



Adrad Holdings Ltd
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ASX Announcement
28 September 2022

PRE-QUOTATION DISCLOSURE

Adrad Holdings Limited (Adrad or the Company) provides the following pre-quotations disclosures and confirmations to ASX Limited (ASX) to satisfy the conditions for quotation of the Company's fully paid ordinary shares (Shares) to the official list of ASX.

Unless otherwise defined, capitalised terms used in this document have the definition ascribed in the replacement prospectus issued by the Company and lodged with ASIC on 26 August 2022 (Prospectus).

1 COMPLETION OF THE OFFER

The Company confirms that the fully underwritten Offer made under the Prospectus has closed and was fully subscribed up to the Maximum Subscription.

The Company confirms that it has completed the issue of the following securities:

- (a) 14,666,667 Shares at an issue price of \$1.50 each to raise \$22,000,000 (before costs) pursuant to the Offer comprising of the sale of 4,666,667 Sale Shares by SaleCo (a special purpose vehicle which has been established to enable the Existing Shareholder to sell Existing Shares in the Offer) and 10,000,000 New Shares by the Company;
- (b) 16,666,704 conversion Shares under the convertible note offer at a conversion price of \$1.20 each;
- (c) 403,268 Options to Adelaide Equity Partners Limited, as Corporate Advisor to the Company;
- (d) 213,333 performance rights to Key Management Personnel of the Company.

2 CAPITAL STRUCTURE

The Company's capital structure is as follows:

Security	Number
Fully Paid ordinary Shares	80,653,485
Unlisted Options (exercisable at \$2.10 for a period of three years from the date of the Company's Admission to the ASX Official List)	403,268
Performance Rights	213,333

Note: The terms of the Options are contained in Section 10.11 of the Prospectus. The terms of the performance rights are contained in Section 7.6.1 of the Prospectus and set out below.

Term	Description
Entitlement	Subject to the terms and conditions set out below, and the terms of the Performance Rights Plan, each Initial Performance Right, once vested, entitles the holder to receive one Share (whether by way of issue or transfer).
Performance Criteria	The Initial Performance Rights will vest on the first anniversary of the date of the Company's Admission (Listing Anniversary), subject to: <ul style="list-style-type: none"> - the Company being admitted to the Official List of the ASX on or before 31 October 2022; and - the holder remaining employed by the Company on the Listing Anniversary.
Allocation of Shares	If the above performance criteria are satisfied, the Initial Performance Rights will vest and the Company will allocate Shares to the holder.
Consideration	The Initial Performance Rights were granted for nil cash consideration and no consideration will be payable upon the issue of Shares after vesting.
Expiry	The Initial Performance Rights will lapse on the first to occur of: <ul style="list-style-type: none"> - the Company not being admitted by 31 October 2022; and - the holder ceasing employment, or as otherwise set out in the Performance Rights Plan rules.

3 RESTRICTED SECURITIES

The Company confirms that following securities are subject to voluntary escrow restrictions for the periods outlined below:

Security	Restriction period	Number
Ordinary Shares	Half year results for the 6 months ending on 31 December 2022 to ASX (HY23)	23,265,046
Ordinary Shares	Full year results for the 12 months ending on 30 June 2022 to ASX (FY23)	23,265,046
Ordinary Shares	Half year results for the 6 months ending on 31 December 2023 to ASX (HY24)	16,440,038

4 ASX WAIVER

The Company has been granted a waiver from Listing Rule Listing Rule 1.1 Condition 12 to the extent necessary to permit Adrad to issue approximately 213,333 performance rights that each convert, upon the satisfaction of certain milestones, to AHL's ordinary shares on a 1:1 basis to the Chief Executive Officer and key employee of Adrad

(‘Performance Rights’) with a nil exercise price on the condition that the material terms and conditions of the Performance Rights are clearly disclosed in Adrad’s initial public offering prospectus (‘Prospectus’). The basis for the waiver decision is set out in Schedule 1.

For Further Information, please contact

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SCHEDULE 1.

Waiver Decision

Based solely on the information provided, ASX Limited ('ASX') grants Adrad Holdings Pty Ltd (the 'Company') a waiver from Listing Rule Listing Rule 1.1 Condition 12 to the extent necessary to permit AHL to issue approximately 213,333 performance rights that each convert, upon the satisfaction of certain milestones, to AHL's ordinary shares on a 1:1 basis to the Chief Executive Officer and key employee of AHL ('Performance Rights') with a nil exercise price on the condition that the material terms and conditions of the Performance Rights are clearly disclosed in AHL's initial public offering prospectus ('Prospectus').

ASX has considered Listing Rule 1.1 Condition 12 only and makes no statement as to AHL's compliance with other Listing Rules.

Basis for Waiver Decision

If an entity seeking admission to the official list has options or performance rights on issue, the exercise price for each underlying security must be at least 20 cents in cash. This rule supports Listing Rule 2.1 Condition 2 which requires the issue price or sale price of all securities for which an entity is seeking quotation (except options) upon admission to the official list to be at least 20 cents in cash. These requirements together support the integrity of the ASX market, as they demonstrate that the entity's ordinary securities have a minimum value suitable for a listed entity.

Facts/Reasons for granting the waiver

In the present case, the number of Performance Rights once exercised into shares will represent approximately 0.26% of AHL's ordinary shares on issue at the time of AHL's admission on an undiluted basis. The Performance Rights are fixed in number and will be held by the Chief Executive Officer and key employee and are therefore unlikely to have any impact on the trading price of AHL's shares. It is considered that the existence of Performance Rights will not undermine the existence of the 20 cent rule in the circumstances. The waiver is likely to be granted on the condition that the material terms and conditions of the Performance Rights are clearly disclosed in the Prospectus.