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ASX Announcement
26 October 2021

AD1 – October 2021 Update

Melbourne, Australia, 26 October 2021: AD1 Holdings Limited (ASX: AD1) (**AD1** or the **Company**) is pleased to release the October 2021 update, which contains the most up-to-date information on the Company and its three business units.

In addition to the information contained in the following presentation, we would also like to encourage all shareholders to view the most recent investor update delivered by the Company's Chairman Andrew Henderson and CEO/Managing Director Brendan Kavenagh.

The recording for such event is available on the Company's website at <https://www.ad1holdings.com.au/media/>, titled *AD1 Holdings (ASX:AD1) Presentation, FNN Online Investor Event, September 2021*.

END

This release has been authorised by the Board of Directors.

Andrew Henderson
Chairman
AD1 Holdings Limited
03 8199 0455

Brendan Kavenagh
CEO
AD1 Holdings Limited
03 8199 0455



AD1 October 2021 Update

People. Software. Solutions.

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Important Information



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Any opinions expressed reflect AD1's position at the date of this presentation and are subject to change.



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Our Corporate Overview



AD1 Holdings is an **ASX-listed technology company** focused on creating, growing and investing in market-leading software businesses.

Our products and services are **essential enablers** for critical business functions within high growth industries.

Shareholder and management interests are strongly aligned – our Board of Directors and management own 35.8% of shares on issue.

From 2015, the Software as a Service (SaaS) industry has grown from \$31.5 billion to an estimated **\$170 billion** globally 2022 and **\$436 billion 2025***.

Signing US based channel partnership that will add **unprecedented growth opportunities**.

Capital Structure (ASX:AD1; A\$)

Market capitalisation¹	\$21.2m
Share price ¹	3.9c
Shares on issue ¹	604.5m
Performance shares	Nil
Unlisted Options – Inc. Director/Management Incentive Options. Average weighted options exercise price of \$0.19 (145m Options un-vested).	245.3m
ARR as at 30 September 21	\$5.7m
Board and management ownership	35.8%
Substantial Shareholders	
Potentate Investments	22.8%
More Capital	7.3%
HSBC Custody Nominees (Aus)	5.7%
Christopher Kuperman	5.1%

1. As at 13 September 2021 2. Indicative cash balance – 31 August 2021

* [Source](#)

Our Team

We have 80+ years of combined experience across a range of business life-cycles, sectors and geographies.



Andrew Henderson
Non-Executive Chairman

Appointed in March 2019

Has over 20 years of experience in technology products and services businesses – having founded and sold Phoenix IT and is currently the MD of JitterBit Inc (ASPAC).



Michael Norster
Non-Executive Director

Appointed in May 2018 and seed investor

Highly successful entrepreneur from start-ups to exits. Founder of formerly ASX-listed Powerdirect (sold to Ergon Energy); founder and Chairman of Blue NRG Group and founder of USS.



Nicholas Smedley
Non-Executive Director

Appointed in Nov 2019 and cornerstone investor from July 2019

Former Investment Banker with 14 years' experience across UBS and KPMG. Chairman of Vortiv Limited (VOR:ASX). Chairman of Respi Limited (RSG:ASX).



Brendan Kavenagh
Group Chief Executive Officer & Managing Director

Appointed CEO and MD in July 2021

Mr Kavenagh has over 20 years in executive leadership roles within the Technology Recruitment and Professional Services industry with a successful background in building and executing sales strategies and leading teams to achieve highly successful growth results.



Melissa Richardson
Head of Art of Mentoring

Appointed October 2020

A pioneer and one of Australia's experts in mentoring, with over 20 years' experience. Founder of Art of Mentoring and is a global assessor for the European Mentoring and Coaching Council's ISMCP award.

Our Business



We develop end-to-end Software as a Service solutions (SaaS) that help our clients grow their business



Core Activities

- Recruitment Solutions Software
- **Attract, engage, retain** & convert jobseekers directly to your brand
- Everything a company needs to better represent their **brand, culture**, team, job opportunities and more

- Mentoring Software Platform
- Match, manage and evaluate a well-executed **mentoring program**
- Assists in **Employee performance**, productivity, engagement, **retention** and **overall wellbeing**

- Customer Relationship Management, Billing and Operations and Online Customer Portal platform
- **Intuitive and responsive** software
- Assists Energy retailers focus on executing their growth strategy

Additional Information

- Supports 2 of Australia's largest employers **NSW and VIC Government**
 - attracted **7m visitors FY21**
 - processed **1.3m applications FY21**

- Supports Associations, Government and Corporates
- Offshore sales have **increased 514%** in the last 12 months

- Supports the Electricity Retail Industry
- Invoices issued **increased 161% YoY** in the last 12 months

Opportunity

To scale. Soft launching 'off the shelf' product focused on SME and new markets

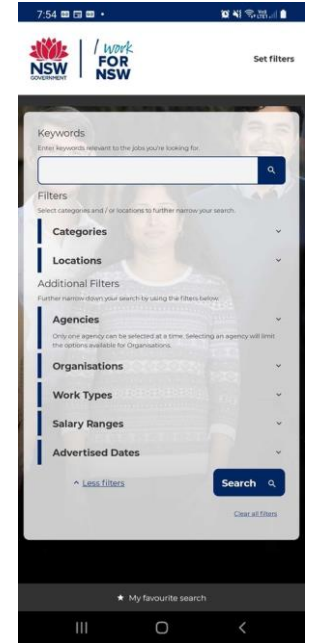
To scale. High growth emerging industry. Global growth

To invest in solution technology to enable faster implementations and customer growth

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Trusted to Deliver

- **Customer retention** rate 90%+
- **New opportunities** leveraging existing clients
- **Cross-sell & referral** business
- **Scalable revenue** stream c-10% YoY
- **Customer success** is our success
- **Global channel partner.**



THE LAW SOCIETY OF NEW SOUTH WALES



Investment Highlights



Scalable, multi-vertical and high-margin SaaS platform provider with meaningful cross-selling synergies.

High growth business with large total addressable markets ('TAM') that are under penetrated.

Entrepreneurial management team with an aggressive investment track-record, delivering on an expanding M&A pipeline.

Diversified, annuity-style revenue streams on multi-year terms – subscription-based revenue accounts for c.71% of revenue generated.

Imminent 1st US channel partner signing for AoM.

Meaningful Cross-sell Opportunities.



Our Journey – Share Price History and Key Events



Over the last 24 months, we have transformed a single platform SaaS business to multi-vertical platform provider – growing the CPS over 250%.



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Recent Business Highlights

Recent Business Highlights

Successful expansion – Integrated two new verticals in 24 months.

Platform growth – 60% increase in Utility Software Services ('USS') meters under management, 27% increase in ApplyDirect users in FY21 and an increase of 500% in participants from FY2019 to FY2021 for AoM.

Revenue growth – 173% increase from FY2019 to FY2021.

Cross-Sell Success – Joint initiatives in progress.

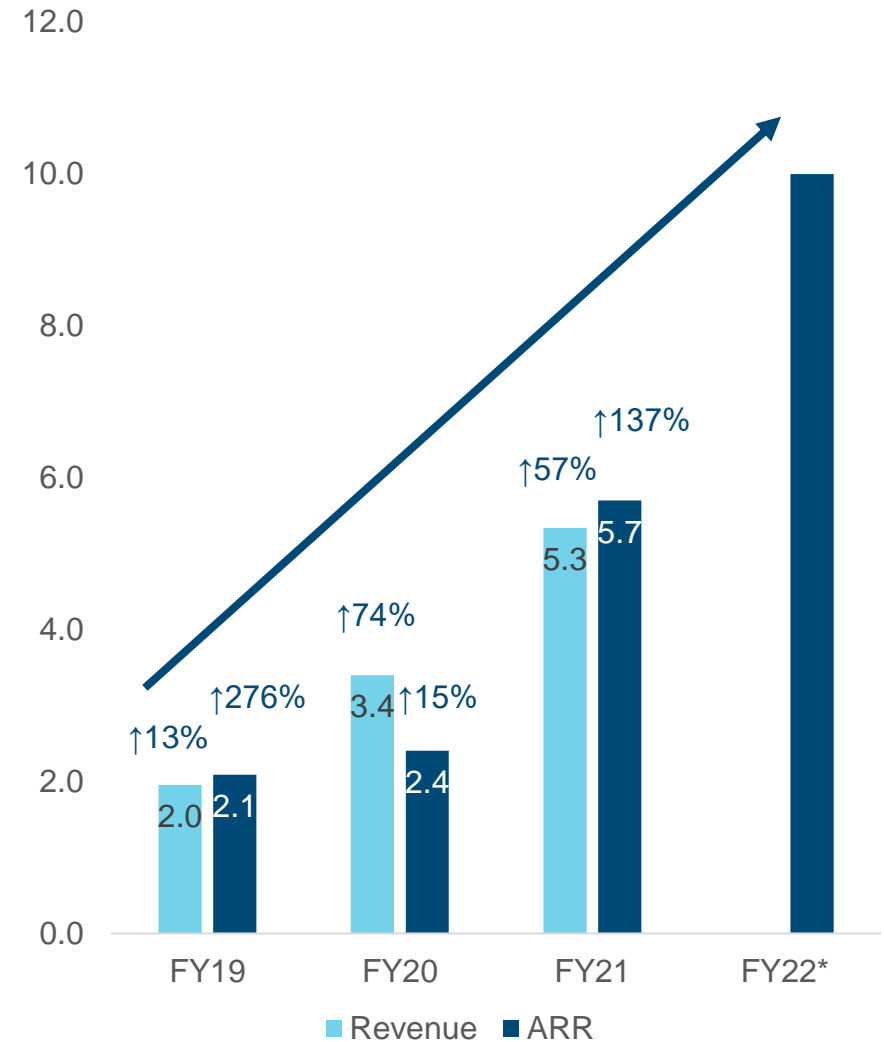
Diversified our customer base – adding AoM to the group.

Continued focus on realising resource and cost efficiencies across the portfolio.



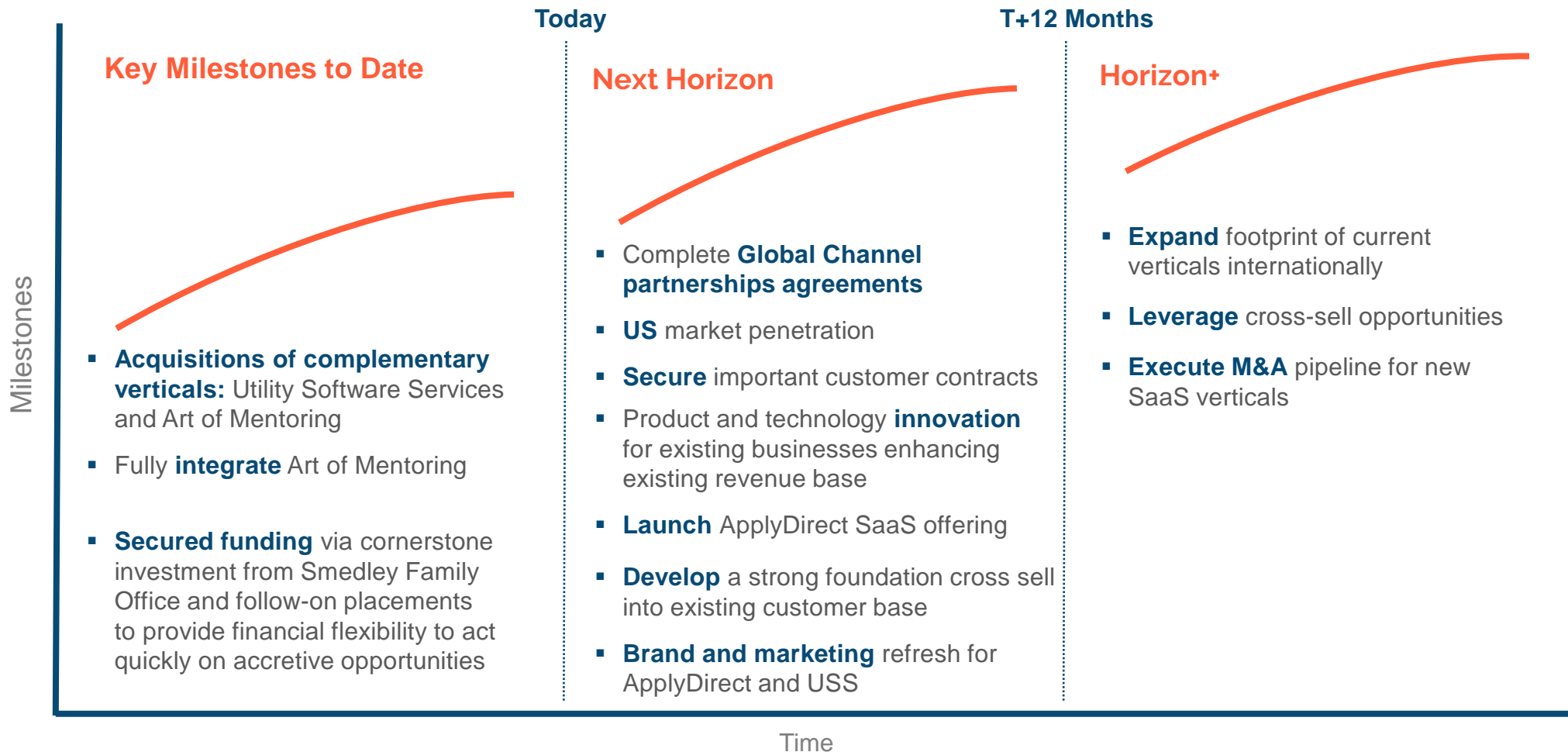
AD1 Revenue & ARR

A\$ (in Millions)



* ARR as at 30 June 2021.

3 Horizons: We are delivering our goal of becoming a global, multi-vertical SaaS platform provider



We take a disciplined and repeatable approach to M&A, which has created solid foundations for a growing portfolio of SaaS platform brands.

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Revenue Model by Vertical

Revenue Model by Vertical



Each Vertical Operates Under a Simple Subscription-based Pricing Model



Frequency

Monthly fee

Monthly fee

Monthly fee

+

Implementation fee

Upfront cost based on level of customisation

Small upfront cost

Upfront cost based on level of customisation

+

Subscription fee

Based on the scope of managed services (Fixed)

Based on the number of participants/programs (Variable)

Based on the number of meters under management (Variable)

=

Annual revenue from client (A\$)

\$200,000¹

\$30,000

\$250,000²

Contract tenure

3+ years

2+ years

3+ years




A typical client for ApplyDirect and USS generates c.A\$200,000+ in annuity-style revenue on a multi-year contract.

1. This figure reflects the average fee for an enterprise solution. ApplyDirect is planning to launch an off-the-shelf product for SME & large employers within select industry sectors at a competitive price point based on number of employees/licenses. Launch expected in Q1 of FY2022.
2. Typical size of a full-service new client in the first year. Largest clients can range from \$1.5 million to over \$2.0 million per annum.

Our current total addressable markets for SaaS

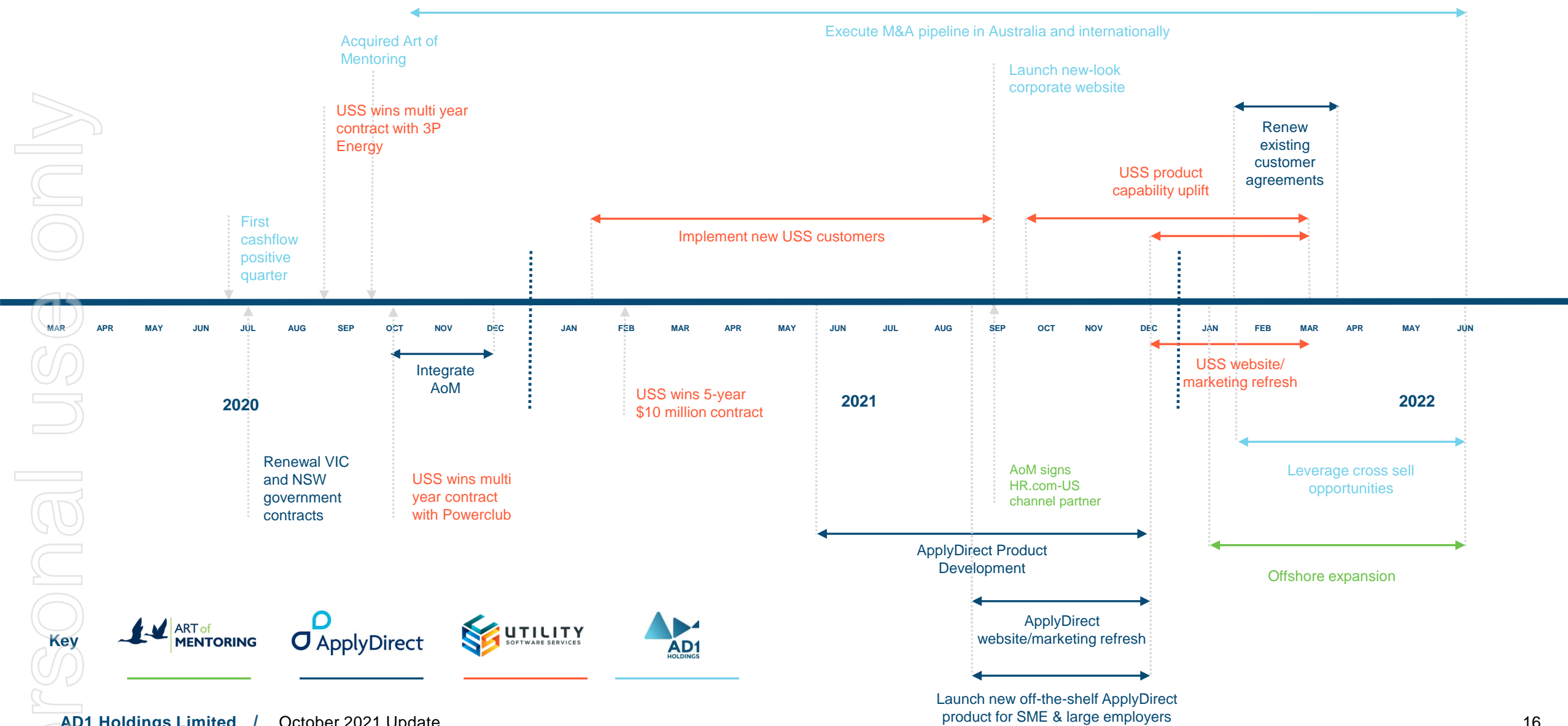


The group total addressable market is c.US\$49.1bn, which is forecast to grow to c.US\$158.3bn by 2027¹

	Talent Attraction ² 	Employee Experience ³ 	Energy Managed Services ⁴ 	
Vertical				
Investment highlight	First mover in Australia for client branded SaaS platforms	Proprietary algorithm solution	Embedded in the Australian energy retail sector	
Attractive structural changes in market	Shift from clients using third party branded talent platforms to own-branded	Digitalisation of the mentoring system reducing time and administration	SaaS delivering superior cloud-based solutions and mobility, better value and improved user experience	
Global market	US\$17.6bn	US\$18.2bn	US\$13.3bn	
US market	US\$3.1bn	US\$9.1bn	US\$6.7bn	
Australian market	US\$0.3bn	US\$0.3bn	US\$0.9bn	A key focus is growing penetration of the Australia market across our three verticals
Australia market penetration	<1%	<1%	<1%	

1. Calculated as group TAM multiplied by estimated Global Software as a Service Industry CAGR from 2020-2027 of 18.2% per 'Global Software as a Service Industry' report; 2. Market data sourced from MarketsandMarkets 'Human Capital Management Market'; 3. Market data sourced from Brett Starr 'Independent market report: Employee experience markets'; 4. Addressable market calculated as an estimated 2% of energy retailer revenue spent on SaaS. Energy retailer revenue data collected per EIA and IBIS report 'Electricity retailing in Australia'. Global Market assumed to be 2.0x US market.

Growth Initiatives FY22





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Appendix | Double-click by Vertical

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Double-click by Vertical



A recruitment technology business that **builds talent platforms** to connect employers and candidates seamlessly.

Client branded product, which improves brand IP, online discoverability and jobseeker experience.

The **solution includes** Google Job Search, content management systems, digital services, HRIS integrations and data analytics.

First mover advantage in Australia and no **customer churn** in FY2021.

Expected soft launch of **new product** in Q1 of FY2021 to target SME and large employers across select industry sectors.

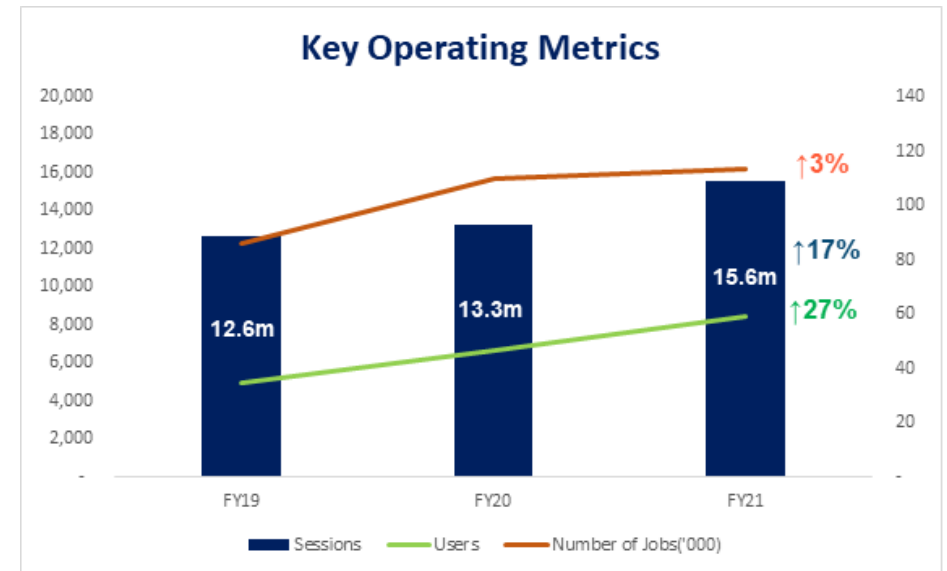
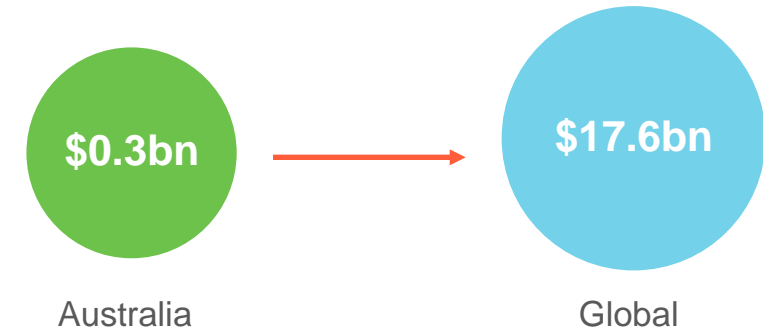
Key customer **wins and retentions** include:



The two largest employers in Australia



Total Addressable Market (US\$)



Double-click by Vertical



Australia's leading mentoring program provider that delivers **best-in-class programs through an intuitive SaaS platform.**

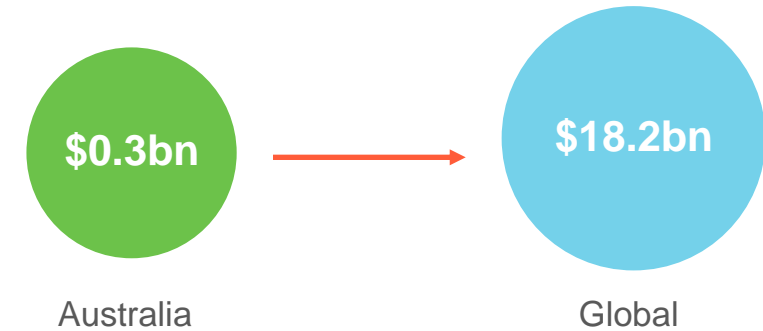
High-impact, strategic mentoring and program administration **powered by proprietary algorithms** – reducing admin for HR.

The customisable SaaS **platform matches mentors and mentees**, creates surveys, schedules comms, upskills mentoring coordinators and provides resources to individuals.

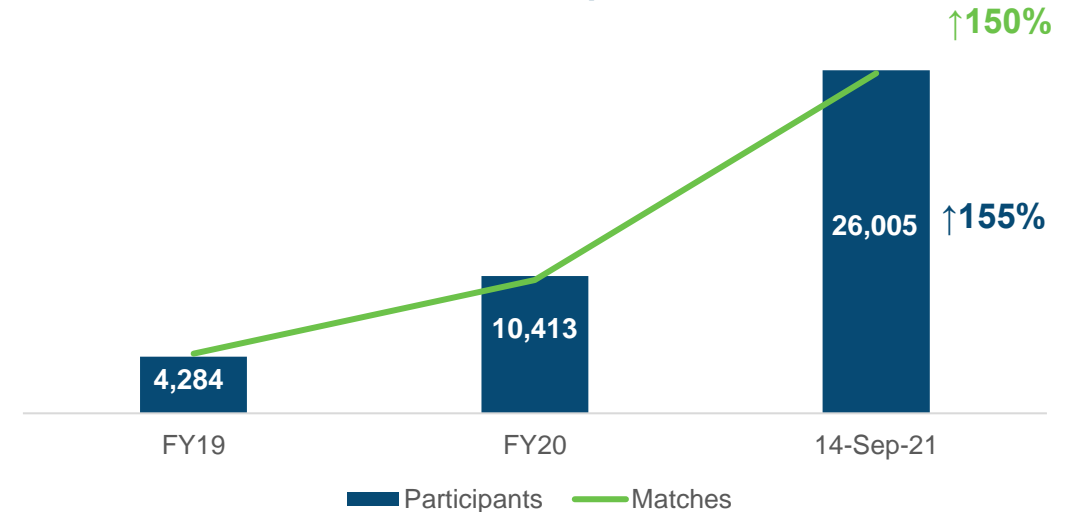
Key **customers** include:



Total Addressable Market (US\$)



Number of AoM Participants and Matches



Double-click by Vertical



A provider of **SaaS platforms for managed services** in the utilities sector.

Strong presence in the Australian energy retail market, where **incumbents lack customisation** in a nuanced world.

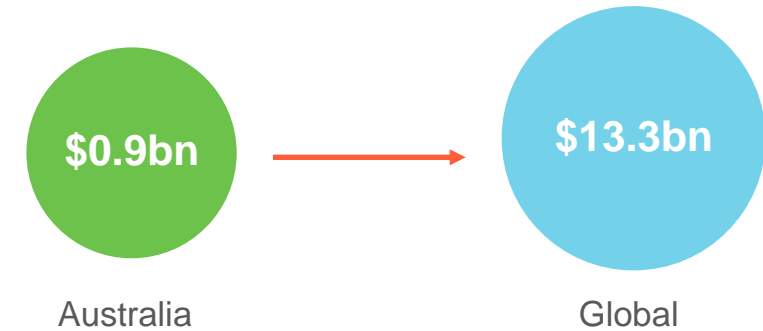
Competitive advantage is the **ability to provide configurable, modular and cloud-based technology** with similar functionality to large vendors at very competitive prices.

Products includes **customer billing, sales and market operations.**

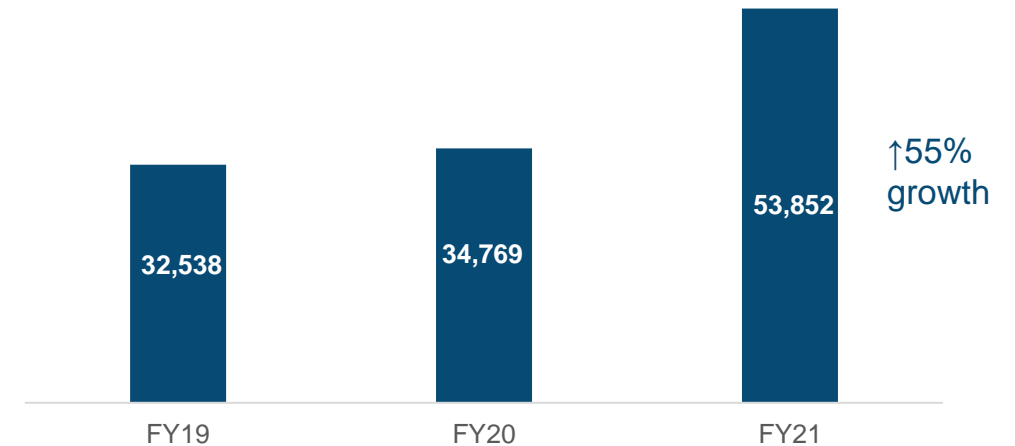
Customers include:



Total Addressable Market (US\$)



Number of USS Meters Under Management



Revenue Model by Vertical

Targeting a Diverse Group of Enterprises



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	ApplyDirect	ART of MENTORING	UTILITY SOFTWARE SERVICES
Private	SME	●	●
	Large corporations	●	●
	Associations	●	●
Government	Federal government	●	●
	State government	●	●
	Agencies, Councils, Departments	●	●

● Not currently targeted ● Targeted by current verticals ● Current client base

Each vertical presents significant customer expansion opportunities.

Revenue Model by Vertical



Provides the ability to cross-sell products, helping drive organic growth

			
	N/A	✓	✓
	✓	N/A	✓
	✓	✓	N/A

By investing in verticals, we can leverage cross-selling opportunities to improve investment returns.

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