

ASX RELEASE**28 April 2025**

March 2025 Quarterly Report

Inaugural quarter of generating positive cashflow from operations driven by record cash receipts

Adveritas Limited (**Company** or **Adveritas**) (**ASX: AVI**) is pleased to report record results for the March 2025 quarter.

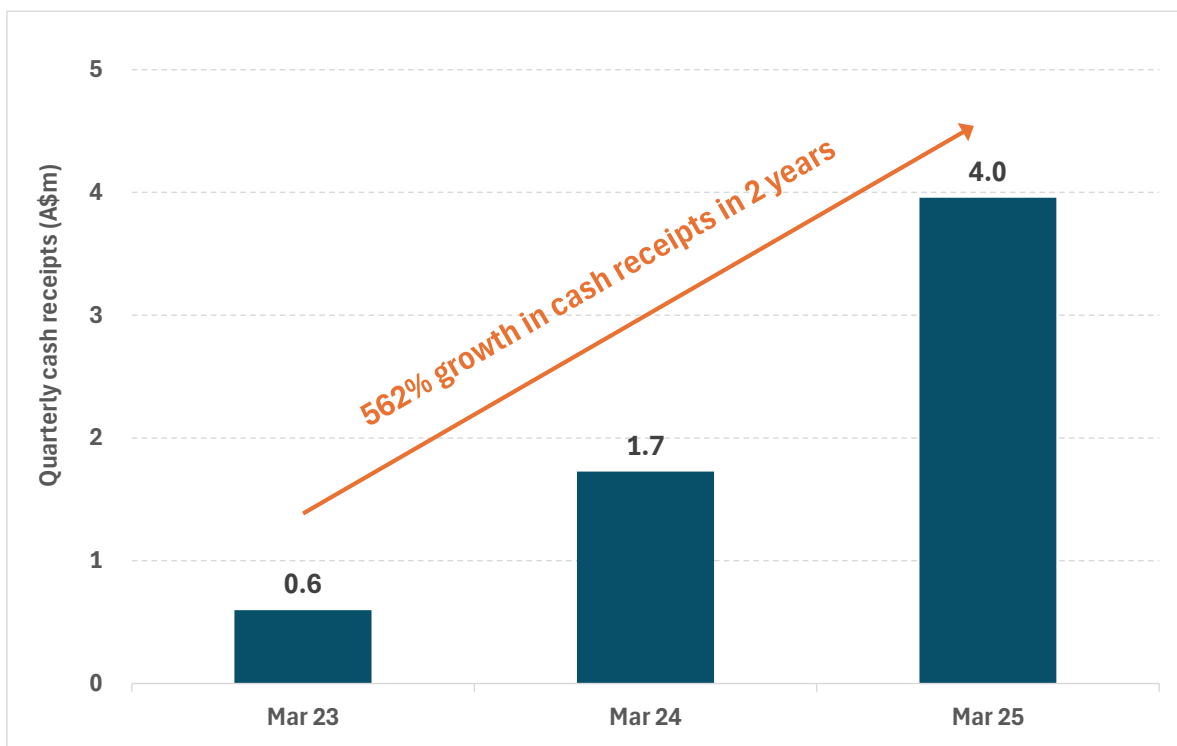
Key Highlights

- **Record quarterly cash receipts:** \$3.96 million received, 129% higher than the March 2024 quarter.
- **First quarter of positive operating cashflow:** \$544k cashflow generated from operations during the quarter.
- **Growing annualised recurring revenue (ARR):** ARR at the close of the March 2025 quarter was 48% higher than the March 2024 quarter, and currently sits at \$8.7 million.
- **Sports betting growth momentum:** strong expansion continued, with contract renewals containing higher contract rates and terms extended for more than one year.
- **Agency partnerships:** significant progress with negotiations resulting in first agency contract being signed post quarter end.
- **Expansion into eCommerce:** progressing towards first significant revenue from the eCommerce segment.
- **Record outlook:** on track for a strong June 2025 quarter which will drive record full-year results.

Record Quarterly Cash Receipts

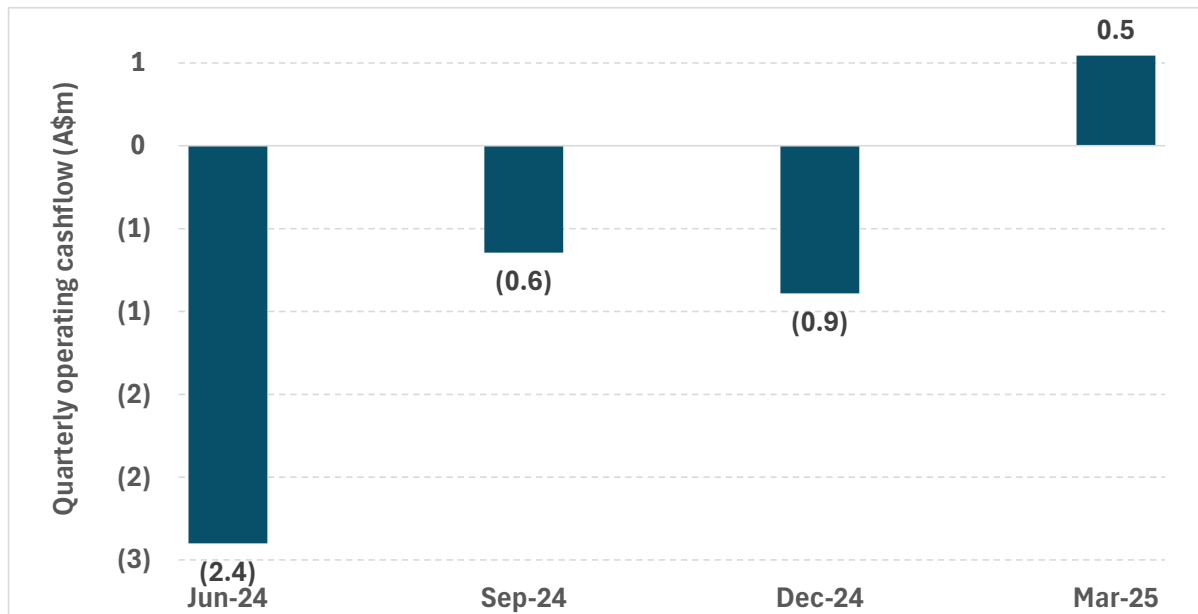
Growth in the Company's customer base over the last 2 years is evident from the increase in receipts from customers. The March 2025 quarterly receipts of approximately \$4 million represent an increase of 129% in 12 months and an increase of 562% over 2 years as shown in chart 1.

Chart 1: Growth in quarterly cash receipts



The record cash receipts in the March 2025 quarter combined with strong cost control has resulted in the Company's first quarter of generating positive cash flow from its operating activities as shown in chart 2.

Chart 2: Quarterly operating cashflow



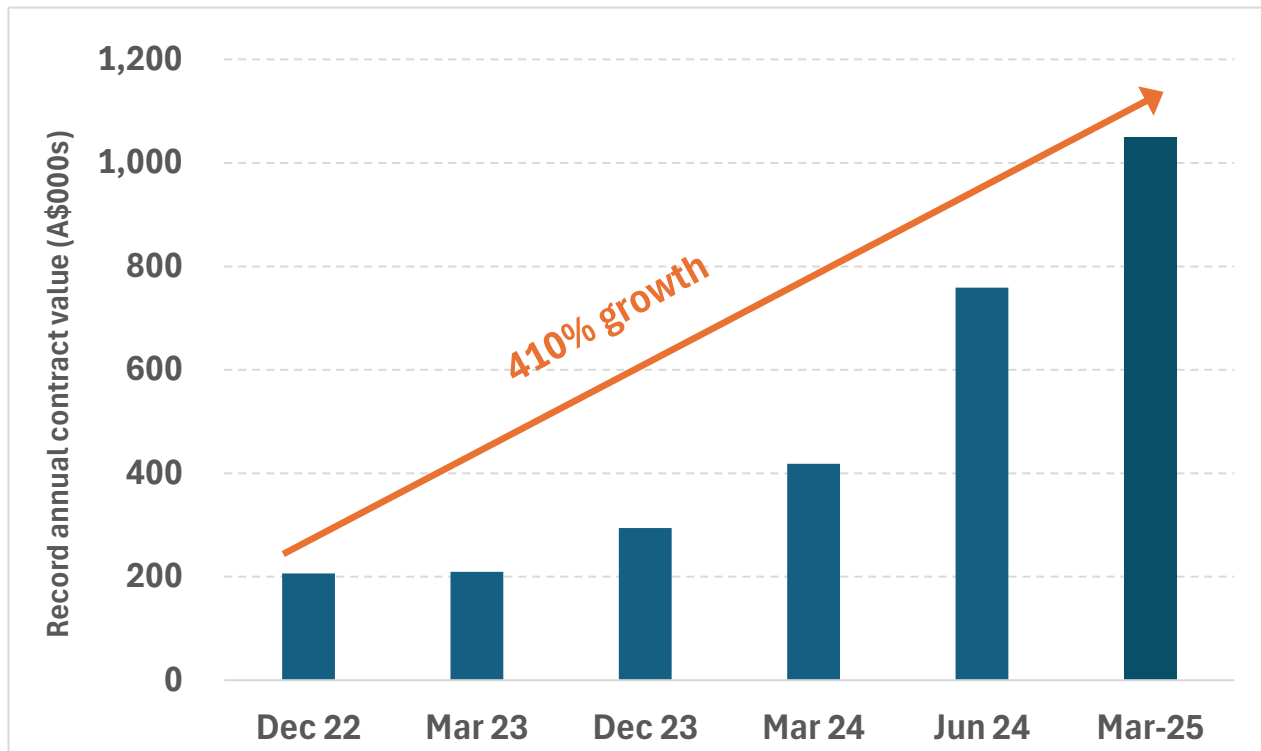
Accelerated Sports Betting Growth with Contract Upsells and Extended Duration

Expanding its share in the global sports betting market is a key strategic priority of the Company and was highlighted at the Company's Annual General meeting in November 2024.

As set out in the Company's ASX announcements dated 24 March 2025 and 25 March 2025, it has been focused on achieving this key strategic priority. During the March 2025 quarter, a number of renewal contracts with existing clients that are global sports betting organisations were executed and contained higher contract rates and terms that span more than one year. These renewals have collectively increased the associated annual contract values by circa 27% and are expected to generate cash receipts of \$5 million over their term.

The increase in the Company's highest annual contract value over the last 2 years is shown in chart 3. This growth has been driven by the Company's ongoing commitment to continuous improvements to the TrafficGuard solutions and the release of highly demanded features, including shadow campaigns and smart ranges.

Chart 3: Growth in single annual contract values



Agency penetration

Following negotiations in the March 2025 quarter, the Company signed its first agency contract. This contract adds approximately \$500,000 to the Company's ARR, which although it is not individually material, is significant as it confirms the value of TrafficGuard to agencies. Importantly, revenue from agencies has the capacity to grow as the client base using the TrafficGuard solutions expands.

The Company is in final legal negotiations to be the preferred vendor of anti-fraud services for Global Tier 1 agencies across multiple jurisdictions whose clients span across eCommerce, telecommunications, finance and entertainment. These agencies are well progressed in educating their clients and have thousands of potential clients who could use TrafficGuard, providing substantial opportunity to drive revenue growth.

Expansion into eCommerce Vertical

Adveritas is progressing, through agencies, towards first revenues in the global eCommerce market segment. During the March 2025 quarter, Adveritas progressed multiple trials for eCommerce organisations based in the United States. First revenues are expected during the June quarter.

The global eCommerce market is the world's largest online market, with an annual global turnover of \$23 trillion, and a 65% increase forecast to \$34 trillion in 2029 (source: Juniper research, January 2025).

Outlook

The Company is on track for record results for its full financial year, driven by the following factors:

- Cash receipts from customers of \$3.96 million for the March 2025 quarter alone represent circa 77% of the cash receipts from customers of \$5.2 million for the full 2024 financial year.
- Continued expansion of global sports betting market share.
- eCommerce sector revenue expected to eventually exceed sports betting customer revenue.
- Expanding product channels to scale distribution of the TrafficGuard solutions.
- Agency partnerships to scale market reach and revenue growth.

Commentary from Co-founder and CEO, Mathew Ratty

"Whilst the sports betting and online gaming verticals continue to deliver significant revenue and cash growth for the Company, we will continue our efforts to monetise these verticals at a faster rate with additional multi-year contracts as well as holding group contracts which will see our technology being utilised across the entire group instead of only selected subsidiaries. Expansion into additional verticals is underway with an increasing rate of interest across the United States and Europe. Combining this with strong agency interest, TrafficGuard is fast becoming known as the leader in anti-fraud protection for digital marketing."

Appendix 4C

The Appendix 4C is attached to this announcement. Accompanying commentary is set out below.

Receipts from customers

The Company achieved record receipts of \$3.96 million in the March quarter, representing an increase of 110% on the last quarter and 129% on the March 2024 quarter. The significant growth in receipts was underpinned by a number of renewal contracts with existing sports betting organisations that contained higher contract rates.

	Previous quarters			
	Dec 2024	Sep 2024	Jun 2024	Mar 2024
Mar 2025				
\$'000	\$'000	\$'000	\$'000	\$'000
Receipts from customers	3,956	1,887	2,643	1,303
				1,727

Cash payments

Total expenditure payments in the March 2025 quarter did not differ significantly from previous quarters, demonstrating the Company's commitment to financial discipline whilst growing its revenue base.

	Previous quarters			
	Dec 2024	Sep 2024	June 2024	Mar 2024
Mar 2025				
\$'000	\$'000	\$'000	\$'000	\$'000
Research and development	(412)	(398)	(349)	(389)
Product manufacturing and operating	(275)	(215)	(218)	(211)
Advertising and marketing	(292)	(236)	(434)	(476)
Staff costs	(2,101)	(2,407)	(1,939)	(2,349)
Administration and corporate	(322)	(382)	(371)	(290)
Total operating expenditure payments	(3,402)	(3,638)	(3,311)	(3,715)
				(3,186)

Salaries and fees paid to directors during the quarter amounted to \$118k and are included in staff costs.

This announcement is authorised for lodgement by the Board of Adveritas Limited.

- ENDS -

For more information, please contact:

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ABOUT US

Adveritas

Adveritas Ltd (ASX: AVI) is a pioneering technology company that is revolutionising the advertising technology space with AI-driven solutions. As the parent company of TrafficGuard Pty Ltd Adveritas focuses on leveraging big data and AI to solve some of the most critical challenges in digital advertising, such as ad-fraud prevention and performance optimisation.

The Company is strongly positioned at the intersection of AI and advertising technology, offering cutting-edge software solutions that help businesses optimise their advertising spend and improve campaign performance. With a portfolio of industry-leading products like TrafficGuard, Adveritas is actively capturing a share of the rapidly growing ad tech market, where demand for intelligent, data-driven solutions is skyrocketing.

For more information, visit <https://www.adveritas.com.au/>

TrafficGuard

TrafficGuard, the AI-powered ad verification platform from Adveritas, is transforming how businesses protect their digital advertising spend from fraud and optimise campaign performance. By leveraging advanced artificial intelligence, TrafficGuard provides real-time protection across Google PPC, mobile app user acquisition campaigns, affiliate networks, and social media platforms.

TrafficGuard's AI technology proactively detects and blocks invalid traffic, ensuring that ad spend is directed towards real, high-value users. The platform's ability to safeguard campaign data integrity and deliver actionable insights is trusted by leading global brands, including Disney Streaming, Tabcorp, William Hill, Singtel, and Coinbase.

As the only PPC verification vendor admitted to the Google Cloud Marketplace, TrafficGuard is positioned for significant growth within the rapidly expanding ad tech market.

For more information, visit www.trafficguard.ai

FORWARD LOOKING STATEMENTS

This announcement contains 'forward-looking information' that is based on the Company's expectations, estimates and projections as of the date on which the statements were made. This forward-looking information includes, among other things, statements with respect to the Company's business strategy, plans, development, objectives, performance, outlook, growth, cash flow, projections, targets and expectations and sales. Generally, this forward-looking information can be identified by the use of forward-looking terminology such as 'outlook', 'anticipate', 'project', 'target', 'potential', 'likely', 'believe', 'estimate', 'expect', 'intend', 'may', 'would', 'could', 'should', 'scheduled', 'will', 'plan', 'forecast', 'evolve' and similar expressions. Persons reading this announcement are cautioned that such statements are only predictions, and that the Company's actual future results or performance may be materially different. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the Company's actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Adveritas Limited

ABN

88 156 377 141

Quarter ended ("current quarter")

March 2025

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities			
1.1 Receipts from customers		3,956	8,486
1.2 Payments for			
(a) research and development		(412)	(1,159)
(b) product manufacturing and operating costs		(275)	(708)
(c) advertising and marketing		(292)	(962)
(d) leased assets		-	-
(e) staff costs		(2,101)	(6,447)
(f) administration and corporate costs		(322)	(1,075)
1.3 Dividends received (see note 3)		-	-
1.4 Interest received		7	40
1.5 Interest and other costs of finance paid		-	(12)
1.6 Income taxes paid		(21)	(35)
1.7 Government grants and tax incentives		-	857
1.8 Other (provide details if material)		3	22
1.9 Net cash from / (used in) operating activities		543	(993)
2. Cash flows from investing activities			
2.1 Payments to acquire:			
(a) entities		-	-
(b) businesses		-	-
(c) property, plant and equipment		(5)	(14)
(d) investments		-	-
(e) intellectual property		-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	1	2
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(4)	(12)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(5)	(21)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(5)	(21)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,798	4,286
4.2	Net cash from / (used in) operating activities (item 1.9 above)	543	(993)

Appendix 4C
Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(4)	(12)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(5)	(21)
4.5	Effect of movement in exchange rates on cash held	30	102
4.6	Cash and cash equivalents at end of period	3,362	3,362

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	3,362	2,798
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,362	2,798

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1 (see explanation below)
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
118
-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Explanation of payments shown at 6.1

The amount at item 6.1 comprises the payment of salaries and fees to executive and non-executive directors of \$117,813

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

7.1 Loan facilities

7.2 Credit standby arrangements

7.3 Other (please specify)

Convertible loan notes

7.4 **Total financing facilities**

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
-	-
-	-
3,000,000	3,000,000
3,000,000	3,000,000

7.5 **Unused financing facilities available at quarter end**

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7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Refer to Schedule 1

8. Estimated cash available for future operating activities

\$A'000

8.1 Net cash from / (used in) operating activities (Item 1.9)

543

8.2 Cash and cash equivalents at quarter end (Item 4.6)

3,362

8.3 Unused finance facilities available at quarter end (Item 7.5)

-

8.4 Total available funding (Item 8.2 + Item 8.3)

3,362

8.5 **Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**

N/A

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 28 April 2025

Authorised by: The Board of Directors

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

SCHEDULE 1: CONVERTIBLE LOAN NOTE

The Company has on issue 3,000,000 convertible notes each with a face value of \$1. The loan notes originally had a maturity date of 12 April 2024 which was subsequently extended to 12 April 2025. On maturity, the principal amount of \$3,000,000 together with interest capitalised to 12 April 2024 will be automatically converted into fully paid ordinary shares in the Company, whilst the interest capitalised over the period 13 April 2024 to 12 April 2025 will be paid in cash.

The Company may elect to redeem all or some of the convertible notes at any time prior to the maturity date.

The convertible notes are unsecured.

Interest

From 28 April 2022, interest accrues on the convertible notes at the rate of 8% per annum, capitalised at the end of each calendar quarter, and is to be satisfied in arrears upon the earlier of the redemption or maturity of the convertible notes. As at 31 March 2025, interest of \$783,463 has accrued and been capitalised.

On maturity, the interest capitalised to 12 April 2024 will be fully satisfied through the issue of conversion shares at the conversion price. Interest capitalised over the period 13 April 2024 to 12 April 2025 will be settled by way of a cash payment.

In the event the convertible notes are redeemed prior to maturity, the Company will pay to the noteholders an additional interest payment so that the total interest received by the noteholders in respect of those convertible notes is equivalent to the amount they would have received had the relevant convertible notes been held till maturity.

Conversion

The convertible notes, together with interest capitalised to 12 April 2024, will automatically convert into fully paid ordinary shares in the Company on the maturity date (**Conversion Shares**). Interest capitalised from 12 April 2024 to the maturity date will be paid in cash.

The Conversion Shares will be issued at a share price equal to 80% of the 90-day VWAP, unless such amount is:

- greater than \$0.17 in which case the conversion price will be \$0.17; or
- such amount is less than \$0.08 in which case the conversion price will be \$0.08.