (and Additional New Shares), in any jurisdiction other than Australia and New Zealand.

The distribution of this Offer Booklet (including an electronic copy) outside Australia and New Zealand is restricted by law. If you come into possession of this Information, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

WARNING

The Entitlements and the New Shares (and Additional New Shares) have not been, nor will be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be taken up by persons in the United States, persons who are U.S. persons, or persons who are acting for the account or benefit of a U.S. Person, and the New Shares (and Additional New Shares) may not be offered, sold or resold in the United States or for the account or benefit of, a U.S. Person, except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.

3.25 Disclaimers

No person is authorised to give any information, or to make any representation, in connection with the Entitlement Offer that is not contained in this Offer Booklet.

Any information or representation that is not in this Offer Booklet may not be relied on as having been authorised by AD1, or its related bodies corporate in connection with the Entitlement Offer. Except as required by law, and only to the extent so required, none of AD1, or any other person, warrants or guarantees the future performance of AD1 or any return on any investment made pursuant to this Offer Booklet.

This Offer Booklet is issued by, and is the sole responsibility of, AD1.

None of the parties referred to in the Corporate Directory of this Offer Booklet (other than AD1) has:

- (a) authorised or caused the issue of this Offer Booklet;
- (b) made or authorised the making of any statement that is included in this Offer Booklet or any statement on which a statement in this Offer Booklet is based.

To the maximum extent permitted by law, each of the persons referred to in the Corporate Directory of this Offer Booklet (other than AD1) expressly disclaims and takes no responsibility for any statements in or omissions from this Offer Booklet.

The information contained in this Offer Booklet is of general nature and has been prepared by AD1 in good faith and with due care but no representation or warranty, express or implied, is provided in relation to the accuracy or completeness of the information. No person is authorised to give any information or make any representation in connection with the Entitlement Offer which is not contained in this Offer Booklet. Any information or representation not so contained may not be relied upon as being authorised by AD1 or any person associated with it in connection with the Entitlement Offer.

3.26 Specific Investment Risks

This section and section 3.27 details important factors and risks that could affect the financial and operating performance of AD1. You should consider these risk factors carefully in light of your personal circumstances, including financial and taxation issues, before making an investment decision in connection with the Entitlement Offer.

(a) **Future capital needs and ability to continue as a going concern**

AD1 recorded a net loss of \$5.79m for the half year ending 31 December 2022. As at 31 December 2022, it had approximately \$780,000 cash and cash equivalents on hand, receivables of 1.7m and current liabilities of \$2.8m. Funds raised under the Entitlement Offer will be used to pay current liabilities and for working capital.

AD1 is currently undertaking a cost reduction and efficiency improvement strategy, and is renegotiating terms of its agreements set to expire or be renewed in March 2023 with Blue NRG Pty Ltd (**BlueNRG**). Both parties are currently cooperating to implement a contractual transition plan to transition the services to BlueNRG and to enter into a sub-licence agreement.

Whilst AD1 believes that the Entitlement Offer will provide sufficient working capital for AD1 to pay outstanding creditors and implement its longer term growth strategy focusing on HR Tech products and services with a deep specialisation in learning and development, various factors (including cash collections and costs) may cause actual performance to vary significantly from expected results and mean AD1 may require additional funding. Raising additional capital may be dilutive to existing Shareholders.

AD1's ability to raise further capital (equity or debt) within an acceptable time, of a sufficient amount and on terms acceptable to AD1 will vary according to a number of factors, including operational results and then prevailing market conditions.

(b) **Increased level of competition in the industries which AD1 operates**

AD1 competes with a number of specialist software vendors in software markets. These markets are subject to competition based on factors including price, service, quality, performance standards, information security, innovation and the ability to provide customers with an appropriate range of reliable and tailored services in a timely manner.

Any increase in the foregoing competitive factors, or others, may impact AD1's ability to retain existing clients and attract new clients. As such, there is a risk that:

- (i) competitors offer more cost efficient products than those of AD1, which may, in particular, result in AD1 being required to introduce price reductions to retain existing clients or attract new clients, resulting in reduced profitability;
- (ii) competitors develop software with functionality that AD1's products do not have, requiring AD1 to incur capital expenditure to develop products which can effectively compete with those offered by its competitors.
- (iii) If AD1 is unable to adapt its products, it may lose existing clients and/or be unable to attract new clients; and/or
- (iv) existing or potential competitors may have significantly greater resources than those of AD1, which may enable them to develop superior products or adapt more quickly to new technologies, evolving industry trends or changing client or regulatory requirements.

These factors could in turn have an adverse impact on AD1's future financial performance and business activities.

(c) **Failure to realise benefits from product research and development**

Developing and marketing software and technology is expensive and often involves an extended period of time to achieve a return on investment. An important aspect of AD1's business is to continue to invest in innovation and related product development opportunities, and to market those products effectively. AD1 believes that it must continue to dedicate resources to its innovation efforts to develop AD1's software and technology product offering and maintain AD1's competitive position.

AD1 may not however, receive benefits from these investments for several years or at all. AD1 makes assumptions about the expected future benefits generated by investment in product research and development and the expected timeframe in which the benefits will be realised. These assumptions involve both known and unknown risks that are beyond the control of AD1 and are thus subject to change. Any change to the assumptions may have an adverse impact on AD1's ability to realise benefits from innovation and product development related costs.

(d) **AD1 may not be able to attract or retain key personnel**

AD1's success depends to some extent on its ability to retain key personnel. AD1's senior management team have extensive experience in, and knowledge of, the HR industries in which AD1 operates. The loss of key personnel may adversely affect AD1's ability to develop its products or implement its business strategies and may adversely affect its future financial performance.

(e) **Protection of, and exposure to, intellectual property**

AD1 relies on laws relating to intellectual property including copyright and trademarks to assist in protecting the proprietary rights in its products. There is a risk that unauthorised use or copying of AD1's intellectual property (including its data or software) may occur. There is also a risk that AD1 will be unable to register intellectual property or otherwise protect or stop competitors using new intellectual property it develops in the future. In addition, there is a risk that the validity, ownership or authorised use of intellectual property relevant to AD1's business may be successfully challenged by third parties. A successful challenge could lead to the granting of a court injunction which could materially affect AD1's business operations and performance.

These above risks may result in the inability of AD1 to protect and/or use the intellectual property in question, which may materially adversely impact AD1's business activities, revenue, legal expenses and profitability.

(f) **Cyber security, computer crime and privacy breaches**

Increased cyber security threats and computer crime also pose a potential risk to the security of AD1'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.

(g) **AD1 may fail to execute its strategy**

AD1's strategy outlined in this Offer Booklet is focussed on:

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- (i) winning new and higher value customers;
 - (ii) greater spend per customer;
 - (iii) partnerships and strategic alliances; and
 - (iv) buy and build.

AD1 may not be successful in identifying opportunities, assessing the value, strengths and weaknesses of these opportunities and finalising acquisitions or implementation of other opportunities on acceptable terms or, if completed, realise expected synergies and other benefits. In addition, AD1 may compete for certain opportunities/acquisition targets with companies having greater financial resources than it does.

In respect of acquisitions, there is a risk that the integration of any acquisition may take longer or cost more than expected by AD1, or lead to technical difficulties or disruption of service, which would impact on the profitability of AD1. There is no guarantee the acquired businesses will operate as profitably after integration as they did prior to their acquisition by AD1. To the extent AD1 is not able to execute its strategy, its business and growth prospects may be adversely impacted.

3.27 General Investment Risks

(a) General economic climate

Factors such as inflation, currency fluctuation, interest rates and supply and demand have an impact on operating costs, and stock market prices. AD1's future revenues and Securities price may be affected by these factors, which are beyond AD1's control.

(b) Changes in legislation and government regulation

Government legislation in Australia or any other relevant jurisdiction, including changes to the taxation system, may affect future earnings and relative attractiveness of investing in AD1. Changes in government policy or statutory changes may affect AD1 and the attractiveness of an investment in it.

(c) Global credit and investment market

Global credit, commodity and investment markets have recently experienced a high degree of uncertainty and volatility. The factors which have led to this situation have been outside the control of AD1 and may continue for some time resulting in continued volatility and uncertainty in world stock markets (including the ASX). This may impact the price at which AD1's Shares trade regardless of operating performance and affect AD1's ability to raise additional equity and/or debt to achieve its objectives, if required.

(d) Exchange rate risk

If the Australian dollar falls in relation to the exchange rate where the product or service is sourced from, then since AD1's financial statements are prepared in Australian dollars, this may impact its performance and position.

(e) Unforeseen risk

There may be other risks which the Directors are unaware of at the time of issuing this Offer Booklet which may impact on AD1, its operations and/or the valuation and performance of AD1's Shares.

(f) **Combination of risks**

AD1 may not be subject to a single risk. A combination of risks, including any of the risks outlined in this Section could affect the performance valuation, financial performance and prospects of AD1.

(g) **Unforeseen expenditure risk**

Expenditure may need to be incurred that has not been taken into account in the preparation of this Offer Booklet. Although AD1 is not aware of any additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of AD1.

(h) **Share market conditions**

The market price of AD1's Securities may be subject to varied and unpredictable influences on the market for equities.

3.28 Privacy

If you complete an Entitlement and Acceptance Form and apply for New Shares (and Additional New Shares), you will be providing personal information to AD1, its agents, contractors and third party services providers. AD1, its agents, contractors and third party service providers will collect, hold, and use that information to assess your Application, carry out the administration of your Shareholding, service your needs as a Shareholder of AD1 and facilitate corporate communications.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, print service providers, mail houses and the Share Registry.

Failure to provide the required personal information may mean that your Application is not able to be processed efficiently, if at all. You may request access to your personal information held by or on behalf of AD1 and by the Share Registry. You may also request the correction of your personal information by contacting AD1 or the Share Registry by emailing privacy.officer@linkgroup.com, or by using the details in the Corporate Directory at the back of this Offer Booklet.

GLOSSARY

In this Offer Booklet, the following terms have the following meanings unless the context required otherwise:

\$ or **A\$** or **dollars** means Australian dollars;

AD1 or the **Company** means AD1 Holdings Limited;

Additional New Shares means New Shares not subscribed for under the Entitlement Offer and offered to Eligible Shareholders under the Shortfall Facility;

AEST means Australian Eastern Standard Time;

Applicant means a person who has delivered an Application;

Application means an application to subscribe for New Shares under the Entitlement Offer by completing the Entitlement and Acceptance Form and returning it together with the application monies;

ASIC means Australian Securities and Investments Commission;

ASX means ASX Limited (ACN 008 624 691) or the financial products market operated by that entity known as the Australian Securities Exchange;

Business Day means a day that is not a Saturday, Sunday or a public holiday in Melbourne, Australia;

Closing Date means the last date for Eligible Shareholders to lodge an Application, being 5pm (AEST) on 1 May 2023 (subject to change);

Corporations Act means *Corporations Act 2001* (Cth);

Directors means the directors of AD1;

Eligible Shareholder has the meaning given to that term in Section 3.2 of this Offer Booklet;

Entitlement means the entitlement of an Eligible Shareholder to subscribe for 2 New Shares for every 7 Existing Shares held at the Record Date;

Entitlement and Acceptance Form means the entitlement and acceptance form accompanying this Offer Booklet upon which an Application can be made;

Entitlement Offer means the pro rata non-renounceable offer to Eligible Shareholders to subscribe for their Entitlement;

Entitlement Shares means the New Shares to be offered, or allotted and issued to Shareholders, at the Issue Price under the Entitlement Offer;

Existing Share means a Share on issue immediately before the Record Date;

GST means Australian Goods and Services Tax (currently 10%);

Group means AD1 and each Subsidiary of AD1 (and Group Member means any one or more of them).

Ineligible Shareholder means a Shareholder that is not an Eligible Shareholder;

Issue Price means \$0.005 per New Share;

Listing Rules means the official listing rules of ASX, as amended or replaced from time to time and as waived in respect of AD1 by ASX;

New Shares means the Shares offered under the Entitlement Offer;

Offer Booklet means this booklet dated 30 March 2023;

Record Date means the time and date for determining which Shareholders are entitled to an Entitlement under the Entitlement Offer, being 7pm (AEST) on 4 April 2023;

Section means a section of this Offer Booklet;

Share means a fully paid ordinary share in AD1;

Shareholder means the registered holder of an Existing Share;

Shareholding means the shares held by a Shareholder;

Share Registry means Computershare Investor Services Pty Limited;

Shortfall Facility means the offer of Additional New Shares to Eligible Shareholders that have fully subscribed to the Entitlement Offer as described in Section 1 of this Offer Booklet;

Subsidiary has the meaning given to that term in section 9 of the Corporations Act;

US or **United States** means United States of America, its territories and possessions, any state of the United States and the District of Columbia;

US Persons has the meaning given in Rule 902(k) of Regulation S under the US Securities Act; and

US Securities Act means U.S. Securities Act of 1933, as amended.

4. ELIGIBLE SHAREHOLDER DECLARATIONS

By returning a completed Entitlement and Acceptance Form or paying any application monies for New Shares via BPAY®, EFT or other method approved by AD1 under Section 2 of this Offer Booklet, you will be deemed to have made the following declarations to AD1 namely, that you:

- (a) acknowledge that you have read this Offer Booklet and the accompanying Entitlement and Acceptance Form in their entirety;
- (b) agree to be bound by the terms of the Entitlement Offer;
- (c) authorise AD1 to register you as the holder of the New Shares allotted to you;
- (d) declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- (e) declare you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;
- (f) acknowledge that once AD1 receives the Entitlement and Acceptance Form or any payment of Application Moneys, you may not withdraw it;
- (g) apply for the number of New Shares specified in the Entitlement and Acceptance Form, or for which you have submitted payment of any Application Moneys, at the Issue Price per New Share;
- (h) agree to be issued the number of New Shares that you apply for;
- (i) authorise AD1, the Share Registry and their respective officers or agents to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in the Entitlement and Acceptance Form;
- (j) declare that you are the current registered holder of Existing Shares and are a resident of Australia or New Zealand;
- (k) acknowledge that the information contained in this Offer Booklet and the Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs, and is not a prospectus, does not contain all of the information that you may require in order to assess an investment in AD1 and is given in the context of AD1's past and ongoing continuous disclosure announcements to ASX;
- (l) represent and warrant that the law of any other place does not prohibit you from being given this Offer Booklet and the Entitlement and Acceptance Form, nor does it prohibit you from making an Application for, and being issued, New Shares;
- (m) acknowledge the statement of risks in sections 3.26 and 3.27 in this Offer Booklet and that investments in AD1 are subject to investment risk;
- (n) acknowledge that none of AD1 and its respective related bodies corporate and affiliates and their respective directors, officers, employees, agents consultants, advisors, guarantees the performance of AD1, nor do they guarantee the repayment of capital;
- (o) acknowledge that, if you act as a nominee or custodian for a beneficial shareholder that you will not distribute this document, and will not permit any beneficial shareholder to participate in the Entitlement Offer, in any country outside Australia and New Zealand except, with the consent of AD1, to beneficial shareholders resident in certain other

countries where AD1 may determine it is lawful and practical to make the Entitlement Offer.

- (p) represent and warrant (for the benefit of AD1 and its related bodies corporate and affiliates) that you are eligible to participate in the Entitlement Offer;
- (q) represent and warrant that you are not in the United States and are not a US Person and are not acting for the account or benefit of a US Person;
- (r) acknowledge that the Entitlements and the New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdictions of the United States, or in any other jurisdiction outside Australia and New Zealand and, accordingly, the Entitlements may not be taken up by persons in the United States or by persons who are, or are acting for the account or benefit of a US Person, and the New Shares may not be offered, sold or resold in the United States or to, or for the account or benefit of, any US Person;
- (s) agree not to send this Offer Booklet, the Entitlement and Acceptance Form or any other material relating to the Entitlement Offer to any person in the United States or that is a US Person or is acting for the account or benefit of a US Person;
- (t) agree that if in the future you decide to sell or otherwise transfer the New Shares you will only do so in regular way transactions on ASX where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, in the United States or a US Person; and
- (u) agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Entitlement Offer and of your holding of Shares on the Record Date.

CORPORATE DIRECTORY

Head Office

Suite 102, 697 Burke Road

Hawthorn East, VIC 3123

Directors / Senior management

Mr Brendan Kavenagh (Managing Director, Chief Executive Officer)

Mr Michael Norster (Non-Executive Director)

Mr Nicholas Smedley (Non-Executive Director)

Company Secretary

Mr Justin Mouchacca

Legal Adviser

Gadens

Level 13, Collins Arch

447 Collins Street

Melbourne VIC 3000

Registry

Link Market Services Limited

Level 12, 680 George Street

Sydney NSW 2000

Website: www.linkmarketservices.com.au



AD1 Holdings Ltd
ACN 123 129 162

All Registry communications to:
Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia
Telephone: 03 8199 0455
From outside Australia: +61 3 8199 0455
ASX Code: AD1
Website: www.linkmarketservices.com.au

IID:
SRN/HIN:
Entitlement Number:
Number of Eligible Shares held as at the Record Date, 7:00pm (AEST) on 4 April 2023:
Entitlement to New Shares (on a 2 New Share for 7 basis):
Amount payable on full acceptance at A\$0.005 per Share:

Offer Closes 5:00pm (AEST):	Monday, 1 May 2023
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ENTITLEMENT AND ACCEPTANCE FORM

As an Eligible Shareholder you are entitled to acquire 2 New Share for every 7 Existing Shares that you hold on the Record Date, at an Offer Price of A\$0.005 per New Share. You may also apply for New Shares in excess of your Entitlement, at the Offer Price. This is an important document and requires your immediate attention. If you do not understand it or you are in doubt as how to deal with it, you should contact your accountant, stockbroker, solicitor or other professional adviser.

IMPORTANT: The Offer is being made under the Offer Booklet dated 30 March 2023. The Offer Booklet contains information about investing in the New Shares. Before applying for New Shares, you should carefully read the Offer Booklet. This Entitlement and Acceptance Form should be read in conjunction with the Offer Booklet.

PAYMENT OPTION – If you wish to take up all or part of your Entitlement, you have the following payment options.

Option 1: Paying by BPAY®

If paying by BPAY®, refer to the instructions overleaf. **You do NOT need to return this acceptance form if you elect to make payment by BPAY®.** Payment must be received via BPAY® before 5:00pm (AEST) on Monday, 1 May 2023. You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry in time. By paying by BPAY® you will be deemed to have completed an Application Form for the number of Shares subject of your application payment.

Option 2: Paying by EFT Payment

As an investor in New Zealand, you may pay via EFT and complete and return this Entitlement and Acceptance Form once your Application Payment has been made by EFT. Completed Entitlement and Acceptance Forms must be emailed to capitalmarkets@linkmarketservices.com.au.

1. Enter the number of New Shares accepted (being not more than your Entitlement shown above).
 2. Work out your payment amount. To calculate the total amount, multiply the number of New Shares you wish to apply for by A\$0.005.
 3. Payment must be received in cleared funds before 5:00pm (AEST) on Monday, 1 May 2023. **You must use your SRN/HIN as the reference number for your deposit.** If you do not use your SRN/HIN, your application will not be able to be processed. You will also need to ensure that you are aware of any transfer fees with your Financial Institution as we are only able to process the AUD funds received.
 4. Enter your contact telephone number at which we may contact you regarding the application for Shares, if necessary. See overleaf for details and further instructions on how to complete and lodge this Entitlement and Acceptance form.
- Account No:** 12145294
BSB: 062-028
Account Name: PCPL - ITF AD1 HOLDINGS LIMITED NRE
Swift Code for Inbound Deposits from Overseas: CTBAU2SXXX



Billers Code: 395384
Ref:

Telephone & Internet Banking – BPAY®

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. More info: www.bpay.com.au

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A Number of New Shares applied for and accepted (being not more than your Entitlement shown above)	B Number of additional New Shares applied for above your Entitlement	C Total number of New Shares applied for (add Boxes A and B)
<input type="text"/>	<input type="text"/>	<input type="text"/>

D Payment amount (Multiply the number in section C by A\$0.005)

A\$

E Date of Submission	Reference on payment
<input type="text"/>	<input type="text"/>

F Telephone Number – Business Hours	Telephone Number – After Hours	Contact Name
<input type="text"/>	<input type="text"/>	<input type="text"/>

AD1 HOLDINGS LIMITED

The Entitlement Offer to which this Entitlement and Acceptance Form relates is not being made to investors located or resident outside of Australia, New Zealand or the provinces of British Columbia, Ontario and Quebec in Canada. In particular the Entitlement Offer is not being made to any person in the U.S. or to a U.S. person. The Offer Booklet and Entitlement and Acceptance Form do not constitute an offer or invitation to acquire Shares in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation.

ACCEPTANCE OF ENTITLEMENT OFFER

By returning the Entitlement and Acceptance Form with payment to the Registry, or making payment received by BPAY®:

- you represent and warrant that you have read and understood the Offer Booklet and that you acknowledge the matters, and make the warranties and representations contained within the Offer Booklet.
- you provide authorisation to be registered as the holder of New Shares acquired by you and agree to be bound by the Constitution of AD1 Holdings Limited.

1. HOW TO APPLY FOR NEW SHARES

PAYING BY BPAY® (available to Shareholders with an Australian bank account only)

If you elect to make payment using BPAY® you must contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. For more information on paying by BPAY®: www.bpay.com.au

Work out the total amount payable by you. To calculate the total amount, multiply the number of New Shares you wish to apply for by A\$0.005.

Refer overleaf for the Biller Code and Reference Number. The Reference Number is used to identify your holding. If you have multiple holdings you will have multiple Reference Numbers. You must use the Reference Number shown on each personalised Entitlement and Acceptance Form when paying for any New Shares that you wish to apply for in respect of that holding.

A. Acceptance of New Shares

Enter into section A the number of New Shares you wish to apply for. The number of New Shares must be equal to or less than your Entitlement, which is set out overleaf.

B. Application for Additional New Shares

You can apply for more New Shares than your Entitlement. Please enter the number of **additional** New Shares above your Entitlement for which you wish to apply into Box B. Your Application for additional New Shares may not be successful (wholly or partially). The decision of AD1 Holdings Limited on the number of New Shares to be allocated to you will be final. No interest will be paid on any Application Monies received or returned.

C. Total Number of New Shares Subscribed for

To calculate total number of New Shares subscribed for, add Box A and Box B and enter this in Box C.

PAYING BY EFT PAYMENT

Complete all relevant sections of the Entitlement and Acceptance Form USING BLOCK LETTERS. These instructions are cross referenced to each section of the Entitlement and Acceptance Form.

A. Acceptance of New Shares

Enter into section A the number of New Shares you wish to apply for. The number of New Shares must be equal to or less than your Entitlement, which is set out overleaf.

B. Number of additional New Shares applied for above your Entitlement

Enter into section B the number of additional New Shares you wish to apply for.

C. Total number of New Shares

Total number of New Shares applied for (add Boxes A and B)

D. Payment amount

Work out your payment amount. To calculate the total amount, multiply the number of New Shares you wish to apply for by A\$0.005 and enter this into section D. The decision of AD1 Holdings Limited on the number of New Shares to be allocated to you will be final. No interest will be paid on any Application Monies received or returned.

E. Submission date and Payment Reference

You should enter the date you submitted your EFT payment along with the payment referenced used. This will ensure we receive and process your application.

F. Contact details

Enter your contact telephone number where we may contact you regarding your acceptance of New Shares, if necessary.

2. HOW TO LODGE YOUR ENTITLEMENT AND ACCEPTANCE FORM

When paying by BPAY® you do not need to complete or return the Entitlement and Acceptance Form. You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry by the close of the offer no later than 5:00pm (AEST) on Monday, 1 May 2023.

If paying by EFT, complete and return this Application Form once your Application Payment has been made by EFT. Completed Application Forms MUST be emailed to capitalmarkets@linkmarketservices.com.au.

If you require further information on how to complete this Entitlement and Acceptance Form, please contact the AD1 Holdings Limited Offer Information Line on 03 8199 0455 (within Australia) or +61 3 8199 0455 (from outside Australia) between 8:30am and 5:30pm (AEST) Monday to Friday.