

ASX RELEASE

24 March 2020

PLACEMENT TO STRATEGIC AND EXISTING INVESTORS COMPLETED

Key Highlights

- Capital raising of approximately \$1.85m successfully completed
- Significant cost cutting initiatives deployed across the entire business without affecting anticipated revenues
- Increasing trial pipeline with new companies from the United States and Australia being added weekly
- Company anticipates that it should have sufficient funds well into the first half of the next financial year (conservatively assuming zero revenue growth)

Adveritas Limited (**Company** or **Adveritas**) (**ASX: AV1**) announces a range of measures intended to secure the future growth of the business. Given the unprecedented challenges which the world is facing as a result of COVID-19, the Board has considered it prudent to undertake the measures outlined below.

Capital Raising

The Company has received firm commitments to invest approx. \$1.72m in the Company via a placement of fully paid ordinary shares to strategic and other existing investors at 5.5 cents per share. This placement will be undertaken under the Company's available ASX Listing Rule 7.1 placement capacity and results in the issue of 31,248,270 new fully paid ordinary shares in the Company. Settlement of the placement and issue of the new shares is currently scheduled to take place on or about Thursday, 26 March 2020, with quotation of the new shares expected to occur on or about Friday, 27 March 2020. Funds raised from the placement will be used for increased marketing efforts as well as for general working capital requirements.

CEO Mathew Ratty, subject to shareholder approval, will invest an additional \$150k as part of this placement, bringing the total capital raising to approx. \$1.85m.

Cost-cutting measures

In addition to the capital raising, the Company has elected to undertake a number of pre-emptive cost-cutting measures which will commence immediately until further notice, including the following:

- Board fees reduced to zero, with no obligation to subsequently repay the foregone fees.

For personal use only

- CEO base annual salary of \$265,000, plus superannuation reduced by 50%, with no obligation to subsequently repay the foregone salary. All other terms and conditions of the CEO's remuneration remain unchanged and are disclosed in the Company's last Annual Report.
- COO and other C-suite executives to reduce salaries by 30%, with no obligation to subsequently repay the foregone salaries.
- All other staff have been invited to opt-in to a voluntary salary reduction proposal, to which a significant number of staff have already committed, with no obligation to subsequently repay the foregone salaries. The Company's preferred strategy is to reduce salaries instead of terminating employment contracts. The Company's employees are highly skilled in a niche technical market and are important to the Company's future innovation and growth, particularly once the global economy stabilises.

Outlook

The combined result of the capital raising, existing cash reserves and a number of cost-cutting measures, including the reduction in employment costs, is that the Company anticipates that it should have sufficient funds well into the first half of the next financial year, conservatively assuming zero revenue growth. The Company remains highly focussed on revenue growth, driven by its sales launch in the USA and launch of its Three by Three Sales Model (see December 2019 Quarterly and the ASX announcement of 20 February 2020), including the launch of a freemium (detection only) mass offering, which is intended to significantly increase the Company's sales pipeline. The Company has recently witnessed strong demand from a number of Australian listed entities that wish to trial TrafficGuard to protect their digital ad spend and is confident of executing a number of these to paid services in the near term.

CEO Commentary

CEO Mat Ratty said, "We are extremely pleased to receive ongoing strong investor support for our Company, especially considering the difficult market conditions that are being experienced globally.

Our SaaS product, TrafficGuard, leads the world in providing digital marketing anti-fraud solutions. In these unprecedented times of social distancing and isolation, optimising digital marketing is more critical than ever for all businesses seeking growth. Accordingly, we expect ongoing demand for TrafficGuard in this environment."

This announcement has been approved for release by the Board of Adveritas Limited.



About Adveritas

Adveritas Ltd (ASX: AV1) creates innovative software solutions that leverage big data to drive business performance. Adveritas' ad fraud prevention software, TrafficGuard, is its first available software as a service. Early adopters of TrafficGuard include LATAM super-app, Rappi and APAC super-app, GO-JEK along with MUV (a wholly owned subsidiary of WPP). Both super-apps are well funded with valuations reaching \$2 billion and \$10 billion respectively and conducting aggressive user acquisition advertising for fast growth. In all cases, TrafficGuard was chosen after a rigorous procurement process that saw the effectiveness of our solution evaluated against a range of competing solutions. For more information, see <https://www.adveritas.com.au/>



About TrafficGuard

TrafficGuard detects, mitigates and reports on digital ad fraud before it hits your advertising budget. Sitting within the advertising journey, TrafficGuard analyses impressions, clicks, conversions and events to mitigate ad fraud at its earliest reliable detection. Our proactive approach keeps your performance data clean, and helps you scale and optimise your advertising confidently.

No more aggressive blacklists hidden in black boxes. TrafficGuard is surgical by nature, relying on statistical invalidation rather than blanket blocking. Our surgical approach mitigates false positives and protects your valid traffic. Transparency is at the heart of our platform, giving you clear reasons for every invalidated engagement; and also enabling you to give agencies and traffic sources access to reporting on their traffic. This drives your advertising performance by helping your supply chain to optimise campaigns in real time rather than wasting time sending spreadsheets and manually reconciling media volumes.

TrafficGuard is trusted to protect ad spend of leading global businesses including super-apps Rappi and GoJek; major game developer, Glu Mobile; mobile ad agency, MUV; and eCommerce giants Bukalapak and Centauro.

Founded in 2015, TrafficGuard is a subsidiary of Australian Securities Exchange listed, Adveritas Limited (ASX: AV1) with global operations.

Learn more about TrafficGuard's comprehensive ad fraud protection at trafficguard.ai

For more information, please contact:

Investor Enquiries

Mathew Ratty
Chief Executive Officer
Adveritas Limited
(08) 9473 2500
investor.enquiry@adveritas.com.au

George Gabriel, CFA
Managing Director
BLETCHLEY Park Capital
(03) 8686 9144
investors@bletchleyparkcapital.com.au