

RAD AI 2022 Report

Dear investors,

Greetings RAD AI Investor Community

We are feeling bullish as we approach Q4 having grown our 2023 revenue by 3X YTD from 2022. New customer acquisition continues to grow and product adoption across our unique methodology and core service offering.

The Business Summarized:

1. Material accounts include Hasbro, Sweetgreen, The Black Tux, Dignity Health, Ro, Jumy, Firework, MWW, Service Now, Trend Micro and more.
2. Grew average contract size from \$51,571 (2022) to \$155,294 (2023).
3. Product update; full integration with chat GPT-4 is complete in addition to new innovations in our proprietary AI.
4. AI-generated persona builder is complete.

Biggest Technology Accomplishment:

***Influencer/KOL search efficacy is 10X better than industry average.

Fundraising Plans:

With momentum comes opportunity. RAD is focused on taking a dominant position in our industry and to do this, we are scaling up revenue focused initiatives while continuing to make investments in product development.

1. RAD closed its Reg CF round on 5/1/2023. \$4.15M was raised.
2. On 8/15/2023, RAD AI Raised its valuation to \$33M, or .21 per share.
3. The RAD Board of Directors approved a valuation increase to \$48M in conjunction with a new RRG CF round set to be launched before 10/7/2023.
4. The RAD Board of Directors approved a valuation increase to \$75M in conjunction with a Reg A+ round set to be launched in January of 2024.

The investment proceeds will enable:

1. Improve runway
2. Sales hires
3. Customer Success hires
4. Product development and key hires
5. Marketing hires
6. Increase investments into business development
7. Speed up product deliverables
8. Deepen product moat
9. Reg A+ financing
10. M&A use cases for 2024 targets

2023 Highlights:

1. \$4.6M+ raised in our retail investment round at www.wefunder.com/rad
2. Nearly 5000 investors across 75 countries
3. Backed by Adobe Fund for Design
4. Investors include Fidelity, Expert Dojo, Executives from Google, Live Nation and Amazon.

Revenue Summary for 2023:

1. Revenue target over the next 12 months is \$8M
2. Gross margins as of 8/1/2023, 57%
3. Gross margins (projections) by 8/1/2024, 75%
4. Average deal size 2022 - \$51,571
5. Average deal size 2023 - \$155,294
6. Average deal size projections by EOY - \$250K

Lead Source Closing %s:

1. BI SQLs - 26/7 @26.5%
2. Internal - 12/3 @25%
3. Projected Lead Volume (12 months)
4. BI SQLs - 28
5. BI Round Tables - 16

- 6. BI Advisory - 6
- 7. BI Private Dinners - 30

Indicators that Product Market Fit is Trending Positive:

- 1. Time to close a deal compressed from 180 to 120 days on average
- 2. Influencer avg. deal sizes has increased from \$51K (2022) to \$155K (2023)
- 3. Messaging has been refined to communicate RAD differentiation
- 4. Recently, RAD Won Hasbro against two of largest players in the industry

Product Focal Points:

- 1. Focused product development on key client pain points in influencer marketing
- 2. Using over 600+ API connections
- 3. Improve creative content strategy and decisions for self serve client options
- 4. Automating persona creation for self serve
- 5. Select and provide RAD AI informed influencer lists mapped to the campaign objective
- 6. Benchmark performance metrics against historicals across analytics and social channels
- 7. Create redundancy on client facing reporting functions and API service

Technology Summarized:

- 1. 600 API partners including Reddit
- 2. Custom AI models by client and objective
- 3. RAD AI benchmarking
- 4. Influencer models
- 5. Automated persona creation
- 6. RAD AI trend models
- 7. RAD AI optimization models
- 8. Video, images and NLG models
- 9. Feedback loop for ongoing insights

Target Market:

We target Fortune 1000s and/or tier 1 enterprises that manage large active marketing and online advertising programs with an emphasis on companies in Healthcare, Education Media & Entertainment, Travel/Hospitality and Finance.

Our revenue growth is built on continued execution of

- (a) Key Opinion Leader and Influencer Marketing
- (b) Inbound lead generation
- (c) New customer acquisition through professional services and technology partners
- (d) Expansion of revenue with customers
- (e) PR that leverages achievements to accelerate growth
- (f) Strategic sponsorships and events
- (h) Cultivating existing sales pipeline towards a pilot

Growth Areas of Q3/Q4

Agency partners

Migrate clients into incremental SaaS revenues

Convert pilots to ARR client use cases

Deepen adoption with supporting AI-enabled services

Increase product dependency across multiple teams and marketing departments.

Acquisition of enterprise level customers

Building strategic partnerships

Summary

Our belief in our technology and mission is at an all time high. We have a variety of wins to further validate this belief. It's time to start scaling sales infrastructure, marketing efforts and product/dev resources. We have an opportunity to position RAD as the dominant leader in AI-informed persona creation and creative intelligence. Our time is now. We look forward to updating you on our progress and appreciate the ongoing support.

We need your help!

We love when our investors want to get involved. We could use your support in the following areas: We are currently working on recruiting executive and leadership talent and introductions would be much appreciated. We could also always use introductions to qualified sales opportunities. As well as Introductions to investors and strategic partners. We welcome our investors involvement.

Sincerely,

Joe Freedman

Director

Bradley Silver

CFO

Jeremy Barnett

CEO

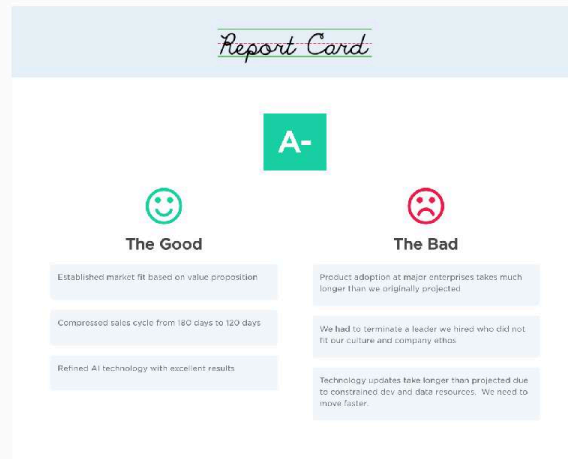
Our Mission

We firmly believe companies should raise money if they are committed to delivering a return to each and every investor. As such, our team's goal is to bring RAD to the public markets within 5 years. We know nothing is certain, but our team will work tirelessly to ensure each investor gets the best return on investment. AI technology and software companies consistently raise at 15-50x contracted revenues; as such, we intend to create extreme shareholder value for each RAD investor.

[See our full profile](#)



How did we do this year?



2022 At a Glance

January 1 to December 31


\$446,498 [13%]
Revenue


-\$3,752,371
Net Loss


\$152,766 [49%]
Short Term Debt


\$599,999
Raised in 2022


\$645,788
Cash on Hand
As of 09/18/23

INCOME

BALANCE

NARRATIVE



Net Margin: -840% Gross Margin: 29% Return on Assets: -81% Earnings per Share: -\$39,488.64 Revenue per Employee: \$26,265 Cash to Assets: 4% Revenue to Receivables: 894% Debt Ratio: 14%

[1800_2200_Financial_statements_and_analysis_2022.xlsx](#)

[2300_RAD_Technologies_AUDITED_2022_Financial_Stmts_-_FINAL.pdf](#)

We ♥ Our
3484 Investors

Thank You For Believing In Us

| | | | | | | |
|-------------------|-------------------|---------------------|--------------------|-------------------|--------------------------|---------------------|
| Stephan Bae | Alex Snook | Gemochu Gatachew | Paul Radford | Rajul Patel | Charles Alcaraz | Michaelangelo Moron |
| Tan Quan Nguyen | Rohith Abenell | Wormen Adrich | John Kozul | Sol Aung Kyaw Maw | Kenneth Duzick | Christine C Geroche |
| Jessica Heyle | Charles L Tierney | John Harbo | Kenneth C. Griffin | Valerie Crawford | Mark Hewes | Craig Korman |
| Debbie Swenson | Charles Friedman | Marin Peter Ramirez | Gene Savore | Tom Cochran | Orhan Tan | Tanya Denary |
| Michael Kennedy | Dary Dixon | John Das Gonzalez | Maxwell Barney | William Hain SR | Faisal Fahad J. Alotaibi | David Hackett |
| Larsel Amador | Anton Lantieri | Shu Chang Hong | Michael Moore | Brian Gross | Lordani Lowaprasam | Geoff Lynes |
| Alvo Libben | Sukanta PAL | BE Amosak | Rajumar NATARAJAN | Tarun Edhe Alia | Gerardo Pion | Anna Gudmundson |
| Adil Alarifi-Ahli | Bulter Fikaha | Cristin Garcia | Thomas Brown | Todd A. Thomsen | Hilbert Novotny | Howard Harding |
| William Ward JH | Richy Stephens | Curtis Fabbian | Thomas Tye | Hossein Javini | Michael Gross | Sander Kujawa |
| Mike Woo | Anthony A Cook | Kevin Lovell | James Sarantinos | Joseph Casphale | Prashant Bahl | Steve Brady |

Details

The Board of Directors

| DIRECTOR | OCCUPATION | JOINED |
|----------------|-----------------------------------|--------|
| Aaron Kuntz | Finance / Operations w/ Self | 2018 |
| Bobby John | Founder and CEO @ Band of Coders | 2021 |
| Joe Freedman | Retired Investor @ Self | 2021 |
| Bradley Silver | President @ Rad Technologies Inc. | 2021 |
| Jeremy Barnett | CEO @ Rad Technologies Inc. | 2018 |

Officers

| OFFICER | TITLE | JOINED |
|----------------|-----------|--------|
| Bradley Silver | President | 2021 |
| Jeremy Barnett | CEO | 2018 |

Voting Power [Ⓢ]

| HOLDER | SECURITIES HELD | VOTING POWER |
|--------------|--|--------------|
| Joe Freedman | 20,407,227 Class A Common, Warrants, Options | 21.5% |

Past Equity Fundraises

| DATE | AMOUNT | SECURITY | EXEMPTION |
|---------|-------------|--------------|-----------------|
| 03/2018 | \$272,000 | Common Stock | Section 4(a)(2) |
| 09/2019 | \$100,000 | | Section 4(a)(2) |
| 11/2019 | \$500,000 | | Section 4(a)(2) |
| 12/2019 | \$100,000 | Safe | Section 4(a)(2) |
| 12/2019 | \$310,000 | | Other |
| 04/2020 | \$250,000 | | Section 4(a)(2) |
| 05/2020 | \$170,000 | | Section 4(a)(2) |
| 09/2020 | \$935,617 | | 4(a)(6) |
| 10/2020 | \$40,000 | | 506(c) |
| 05/2021 | \$160,000 | | Section 4(a)(2) |
| 08/2021 | \$841,000 | Common Stock | Section 4(a)(2) |
| 08/2021 | \$250,000 | | Other |
| 05/2022 | \$99,999 | | 506(c) |
| 10/2022 | \$500,000 | | Section 4(a)(2) |
| 05/2023 | \$4,151,539 | | 4(a)(6) |
| 10/2023 | \$32,499 | | 506(c) |
| | \$50,000 | | 506(c) |

The use of proceeds is to fund general operations.

Convertible Notes Outstanding

| ISSUED | AMOUNT | INTEREST | DISCOUNT | VALUATION CAP | MATURITY |
|------------|------------------------|----------|----------|---------------|-------------------------|
| 09/13/2019 | \$100,000 [Ⓢ] | 15.0% | None | | 09/13/2021 [Ⓢ] |
| 11/15/2019 | \$500,000 [Ⓢ] | 4.0% | 15.0% | \$4,000,000 | 11/16/2023 [Ⓢ] |
| 05/25/2021 | \$160,000 [Ⓢ] | 15.0% | | | 05/25/2021 [Ⓢ] |

Outstanding Debts

| LENDER | ISSUED | AMOUNT | OUTSTANDING | INTEREST | MATURITY | CURRENT |
|------------------------------|------------|-----------|------------------------|----------|------------|---------|
| Dzhe Ventures [Ⓢ] | 12/27/2019 | \$310,000 | \$0 [Ⓢ] | 4.0% | 03/29/2024 | Yes |
| SBA [Ⓢ] | 04/01/2020 | \$250,000 | \$250,000 [Ⓢ] | 3.75% | 04/30/2050 | Yes |
| SBA [Ⓢ] | 05/01/2020 | \$170,000 | \$0 [Ⓢ] | 1.0% | 12/31/2022 | Yes |
| SBA Loan [Ⓢ] | 08/01/2021 | \$250,000 | \$250,000 [Ⓢ] | 3.75% | 12/31/2050 | Yes |
| Joseph Freedman [Ⓢ] | 10/17/2022 | \$500,000 | \$650,000 [Ⓢ] | 15.0% | 10/16/2028 | Yes |

Related Party Transactions

None.

Capital Structure

| CLASS OF SECURITY | SECURITIES (OR AMOUNT) AUTHORIZED | SECURITIES (OR AMOUNT) OUTSTANDING | VOTING RIGHTS |
|--|-----------------------------------|------------------------------------|---------------|
| Class B Common Stock | 50,000,000 | 0 | No |
| Class A Common Stock | 20,000,000 | 95,094,254 | Yes |
| SECURITIES RESERVED FOR ISSUANCE UPON EXERCISE OR CONVERSION | | | |
| Warrants: | 23,124,552 | | |
| Options: | 51,222,855 | | |

Risks

RAD AI is not able to keep up with the the ongoing AI innovation and adoption curve

The US economy recovers slower than expected thus causing extended pauses in new client activations.

Company clients / partners go out of business and don't pay their invoice and/or aging accounts receivable.

A better funded competitor beats us to the punch and grabs position, clients and market share.

Our future success depends on the efforts of a small management team. The loss of services of the members of the management team may have an adverse effect on the company. There can be no assurance that we will be successful in attracting and retaining other personnel we require to successfully grow our business.

The Company may never receive a future equity financing or elect to convert the Securities upon such future financing. In addition, the Company may never undergo a liquidity event such as a sale of the Company or an IPO. If neither the conversion of the Securities nor a liquidity event occurs, the Purchasers could be left holding the Securities in perpetuity. The Securities have numerous transfer restrictions and will likely be highly illiquid, with no secondary market on which to sell them. The Securities are not equity interests, have no ownership rights, have no rights to the Company's assets or profits and have no voting rights or ability to direct the Company or its actions.

API Integrations for channel partners like Facebook and Instagram can change to our detriment.

Organic reach is constantly changing on social platforms which can reduce campaign efficacy.

Securing executives and top tiered development talent is challenging against better funded competitors

Description of Securities for Prior Reg CF Raise

Additional issuances of securities. Following the investor's investment in the Company, the Company may sell interests to additional investors, which will dilute the percentage

Interest of the investor in the Company. The investor may have the opportunity to increase its investment in the Company in such a transaction, but such opportunity cannot be assured. The amount of additional financing needed by the Company, if any, will depend upon the maturity and objectives of the Company. The declining of an opportunity or the inability of the investor to make a follow-on investment, or the lack of an opportunity to make such a follow-on investment, may result in substantial dilution of the investor's interest in the Company.

Issuer repurchases of securities. The Company may have authority to repurchase its securities from shareholders, which may serve to decrease any liquidity in the market for such securities, decrease the percentage interests held by other similarly situated investors to the Investor, and create pressure on the Investor to sell its securities to the Company concurrently.

A sale of the issuer or of assets of the issuer. As a minority owner of the Company, the investor will have limited or no ability to influence a potential sale of the Company or a substantial portion of its assets. Thus, the investor will rely upon the executive management of the Company and the Board of Directors of the Company to manage the Company so as to maximize value for shareholders. Accordingly, the success of the investor's investment in the Company will depend in large part upon the skill and expertise of the executive management of the Company and the Board of Directors of the Company. If the Board Of Directors of the Company authorizes a sale of all or a part of the Company, or a disposition of a substantial portion of the Company's assets, there can be no guarantee that the value received by the investor, together with the fair market estimate of the value remaining in the Company, will be equal to or exceed the value of the investor's initial investment in the Company.

Transactions with related parties. The investor should be aware that there will be occasions when the Company may encounter potential conflicts of interest in its operations. On any issue involving conflicts of interest, the executive management and Board of Directors of the Company will be guided by their good faith judgement as to the Company's best interests. The Company may engage in transactions with affiliates, subsidiaries or other related parties, which may be on terms which are not arm's-length, but will be in all cases consistent with the duties of the management of the Company to its shareholders. By securing an interest in the Company, the investor will be deemed to have acknowledged the existence of any such actual or potential conflicts of interest and to have waived any claim with respect to any liability arising from the existence of any such conflict of interest.

Minority Ownership

An investor in the Company will likely hold a minority position in the Company, and thus be limited as to its ability to control or influence the governance and operations of the Company.

The marketability and value of the investor's interest in the Company will depend upon many factors outside the control of the investor. The Company will be managed by its officers and be governed in accordance with the strategic direction and decision-making of its Board Of Directors, and the investor will have no independent right to name or remove an officer or member of the Board Of Directors of the Company.

Following the investor's investment in the Company, the Company may sell interests to additional investors, which will dilute the percentage interest of the investor in the Company. The investor may have the opportunity to increase its investment in the Company in such a transaction, but such opportunity cannot be assured.

The amount of additional financing needed by the Company, if any, will depend upon the maturity and objectives of the Company. The declining of an opportunity or the inability of the investor to make a follow-on investment, or the lack of an opportunity to make such a follow-on investment, may result in substantial dilution of the investor's interest in the Company.

Exercise of Rights Held by Principal Shareholders

As holders of a majority-in-interest of voting rights in the Company, the shareholders may make decisions with which the investor disagrees, or that negatively affect the value of the investor's securities in the Company, and the investor will have no recourse to change these decisions. The investor's interests may conflict with those of other investors, and there is no guarantee that the Company will develop in a way that is optimal for or advantageous to the investor. For example, the shareholders may change the terms of the articles of incorporation for the company, change the terms of securities issued by the Company, change the management of the Company, and even force out minority holders of securities. The shareholders may make changes that affect the tax treatment of the Company in ways that are unfavorable to you but favorable to them. They may also vote to engage in new offerings and/or to register certain of the Company's securities in a way that negatively affects the value of the securities the investor owns. Other holders of securities of the Company may also have access to more information than the investor, leaving the investor at a disadvantage with respect to any decisions regarding the securities he or she owns. The shareholders have the right to redeem their securities at any time. Shareholders could decide to force the Company to redeem their securities at a time that is not favorable to the investor and is damaging to the Company. Investors' exit may affect the value of the Company and/or its viability. In cases where the rights of holders of convertible debt, SAFES, or other outstanding options or warrants are exercised, or if new awards are granted under our equity compensation plans, an investor's interests in the Company may be diluted. This means that the pro-rata portion of the Company represented by the investor's securities will decrease, which could also diminish the investor's voting and/or economic rights. In addition, as discussed above, if a majority-in-interest of holders of securities with voting rights cause the Company to issue additional stock, an investor's interest will typically also be diluted.

Restrictions on Transfer

The securities offered via Regulation Crowdfunding may not be transferred by any purchaser of such securities during the one year period beginning when the securities were issued, unless such securities are transferred:

- to the issuer;
- to an accredited investor⁴⁰;
- as part of an offering registered with the U.S. Securities and Exchange Commission; or
- to a member of the family of the purchaser or the equivalent, to a trust controlled by the purchaser, to a trust created for the benefit of a member of the family of the purchaser or the equivalent, or in connection with the death or divorce of the purchaser or other similar circumstance.

Valuation Methodology for Prior Reg CF Raise

The offering price for the securities offered pursuant to this Form C has been determined arbitrarily by the Company, and does not necessarily bear any relationship to the Company's book value, assets, earnings or other generally accepted valuation criteria. In determining the offering price, the Company did not employ investment banking firms or other outside organizations to make an independent appraisal or evaluation. Accordingly, the offering price should not be considered to be indicative of the actual value of the securities offered hereby.

The initial amount invested in a SAFE is determined by the investor, and we do not guarantee that the SAFE will be converted into any particular number of shares of Preferred Stock. As discussed in Question 13, when we engage in an offering of equity interests involving Preferred Stock, investors may receive a number of shares of Preferred Stock calculated as either (i) the total value of the investor's investment, divided by the price of the Preferred Stock being issued to new investors, or (ii) the valuation for the company is more than the Valuation Cap, the amount invested divided by the quotient of (a) the Valuation Cap divided by (b) the total amount of the Company's capitalization at that time. Because there will likely be no public market for our securities prior to an initial public offering or similar liquidity event, the price of the Preferred Stock that investors will receive, and/or the total value of the Company's capitalization, will be determined by our board of directors. Among the factors we may consider in determining the price of Preferred Stock are prevailing market conditions, our financial information, market valuations of other companies that we believe to be comparable to us, estimates of our business potential, the present state of our development and other factors deemed relevant. In the future, we will perform valuations of our stock (including both common stock and Preferred Stock) that take into account, as applicable, factors such as the following:

- unrelated third party valuations;
- the price at which we sell other securities in light of the relative rights, preferences and privileges of those securities;
- our results of operations, financial position and capital resources;
- current business conditions and projections;
- the marketability or lack thereof of the securities;
- the hiring of key personnel and the experience of our management;
- the introduction of new products;

- the risk inherent in the development and expansion of our products;
- our stage of development and material risks related to our business;
- the likelihood of achieving a liquidity event, such as an initial public offering or a sale of our company given the prevailing market conditions and the nature and history of our business;
- industry trends and competitive environment;
- trends in consumer spending, including consumer confidence;
- overall economic indicators, including gross domestic product, employment, inflation and interest rates; and
- the general economic outlook.

We will analyze factors such as those described above using a combination of financial and market-based methodologies to determine our business enterprise value. For example, we may use methodologies that assume that businesses operating in the same industry will share similar characteristics and that the Company's value will correlate to those characteristics, and/or methodologies that compare transactions in similar securities issued by us that were conducted in the market.

Company

Rad Technologies, Inc.
 - Delaware Corporation
 - Organized October 2018
 - 17 employees

1501 Lincoln Blvd.
 #1133
 Venice CA 90291

<http://www.radintelligence.com>

Business Description

Refer to the [RAD AI](#) profile.

EDGAR Filing

The Securities and Exchange Commission hosts the [official version of this annual report](#) on their EDGAR web site. It looks like it was built in 1989.

Compliance with Prior Annual Reports

RAD AI has previously not complied with the reporting requirements under Rule 202 of Regulation Crowdfunding.

Did not file an annual report on time.

All prior investor updates

You can refer to the company's [updates](#) page to view all updates to date. Updates are for investors only and will require you to log in to the Wefunder account used to make the investment.