

ASX ANNOUNCEMENT

13 October 2020

Successful completion of \$2.5 million placement

Highlights:

- *Strong endorsement by investors with an oversubscription of the underwritten amount approximately five-times*
- *Placement underwritten by the Company's Non-Executive Directors to \$1.5 million*
- *Two new small-cap fund managers participating in the placement*
- *Firm commitments received to raise \$2.5 million in a placement to professional and sophisticated investors at an issue price of \$0.052 per share*
- *Funds raised be used only for the acquisition and integration of Art of Mentoring, and as reserve for future acquisitions.*

Melbourne, Australia, 13 October 2020: AD1 Holdings Limited (ASX: AD1) (**AD1** or the **Company**) is pleased to announce that it has received commitments to undertake a placement to raise \$2.5 million.

Placement

The capital raising, at \$2.5 million, will result in the placement and issue of 48,076,923 new fully paid ordinary shares in the Company (**New Shares**) to professional and sophisticated investors.

The New Shares will be issued at a price of \$0.052 per New Share (**Placement**). The Placement price of \$0.052 represents a discount of 11.2% to the volume weighted average price of the Company's shares for the 20 trading days ending on Tuesday, 6 October 2020.

The New Shares will be issued on the same terms as, and will rank equally in all respects with, the existing fully paid shares of the Company. The New Shares will be issued within the Company's 15% capacity under ASX Listing Rule 7.1. Settlement of the Placement is expected to occur Friday, 16 October 2020, and trading of the New Shares is expected to commence on Monday, 19 October 2020.

The Placement is being underwritten equally by the three Non-Executive Directors (**Joint Underwriters**) of AD1 for the total amount of \$1.5 million (**Underwritten Amount**). There is strong endorsement from investors resulting in oversubscriptions, from which the Company has accepted a significantly scaled back raise of \$2.5 million.

The funds raised will be used for the acquisition and integration of Art of Mentoring (**AoM**) and as reserve for the expedited implementation of a pipeline of acquisition opportunities.

In consideration for the management and underwriting of the Placement, the Joint Underwriters will receive a non-cash underwriting fee of 6% of the Underwritten Amount to be issued as options in

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the Company, subject to shareholder approval at the Company's upcoming Annual General Meeting. The key terms of the options are as follows:

- Number of options: 5,914,488 options (being 1,971,496 options to each Joint Underwriter)
- Exercise price: \$0.077
- Expiry date: Two years from the date of issue

Commenting on the Placement, AD1's Chairman Andrew Henderson stated: "The Board and management of AD1 have worked hard to execute our strategy as outlined at last year's AGM. The fact that our Board have the confidence to personally underwrite this raise should be taken as reflective of the level of faith in the future of AD1."

"Further, we are delighted to be able to complete the AoM acquisition well within timelines, courtesy of this capital raise. We have already experienced customer referrals between the divisions, which validate the strategic merit of this acquisition and we look forward to completing this transaction and integrating the AoM business in the coming months."

"We have been inundated by investors wishing to participate and thank these many investors for their interest in this raise. We were mindful of the need to ensure the raise was correctly sized for the acquisition strategy that we are currently undertaking and within relevant market rules. We look forward to providing further updates on our exciting platform for further growth."

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This release has been authorised by the Board of Directors.

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