

ASX RELEASE**23 November 2021****ANNUAL GENERAL MEETING –
CHAIRMAN’S ADDRESS**

Good morning everybody.. I am Stephen Belben, Chairman of Adveritas Limited (“Adveritas” or “the Company”) (ASX:AV1).

Despite the continuing impact of the COVID-19 pandemic on our sales initiatives, I am pleased to report a rapid increase in our key sales metrics, particularly in the second half of the financial year and post year end. At the close of the 2020 financial year, we had a total of 12 paying customers. By 30 June 2021, we had close to 180 paying customers and our annualised revenue was circa \$1 million. Our annualised revenue is now over \$1.7 million.

The growth in our customer base has been driven by our “three by three” sales model which we adopted towards the end of the 2020 financial year. This model has consistently produced results by incorporating three pricing models and three routes to market.

The pricing models are:

- **Freemium**, which is fraud detection only and free of charge up to \$2,500 of reported Google AdWord spend;
- **Land & Expand**, which are relatively low-priced monthly contracts for detection and prevention services; and
- **Long-dated contracts**, which are for detection and prevention services for 12-months (or longer) and are more economical on a date usage basis.

The routes to market are:

- **Mass market** through the Freemium product offering;
- **Direct sales** through the Company’s sales force; and
- **Third party distribution** through partnerships with Ad Agencies, Campaign Management Platforms and Marketplace Services.

We have had a number of client wins during FY2021, and since year end, that have been significant to us because they have strengthened our presence in high value industry sectors and across a number of key jurisdictions such as Europe, Asia and Latin America. We are proud that our customer base now includes:

- **GVC Australia**, a subsidiary of GVC Holdings PLC which is a top 100 company on the London Stock Exchange. GVC Australia's subsidiaries include Ladbrokes and Neds.
- **deezer**, a French online music streaming service which currently has 56 million licensed tracks in its library, 100 million playlists, and 16 million active users in over 180 countries. It is also the exclusive global music partner of fitness app FitBit which has been acquired by Google.
- **Lala Move**, an on-demand delivery app which operates in cities across Asia and Latin America connecting over 7 million users with more than 700,000 delivery drivers
- **Neon**, a Brazilian online bank that raised US\$300 million Series C funding in March 2021, and had over 9.4 million customers at that time
- **Betfred**, the largest private retail bookmaker in the UK, which has rapidly grown to have turnover in excess of £500 million per annum
- **BetBull** a fast-growing social sports betting company, expanding internationally through a key partnership with owner Wynn Interactive Group
- **CARS24**, an ecommerce platform for pre-owned autos (cars and bikes), valued at over \$2 billion and backed by some of the world's largest investors, including Softbank
- **JD.ID**, one of Indonesia's largest eCommerce platforms, a subsidiary of JD.Com, one of China's largest eCommerce businesses with a market capitalisation equivalent to A\$175 billion
- **Palmerbet**, an Australian sports betting company with a 50-year history, that has been brought online
- **Singtel**, Asia's leading communications group (parent company of Optus).

These important client wins validate our technology, our sales model and our growth strategy.

Our technology has also received validation in the form of industry recognition and awards, including:

- winning a MarTech Breakthrough Award for Best PPC Optimisation;
- being named the Most Effective Anti-Fraud Solution at the 2020 Effective Mobile Marketing Awards;
- winning the best App Analytics Platform at the 2020 App Growth Awards; and
- being listed as a finalist for Mumbrella's 2021 Marketing Technology Company of the Year.

In looking to what the future holds, some key factors to consider are:

1. Our strong balance sheet

We closed FY2021 with \$3.2 million in cash and no debt. Since year end we have raised \$4.4 million via placements to strategic, professional and sophisticated investors and \$3.6 million through the exercise of 36 million options. Our pro forma cash balance at 30 September 2021 was \$8.4 million.

2. Opportunities arising from our integration with Google Cloud Marketplace

TrafficGuard's recent acceptance into the Google Cloud Marketplace has three key benefits:

- Opens an additional sales channel with Google Cloud reps selling the TrafficGuard solution on our behalf;
- Provides access to Google Cloud's customer base across numerous key targeted countries; and
- Reduces the sales cycle for potential customers that already have Google as a preferred partner because legal and procurement times, which account for the majority of the sales cycle, are substantially reduced.

3. An integrated sales and marketing process

We are working on implementing an integrated sales and marketing process to generate leads for enterprise clients, drive inbound leads to the TrafficGuard self-sign-up portal and increase the conversion of Freemium subscribers into paying customers. Freemium subscribers are a lead indicator of future revenue growth. At the close of FY2020 we had just over 500 Freemium subscribers. This number had

increased to approximately 2,700 by 30 June 2021. We currently have over 3,300 Freemium subscribers with an average conversion rate of circa 10% which far exceeds the industry average of 2-5%.

These factors, together with our product, which is the solution to the industry problem of fraud and invalid traffic, stand us in good stead to keep delivering on our primary objectives of:

- investing in the sales and marketing team to scale growth;
- expanding the sales pipeline across key verticals; and
- converting TrafficGuard trials into paying customers.

As I mentioned earlier in my address our achievements during the year have been recognized by a number of industry awards the most recent being on Friday last week at the 12th Effective Mobile Marketing Awards where TrafficGuard was recognized as having “The Most Effective Anti-Fraud Solution”.

I would like to thank every member of our global team for their efforts and contributions over the past year. Our Company is a reflection of its highly qualified and motivated team who constantly strive for success. I would also like to thank our CEO, Mat Ratty, and his executive management team, as well as the members of the Adveritas Board of directors who provide the leadership, strategy, energy and drive to propel the Company forward.

This announcement is authorised for release by the Chairman of Adveritas Limited.

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