Adveritas

2025

ANNUAL REPORT

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CORPORATE DIRECTORY

DIRECTORS

Non-Executive Chairman
Mr Joshua Lowcock

Managing Director and Chief Executive Officer
Mr Mathew Ratty

Non-Executive Directors
Mr Mark McConnell
Mr Andrew Stott
Mr Scott Thomson
Mr Marc Phillips

COMPANY SECRETARY

Ms Susan Park

PRINCIPAL AND REGISTERED OFFICE

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Perth WA 6000

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SECURITIES EXCHANGE LISTING

Adveritas Limited shares are listed on the Australian Securities Exchange (ASX: AV1)

SOLICITORS

Steinepreis Paganin
Level 4, The Read Building
16 Milligan Street
Perth WA 6000

BANKERS

Commonwealth Bank of Australia Limited
1/95 William Street
Perth WA 6000

AUDITORS

Ernst & Young
9 The Esplanade
Perth WA 6000

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LETTER TO SHAREHOLDERS

Mathew Ratty
Chief Executive Officer

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Dear Shareholder,

I am pleased to present the 2025 Annual Report which covers the 12 months ended 30 June 2025 (FY25).

FY25 has been a transformational year for our Company with a record performance across several key financial metrics:

- Record cash receipts of $10.38 million for FY25, up 101% on FY24 ($5.17 million) and almost quadruple the cash receipts of $2.7 million in FY23.
- Significant growth in annualised recurring revenue (ARR) to reach $10.47 million at 30 June 2025, up 72% from from $6.09 million at 30 June 2024.
- Substantial improvement in operating cashflow with operating cash outflow down 68% from $9.2 million in FY24 to $2.9 million in FY25.
- Strong cash balance of $9.5 million at 30 June 2025 following the successful institutional placement which raised $8.5 million (before costs).

UPDATE ON STRATEGIC OBJECTIVES

At our last AGM, held in November 2024, I highlighted the Company's strategic objectives:

- Increase our market share in sports betting as the market leader.
- Enter other verticals like e-commerce.
- Partner with agencies.
- Add more channels such as Meta.

Throughout FY 25 we have been highly focused on delivering on these objectives which has been the driving force behind our impressive financial performance.

Sports betting and online gaming

The sports betting and online gaming verticals continue to generate the largest proportion of our ARR with ARR from sports betting and online gaming increasing by circa $2.7 million in FY25, representing growth of approximately 60%. TrafficGuard is now recognised as a category leader in Sports Betting Google PPC verification.

Major client acquisitions included influential global operators such as LeoVegas, FanDuel, and Bally's whose combined annual contract values contributed approximately $1.1 million to ARR.

ARR from these verticals was further expanded during FY25 through multiple existing clients renewing at higher contract rates and extended terms.

A significant untapped market opportunity remains with TrafficGuard currently servicing approximately 65 of the over 1,000 sports betting companies globally.

In driving the growth of our customer base in this market, we are focused on increasing the adoption of multi-year agreements which lock in attractive rates for the customer and provide enhanced revenue security for Company. We are also pursuing group-level opportunities whereby contracts are executed with the holding company and applied across multiple subsidiaries.

Entry into new verticals

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

FY25 marked successful expansion into e-commerce through strategic agency partnerships. Multiple trials were conducted across the United States and Europe resulting in our e-commerce client base expanding such that e-commerce comprised 4% of ARR at 30 June 2025, up from 1% at 30 June 2024. Although this is still a small percentage of the overall revenue, we are confident that there will be a rapid increase as we pierce other verticals.

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Agency partnerships

During FY25, we were focused on becoming the preferred vendor of anti-fraud services to global tier 1 agencies. We achieved several milestones including:

- First tier 1 agency contract signed adding approximately $500,000 to our ARR which, although not individually material, is significant as it confirms the value of TrafficGuard to agencies. Importantly, the contract value has the potential to increase as TrafficGuard is adopted by their substantial client base.
- Existing agency client contract renewed at an upgraded rate.
- Substantial progress in contract discussions with additional agencies that are well progressed in educating their clients on the benefits of TrafficGuard, providing further opportunities to drive revenue growth.

Increasing channels

Historically, the Company has focused on Google PPC advertising. However, most of our clients drive user acquisition through a cross-channel approach which includes Google, Meta and affiliate management platforms.

During FY25, we enhanced TrafficGuard's offering with the objective of expanding its cross-channel coverage and increasing revenue generating opportunities.

TrafficGuard's Meta product is designed to prevent fraud from infiltrating our clients' budgets and to resolve critical visibility gaps across digital advertising platforms. Our Meta product underwent multiple beta trials with select partners during FY25 and early feedback has been highly encouraging.

A significant milestone was achieved subsequent to year end with Meta Platforms Inc approving the integration of TrafficGuard with Meta's social platforms, including Facebook and Instagram. This development is significant because it:

- Doubles the addressable opportunity for existing clients, particularly in the sports betting vertical.
- Enables cross-channel protection, which strengthens TrafficGuard's value proposition and
- Provides a pathway to capture a greater share of digital ad spend.

THE RISE OF ARTIFICIAL INTELLIGENCE ON AD FRAUDT

There is no doubt that artificial intelligence (AI) has been the focus of many Companies. TrafficGuard is no exception to this with attention being given to both:

- our internal use of AI to support pushing out new products and an enhanced dashboard at speed as well as increasing our detection and prevention capabilities, and
- the external environment as the use of AI is constantly evolving.

AI is redefining how humans engage with the internet. ChatGPT, Perplexity and other large language models (LLMs) are handling an ever-growing number of search queries resulting in users receiving direct answers without needing to visit traditional websites ("zero-click search"). Importantly, these AI-driven experiences are enabling direct engagement whereby users click through chat responses to purchase products or connect with brands. AI is reshaping traffic flows, advertising economics, and displacing competitive moats across the digital ecosystem. All of this automation and increased access for everyone in turn expands the opportunity for fraud. TrafficGuard operates at the intersection of these trends so is well placed to benefit from this as it increases our total addressable market.

As AI continues to drive the opportunity for fraud and the size of the market for TrafficGuard, it also empowers TrafficGuard's ad fraud detection capabilities. Ad fraud detection relies on identifying anomalies in traffic, modelling real vs fake behaviour, analysing device and identity graphs, scoring publisher quality, validating conversions, and spotting coordinated fraud rings, all in real time.

To accelerate time-to-value, we're exploring ways in which AI enables TrafficGuard to build on its existing capabilities and leverage LLMs for content or site analysis with specialised machine learning for traffic and identity detection.

AI is increasingly being deployed by us where it can be used as a primary contributor to business results. Most notably, it is automating and refining our B2B targeting processes and is helping us to shape insights, features and products faster. Across

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the business, it is enabling us to control costs via automation as well as scale knowledge transfer faster. All of this will help our Company continue to increase ARR, protect our margins, and create stronger moats for TrafficGuard as our customers continue to rely on the data, insights and optimisation we give them.

OUTLOOK

Our success in the sports betting and online gaming verticals, breakthrough with agency partnerships, expansion into e-commerce and strengthened cash balance provides a solid foundation for continued growth. The Company expects further positive results in FY26 with continued focus on our strategic objectives and planned growth activities including:

- United States expansion, which has an estimated $324.9 billion digital advertising market (source: US Digital Ad Spend Growth (2017-2028): Key Drivers, Challenges & Outlook).
- Commercialising our Meta product.
- Continued expansion of our global sports betting and online gaming market share.
- Generating significant revenue from the e-commerce sector.
- Expanding product channels and penetrating new growth verticals to scale distribution of the TrafficGuard solutions.
- Entering into additional agency partnership agreements to scale market reach and revenue growth.
- Accelerating the integration of TrafficGuard's unique affiliate solution with several affiliate management platforms, prioritising our existing customers. This will open incremental revenue opportunities from both existing clients and the client base of those affiliate platforms.

I'd like to thank you for your continued support throughout FY25. We successfully raised $8.5million (before costs) by way of a placement to new and existing sophisticated and professional investors. The ongoing support from our shareholders demonstrates that they see and understand the scale of the global opportunity for the Company as we continue to deliver on our growth strategy.

We look forward to another strong year of growth for our Company, our people, our customers and our shareholders.

I would like to thank my passionate team whose dedication and commitment has driven this transformational year.

Yours sincerely,

Mathew Ratty
Chief Executive Officer

The directors present their report together with the consolidated financial report of Adveritas Limited (**Adveritas** or **Company**) and its controlled entities (collectively referred to as the **Group**) for the financial year ended 30 June 2025 and the independent auditor's report thereon.

DIRECTORS

The names and details of the Company's directors in office during the financial year and until the date of this report are set out below. Directors were in office for this entire period unless stated otherwise.

MR JOSHUA LOWCOCK

Non-Executive Chairman

Mr Lowcock is a New York based senior executive in media and advertising. Mr Lowcock is the President of Media for Quad (NYSE. QUAD), a prominent marketing experience company, leading Quad's media agency and data capability. Prior to joining Quad, Mr Lowcock served as the Global Chief Media Officer of UM, part of Interpublic Group (NYSE: IPG). Mr Lowcock has held similar marketing, media, and technology roles in Australia and China.

Mr Lowcock holds a B.A (Communications) from Western Sydney University, MBA (Executive) from the Australian Graduate School of Management (AGSM) and is a Member of the Australian Institute of Company Directors (MAICD).

During the last three years Mr Lowcock has served as a non-executive director of ASX listed Accent Group Limited (ASX: AX1). Mr Lowcock resigned from Accent Group Limited on 17 November 2023.

MR MATHEW RATTY

Managing Director and Chief Executive Officer

Mr Ratty is an experienced investor focused on Australian and US equity and debt markets. He has extensive experience across capital raising advice, seed investment negotiation, corporate strategy and financial modelling.

He is the co-founder of MC Management Group Pty Ltd, a venture capital firm operating in domestic and international debt and equity markets. At MC Management Group Pty Ltd, which is a substantial shareholder of the Company, Mr Ratty holds the position of Head of Investment and is responsible for negotiating deal structures and asset pricing for companies in the healthcare, financial and technology space.

Prior to this, Mr Ratty was a director and analyst at property development and equity company, Gladstone Bridge.

Mr Ratty holds a Bachelor of Commerce (Property and Finance) with first class honours in finance from Curtin University of Technology.

During the last three years Mr Ratty has not served as a director of any other ASX listed company.

MR MARK MCCONNELL

Non-Executive Director

Mr McConnell is a successful business developer whose skills cover the areas of business strategy, investor relations, capital raising and innovation. He has extensive experience in both listed and unlisted technology companies in Australia and abroad. He co-founded the Magentus Group (previously named Citadel Group) in 2007, a leading software and technology company.

Mr McConnell currently serves as the Chief Executive Officer of Magentus Group and acts as an advisor to several technology start-up companies.

Mr McConnell has a Bachelor of Science, a Graduate Diploma of Employment Relations, a Graduate Diploma of Logistics Management, and a Master of Business Administration. He is also a Fellow of the Australian Institute of Company Directors (FAICD).

During the last three years Mr MConnell has not served as a director of any other ASX listed company.

MR ANDREW STOTT

Non-Executive Director

Mr Stott has significant experience in global technology mergers and acquisitions for listed and unlisted companies. He is originally from the UK and worked in London and New York before moving to Singapore in 2012 to open the offices of an international tech-focussed law firm. Mr Stott became the Asia managing partner, and regional head of corporate and advised on transactions in Asia, Australia, Europe and the USA in excess of US$20 billion.

Mr Stott established his own advisory firm in early 2018 which specialises in the TMT and Fintech sectors and advises companies and investors on their expansion strategies including by way of international M&A, investment deals and strategic joint ventures as well as sector-partnership deals. He has founded/co-founded 4 companies and been part of multiple successful exits as an investor/advisor.

Mr Stott holds an LLB Degree in Law and, prior to establishing his advisory firm, served as the Asia managing partner of a global law firm.

During the last three years, Mr Stott has not served as a director of any other ASX listed company.

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DIRECTORS (CONTINUED)

MR SCOTT THOMSON

Non-Executive Director

Mr Thomson worked globally for Google between 2015 and 2024 in the Google Ads Data Platforms, Google Analytics and Google Cloud product areas and served as the Head of Innovation at Google Cloud.

Previously, Mr Thomson worked with Adobe across the Asia Pacific region on digital strategy and digital transformation. This work was primarily focused on real time data and personalised content and advertising with large enterprises in that region.

Mr Thomson graduated with a Bachelor of Computer Science (Honours), with a major in Artificial Intelligence, and has a postgraduate diploma in innovation and design thinking.

During the last three years, Mr Thomson has not served as a director of any other ASX listed company.

MR MARC PHILLIPS

Non-Executive Director

Mr Phillips has extensive experience in sports betting and in providing venture capital funding to Software-as-a-Service (SaaS) companies. He is a successful entrepreneur, founding two online sports betting and gaming companies: Sportbets.com.au, a real time odds affiliate platform, founded in 2004 and subsequently acquired by SportsBet in 2011; and Bets.com.au, a sports betting and racing tips portal, founded in 2013 and sold in 2016.

Since 2011, Mr Phillips has served as a venture capitalist, investing in early stage B2B SaaS technology companies and has successfully helped scale companies in the USA by raising capital, facilitating strategic channel partnerships and has overseen numerous merger and acquisition transactions.

Mr Phillips completed a Bachelor Degree in Commerce from the University of Melbourne.

During the last three years, Mr Phillips has not served as a director of any other ASX listed company.

INTERESTS IN THE SECURITIES OF THE COMPANY AND RELATED BODIES CORPORATE

As at 30 June 2025 and as of the date of this report, the interests of the directors in the securities of the Company were as follows:

	As at 30 June 2025			As at the date of this report		
	Ordinary shares	Share options	Performance Rights	Ordinary shares	Share options	Performance Rights
J. Lowcock	880,000	-	-	880,000	-	-
M. Ratty	27,460,544	-	15,000,000	27,460,544	-	15,000,000
M. McConnell	105,503,433	-	-	105,503,433	-	-
A. Stott	1,100,000	-	-	1,100,000	-	-
S. Thomson	1,000,000	-	-	1,000,000	-	-
M. Phillips	-	-	-	-	-	-

COMPANY SECRETARY

Ms Susan Park is a governance professional with over 25 years' experience in the corporate finance industry and has extensive experience in Company Secretarial and Non-Executive Director roles on ASX, AIM and TSX listed companies.

Ms Park holds a Bachelor of Commerce degree from the University of Western Australia majoring in Accounting and Finance, is a Member of Chartered Accountants Australia and New Zealand, a Fellow of the Financial Services Institute of Australasia, a Graduate Member of the Australian Institute of Company Directors and a Fellow of the Governance Institute Australia.

DIVIDENDS

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

PRINCIPAL ACTIVITIES

The Company's principal activity during the year was the provision of its TrafficGuard® software as a service products. TrafficGuard is the world's first full funnel measurement, verification and fraud prevention solution for digital advertising.

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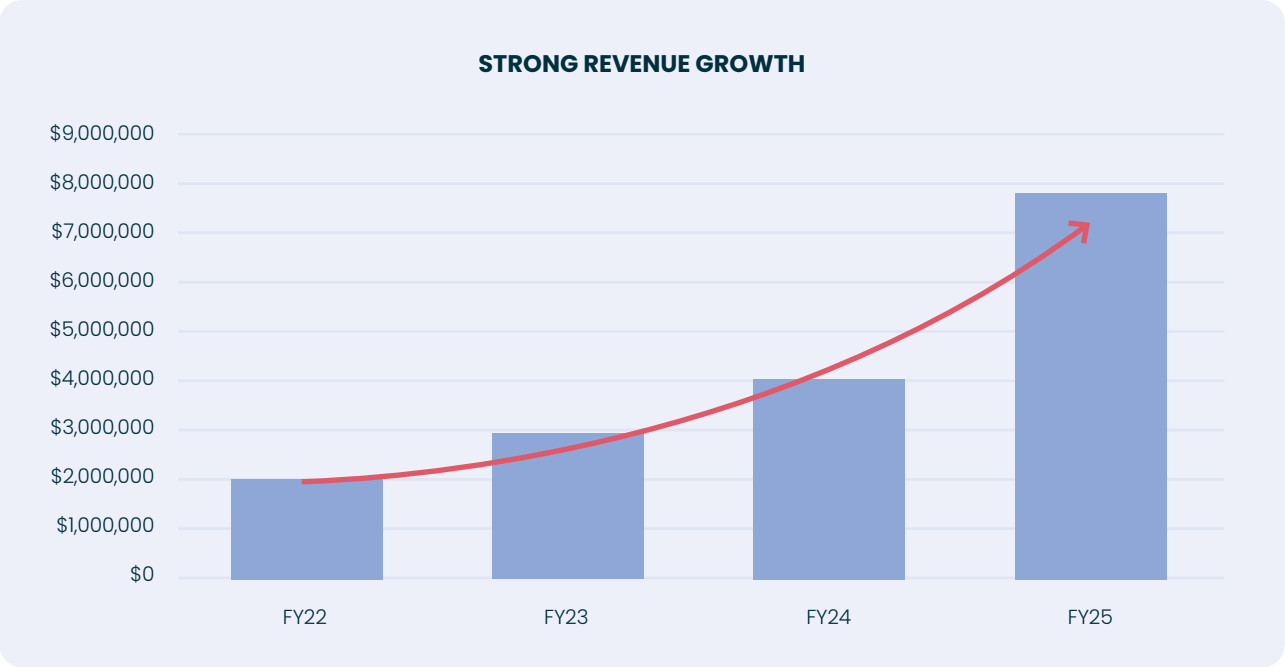
OPERATING AND FINANCIAL REVIEW

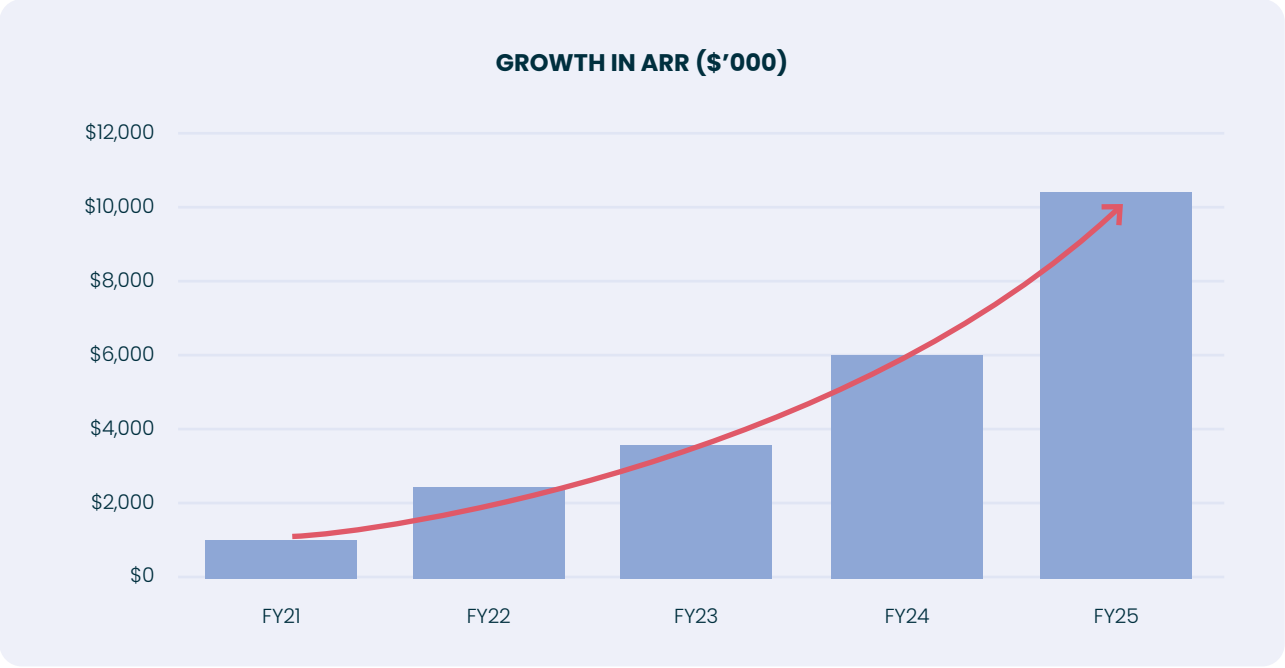
RECORD REVENUE GROWTH

The Group recorded revenue of $7,84,953 in the current year (FY25) representing an increase of 89% on the revenue of $4,156,993 recorded in FY24.



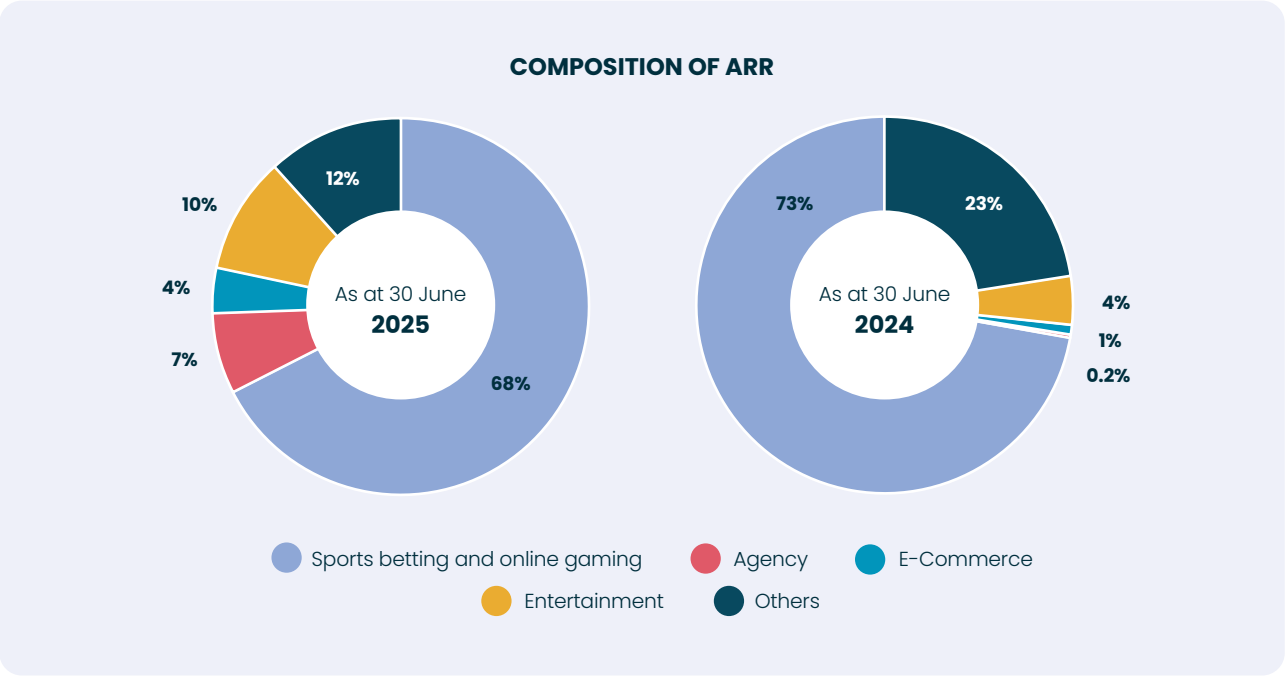
The growth in revenue has been driven by both an increase in customer numbers and contract values. During FY25, the enterprise customer base increased by16% from 97 to 113 whilst the average revenue per contract increased by 49% from circa $61,500 to circa $91,600.

Annualised recurring revenue (ARR) from contracts in place at 30 June 2025 amounted to approximately $10,470,000, an increase of 72% on the ARR at 30 June 2024 of circa $6,090,000.



OPERATING AND FINANCIAL REVIEW (CONTINUED)

The sports betting and online gaming verticals continue to generate the largest proportion of the Group's ARR as shown in the chart below:



During FY25, the ARR generated from sports betting and online gaming increased by circa $2,700,000, representing growth of approximately 60%.

Expanding its share in this segment has been a key strategic priority throughout FY25, as was highlighted at the Annual General Meeting in November 2024.

At 30 June 2025, agency clients comprised 7% of the Group's ARR compared to 0.2% at 30 June 2024 reflecting the successful implementation of the Group's strategy to execute agency agreements.

Agency partnerships have significant potential to accelerate the sales cycle and generate revenue. Importantly, agency revenue can scale quickly after the initial agency contract is signed as the number of agency clients using the TrafficGuard solutions can expand rapidly, and agency clients typically provide high revenue contracts.

The Group's e-commerce clients comprised 4% of ARR at 30 June 2025, demonstrating growth on 30 June 2024 when the e-commerce composition of ARR was 1%. There was increased focus on this market throughout FY 25 given that the global eCommerce market is viewed as the world's largest online market, with an annual global turnover of $23 trillion, and a 65% increase forecast to $34 trillion by 2029 (source: Juniper research, January 2025).

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PRODUCT ENHANCEMENTS

The Group continues to expand the quality and scope of the TrafficGuard products to enhance the value it provides to its growing customer base.

Google search product enhancements

A powerful new feature has been introduced for customers running Google PPC (Pay-Per-Click) campaigns. TrafficGuard now reports on those users who have returned to the advertiser's site but have been prevented by TrafficGuard from clicking on redundant paid ads, thereby saving the advertiser from additional ad spend. This allows the advertiser to reinvest the savings from the avoided ad clicks into attracting new users, driving true incremental growth for the advertiser.

This feature enhances the value of TrafficGuard by not just protecting ad budgets, but by actively improving the return on investment across key digital platforms. In addition, businesses can now see exactly how many of their customers are returning organically, allowing them to more accurately calculate the profit per user.

Meta

During the year, it was observed that, particularly in the sports betting vertical, many organisations are now allocating media budgets more evenly between Meta Platforms (including Facebook and Instagram) and Google paid search, which effectively doubles the addressable opportunity for TrafficGuard across these channels.

Throughout the final quarter of the 2025 financial year, TrafficGuard's new Meta product underwent multiple beta trials with select partners. TrafficGuard's Meta product is designed to prevent fraud from infiltrating clients' budgets and to resolve critical visibility gaps across digital advertising platforms. Early feedback and results from beta partners has been highly encouraging, with several high-profile clients already indicating a strong intention to move to commercial agreements, subject to final performance validation.

As the adoption of TrafficGuard's Meta product progresses, there is a clear pathway to driving higher average contract values by expanding the scope of protection within existing accounts. This cross-channel coverage not only strengthens TrafficGuard's value proposition but also positions the Group to capture a greater share of digital ad spend from both current and prospective customers.

CAPITAL RAISED

In June 2025, an institutional placement was successfully completed raising approximately $8,500,000 (before costs).

The placement received strong support from both existing shareholders and a number of new institutional investors, with demand to participate resulting in the placement being oversubscribed.

The strengthened cash balance allows the Group to focus on its strategic objectives and will support planned growth activities including:

- Expansion into the United States;
- Expansion into new verticals, including e-commerce;
- Ongoing product development; and
- Additional integrations with affiliate platforms to increase cross selling opportunities with the existing client base.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

FINANCIAL SUMMARY

A high-level summary of the Group's revenue and expenditure as compared to FY24 is set out below:

	FY25 $	FY24 $
Revenue from software as a service	**7,843,953**	4,156,993
Server hosting and other product costs	**(1,227,046)**	(1,294,300)
Employment costs	**(10,294,398)**	(10,474,143)
Marketing costs	**(1,353,288)**	(1,669,790)
Administration costs	**(1,318,410)**	(1,485,171)
Overheads	**(14,193,142)**	(14,923,404)
Grants received	**856,602**	773,121
Interest and sundry income	**60,431**	114,627
Finance costs (see Note 5)	**(438,480)**	(785,872)
Foreign exchange differences	**(5,719)**	(57,414)
Depreciation	**(130,691)**	(174,114)
Share-based payments (see Note 17)	**(990,096)**	(387,705)
Bad debts and expected credit losses	**(36,334)**	(102,079)
Fair value gain / (loss) on convertible loan note derivative (see Note 14)	**40,293**	(733,556)
Gain on modification of convertible loan note derivative (see Note 14)	**-**	314,000
Gain on modification of convertible loan notes (see Note 14)	**-**	221,429
Other (expenses) / gains	**(643,994)**	(817,563)
Loss before income tax	**(6,993,183)**	(11,583,974)

Revenue has continued its upwards trend with an increase of 89% on FY24 which has been driven by both an increase in customer numbers and an increase in contract values.

Overheads have declined by 5% from FY24 which has resulted from a number of initiatives implemented to reduce the Group's cost base.

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MATERIAL BUSINESS RISKS

The Board is committed to monitoring and mitigating business risks faced by the Group, including the key risks listed below that have the potential to materially impact its financial prospects.

These risks are not ranked in any order of importance or timeframe. The intention of the Board's risk management framework is to identify risks to allow the Board and management to plan, assess and execute risk management strategies. Risk management and assessment activities are designed to reduce, or otherwise manage, risks to levels that are acceptable to the Board and management.

COMPETITION AND NEW TECHNOLOGIES

The industry in which the Group's TrafficGuard products operate is highly competitive, fast-paced and fast-changing. Any failure to adapt to rapid technological changes could render the TrafficGuard products obsolete.

The activities or actions of competitors may negatively affect the Group's operating and financial performance. New technologies could overtake the advancements made by the Group. Similarly, aggressive pricing or additional service offerings from competitors could require the Group to adjust its own pricing and service offerings to continue to generate business, which could negatively impact on the Group's financial position and financial performance.

A program of continuous innovation and development of the TrafficGuard products is in place. In addition, the Group undertakes all reasonable due diligence and research in relation to its competitors and other fraud detection products.

CYBER SECURITY

The Group recognises the importance of cyber security in safeguarding digital assets, systems, and information from unauthorised access or disruption. The Group mitigates this risk through various security measures and a contingency Cyber Security Incident Response Plan for business continuity.

PRIVACY LAWS

Privacy laws around the world continue to develop and impose greater burdens on businesses when dealing with personally identifiable information. The laws are designed to give greater protections to data owners, improve transparency and require businesses to develop better privacy practices and security processes.

The Group has a number of strategies in place to monitor and comply with the privacy requirements of the jurisdictions in which it operates. Failure to comply could result in pecuniary penalties, negative publicity and brand damage which, if they were to occur, could adversely impact on the Group's financial position and financial performance.

MANAGEMENT OF CAPITAL RESOURCES

In assessing the management of capital resources, the Group is continuing to manage its cash position carefully in accordance with its operating plan and longer-term strategic plan. If the Group is unable to obtain and/or manage additional funds when required, the Group may be forced to delay or reduce the scope of planned software development or commercialisation.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The key environment, social and governance risks that the Group is currently exposed to are:

Employee retention, attraction and development

The failure to retain, attract and develop highly competent people may impact its ability to achieve its strategic objectives and deliver value for shareholders. The Group focuses on attracting people who desire to have a long-term career with the Group, whose experience demonstrates proven capability and whose behaviours exhibit cultural alignment.

Climate risk

Climate risk is the risk that climate change poses to the Group's strategy and business model. If the Group does not remain agile in adapting to the changing climate and associated market conditions, it may be exposed to financial and reputational loss. The move towards a low-carbon economy will continue to influence change in a number of industries within which the Group operates. The Group's markets and growth strategy provides the flexibility for the Group to diversify into new markets, creating opportunities and mitigating the risk of market changes.

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SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the Group's state of affairs during the course of the 2025 financial year.

SIGNIFICANT EVENTS AFTER BALANCE DATE

No event has arisen since 30 June 2025 that would be likely to materially affect the operations of the Group, or its state of affairs which has not otherwise been disclosed in this financial report.

LIKELY DEVELOPMENTS AND EXPECTED FUTURE RESULTS

The Group has a strong growth outlook underpinned by the following:

- Strengthened cash balance to fund planned growth activities.
- Continued expansion of global sports betting and online gaming market share, including initial revenue from TraffiGuard's Meta product.
- First significant eCommerce sector revenues expected.
- Expanding product channels and penetrating new growth verticals to scale distribution of the TrafficGuard solutions.
- Agency partnerships to scale market reach and revenue growth.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group is not subject to any particular or specific environmental regulation in any of the jurisdictions in which it operates and therefore is not required to present further details in relation to environmental regulation.

SHARE OPTIONS

Unissued shares

As at 30 June 2025, there were no unissued ordinary shares under options (30 June 2024: nil).

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate.

Refer to the remuneration report and Note 17 for further details of the unissued ordinary shares under options.

Shares issued as a result of the exercise of options

During the financial year, no options were exercised to acquire ordinary shares (2024: nil).

PERFORMANCE RIGHTS

Unissued shares

As at 30 June 2025 there were 24,745,000 unissued ordinary shares under performance rights (30 June 2024: 9,500,000).

Holders of performance rights do not have any right, by virtue of the performance right, to participate in any share issue of the Company or any related body corporate.

Refer to the remuneration report and Note 17 for further details of the performance rights outstanding.

Shares issued as a result of the conversion of performance rights

During the financial year 4,500,000 performance rights were converted into ordinary shares (2024: 1,700,000).

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has agreed to indemnify all the directors of the Company for any liabilities to another person (other than the Company or related body corporate) that may arise from their position as directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract insuring the directors and officers of the Company against any liability incurred in the course of their duties to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Group has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

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DIRECTORS' MEETINGS

The number of meetings of directors held by the Company during the year and the number of meetings attended by each director were as follows:

Number of meetings held	4	
	Number of meetings eligible to attend	**Number of meetings attended**
J. Lowcock	4	4
M. Ratty	4	3
M. Phillips	4	4
S. Thomson	4	4
M. McConnell	4	3
A. Stott	4	4

Committee Membership

Due to the Company's relatively small size and board structure, separate Remuneration and Audit Committees have not been constituted. The full board of directors assumes responsibility for any such matters as outlined in the Company's corporate governance plan.

NON-AUDIT SERVICES

The following non-audit services were provided by the Group's auditor, Ernst & Young Australia and Ernst & Young Australia received or is due to receive the following amounts for the provision of such services:

	2025 $	**2024 $**
Grant application services	**25,000**	25,000

The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means the auditor's independence was not compromised.

AUDITOR INDEPENDENCE

Section 307C of the Corporations Act 2001 requires the Company's auditors, Ernst & Young Australia, to provide the directors of the Company with an Independence Declaration in relation to the audit of the Financial Report. The directors received the Independence Declaration set out on page 24 for the year ended 30 June 2025.

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REMUNERATION REPORT (AUDITED)

This remuneration report for the year ended 30 June 2025 outlines the remuneration arrangements of the Group in accordance with the requirements of the *Corporations Act 2001*, as amended (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report is presented under the following sections:

1. Introduction
2. Remuneration governance
3. Remuneration outcomes
4. Executive contracts
5. Additional disclosures relating to performance rights, options and shares
6. Other transactions and balances with key management personnel and their related parties

1. INTRODUCTION

The remuneration report details the remuneration arrangements for key management personnel (**KMP**) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent entity.

The list below outlines the KMP of the Group during the financial year ended 30 June 2025. Unless otherwise indicated, the individuals were KMP for the entire financial year.

For the purposes of this report, the term "executive" indicates the executive directors and senior executives of the Group.

Non-Executive Directors (NEDs)

J. Lowcock	Non-Executive Chairman
S. Thomson	Non-Executive Director
M. Phillips	Non-Executive Director
M. McConnell	Non-Executive Director
A. Stott	Non-Executive Director

Executive Directors

M. Ratty	Managing Director and Chief Executive Officer

Senior Executives

M. Sutton	Chief Operating Officer
E. Shuggi	Chief Product Officer
C. Kinlay	Chief Marketing Officer
F. Muir	Chief Financial Officer

2. REMUNERATION GOVERNANCE

2(a) Remuneration Philosophy

The performance of the Group depends upon the quality of the directors and executives. The philosophy of the Group in determining remuneration levels is to:

- set competitive remuneration packages to attract and retain high calibre employees;
- link rewards to shareholder value creation; and
- establish appropriate, demanding performance hurdles for variable executive remuneration.

2(b) Remuneration Committee

The current size of the Group and structure of the board of directors does not warrant a separate remuneration committee. The board of directors as a whole (**Board**) is currently responsible for determining and reviewing compensation arrangements for directors and executives. Directors are excluded from discussions and voting on their own remuneration arrangements.

The Board assesses the appropriateness of the nature and amount of remuneration of directors and executives on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

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2(c) *Remuneration Structure: Non-Executive Director Remuneration*

Fixed Remuneration

In accordance with best practice corporate governance, the structure of non-executive director and executive remuneration is separate and distinct.

The Board seeks to set aggregate remuneration of non-executive directors at a level that provides the Group with the ability to attract and retain high calibre directors, whilst incurring a cost that is acceptable to shareholders.

The ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. The aggregate remuneration set pursuant to Adveritas Limited's constitution is $500,000 per year, which may be varied by shareholders in general meeting.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board does not currently seek external remuneration advice.

Each non-executive director receives a fee for being a director of the Company.

Options

No options were issued to any non-executive director in the current year (2024: nil).

2(d) *Remuneration Structure: Executive Director and Senior Executive Remuneration*

(i) Objective

The Group aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities so as to:

- Reward executives;
- Align the interests of executives with those of shareholders;
- Link reward with strategic goals and performance of the Group; and
- Ensure total remuneration is competitive by market standards.

(ii) Principles of Compensation

Compensation levels for employees of the Group are competitively set to attract and retain appropriately qualified and experienced senior executives. Executive remuneration and other terms of employment are reviewed annually by the Board having regard to the performance, relevant comparative information and expert advice if required.

(iii) Structure

Remuneration consists of the following key elements:

- Fixed Remuneration (base salary, superannuation and non-monetary benefits;
- Variable Remuneration
  - Short-term incentives
  - Long-term incentives

The Board establishes the proportion of fixed and variable remuneration for each executive.

Fixed Remuneration

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market. The Board periodically reviews fixed remuneration when extending or otherwise amending the employment contracts of key executives. This review takes into account the overall performance of the executive and of the Group. The Board considers the executive's performance of the specific duties and tasks set out in their employment contracts which were included based on the general nature of the executive's role together with any specific requirements from the Board.

Executives may be given the flexibility to receive their remuneration in a variety of forms including cash and fringe benefits. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Group.

Variable Remuneration – short-term incentive

The objective of short-term incentives is to link the achievement of the Group's operational targets with the remuneration received by the executives charged with meeting those targets. Operational targets are set periodically by the Board and include matters such as the funding of the Company, the timing of technological developments and the implementation of sales and marketing strategies.

From time to time, cash bonuses (short-term incentives) are paid where an executive has met a short-term objective of the Group. Such bonuses are paid when specific criteria which are set by the Board are met. These criteria are linked to the operational targets set by the Board. In some instances, cash bonuses are paid when the Board determines that an executive has made contributions that are significant and beyond the normal expectations of their role. In making such determinations, the Board will consider a number of factors including the area of the business that has been impacted by the executive's contributions and the alignment of these contributions to the Group's overall strategy.

REMUNERATION REPORT (AUDITED) (CONTINUED)

2(d) Remuneration Structure: Executive Director and Senior Executive Remuneration (continued)

Variable Remuneration – long-term incentive

Long-term incentives are delivered in the form of options and performance rights.

Performance rights and options are generally issued in accordance with the terms and conditions of the Adveritas Employee Incentive Securities Plan (**Plan**) that has been approved by the Company's shareholders.

Pursuant to the listing rules of the Australian Securities Exchange (**Listing Rules**), the Company's shareholders are required to re-approve the Plan and all unallocated securities issuable under it every three years. The Company's current Plan was approved by shareholders at the 2023 AGM.

The key features of the Plan are as follows:

- **Purpose:** The purpose of the Plan is to:
  - (a) assist in the reward, retention and motivation of Eligible Participants;
  - (b) link the reward of Eligible Participants to Shareholder value creation; and
  - (c) align the interests of Eligible Participants with, by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Shares, Options or Performance Rights under the Plan (**Plan Securities**).
- **Maximum number of Plan Securities:** The maximum number of Plan Securities proposed to be issued under the Plan in reliance on Listing Rule 7.2 (Exemption 13(a)) is 33,100,706. It is not envisaged that the maximum number of Plan Securities will be issued immediately.
- **Plan administration:** The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion (except to the extent that it prevents the Participant relying on the deferred tax concessions under Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth)). The Board may delegate its powers and discretion.
- **Eligibility, invitation and application:** The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for any (or any combination of) the Plan Securities on such terms and conditions as the Board decides.

  On receipt of an invitation, an Eligible Participant may apply for the Plan Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part.

  If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.
- **Restrictions on dealing with Convertible Securities:** A Convertible Security represents a right to acquire one or more Shares in accordance with the Plan (for example, an Option or a Performance Right). Convertible Securities cannot be sold, assigned, transferred, have a security interest granted over or otherwise dealt with unless in Special Circumstances as defined under the Plan (including in the case of death or total or permanent disability of the holder) with the consent of the Board in which case the Convertible Securities may be exercisable on terms determined by the Board.

  A holder must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.
- **Vesting of Convertible Securities:** Any vesting conditions applicable to the Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Eligible Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, it will lapse.
- **Forfeiture of Convertible Securities:** Convertible Securities will be forfeited in the following circumstances:
  - (a) in the case of unvested Convertible Securities only, where the holder ceases to be an Eligible Participant (e.g. is no longer employed or their office or engagement is discontinued with the Company and any Associated Bodies Corporate (as defined in the Corporations Act) (**Group**);
  - (b) in the case of unvested Convertible Securities only, where a Participant acts fraudulently, dishonestly, negligently, in contravention of any Group policy or wilfully breaches their duties to the Group;
  - (c) where there is a failure to satisfy the vesting conditions in accordance with the Plan;
  - (d) on the date the Participant becomes insolvent; or
  - (e) on the expiry date.

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- **Restriction periods and restrictions on transfer of Shares on exercise:** If the invitation provides that any Shares issued upon the valid exercise of a Convertible Security are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

  Additionally, Shares issued on exercise of the Convertible Securities are subject to the following restrictions:

  (a) if the Company is required but is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Shares issued on exercise of the Convertible Securities may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act;

  (b) all Shares issued on exercise of the Convertible Securities are subject to restrictions imposed by applicable law on dealing in Shares by persons who possess material information likely to affect the value of the Shares and which is not generally available; and

  (c) all Shares issued on exercise of the Convertible Securities are subject to the terms of the Company's Securities Trading Policy.

- **Reorganisation:** If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the ASX Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.
- **Change of control:** If a change of control event occurs (being an event which results in any person (either alone or together with associates) owning more than 50% of the Company's issued capital), or the Board determines that such an event is likely to occur, any vested but unexercised or any unvested Convertible Securities must be exercised within 30 days of the change of control event. Any unexercised Convertible Securities will lapse. The Board may specify in the Invitation how the Convertible Securities will be treated on a change of control event occurring, or the Board determining that such event is likely to occur, which may vary depending upon circumstances in which the Participant becomes a leaver and preserve some or all of the Board's discretion under this rule.
- **Amendments:** Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

  No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.

In the event that an invitation made to an Eligible Participant to participate in the Plan will result in the maximum number of Plan Securities being exceeded, the invitation will not be covered by ASIC Class Order 14/1000 and the Company will be required to address the secondary sale requirements of any shares issued upon exercise of the Convertible Securities. This includes the Company lodging a cleansing notice under Section 708A(5) of the Corporations Act 2001 or a prospectus under Section 708A(11) of the same Act.

During the current year, 15,000,000 performance rights were granted to executives (2024: nil. There were no options granted to executives in the current year (2024: nil). The performance rights issued during the current year are dependent on the combination of performance conditions and the continuity of the employment with the Company being achieved.

2(e) Remuneration Report Approval at 2024 Annual General Meeting

The remuneration report of Adveritas Limited for the year ended 30 June 2024 was approved by shareholders at the 2024 AGM.

REMUNERATION REPORT (AUDITED) (CONTINUED)

3. REMUNERATION OUTCOMES

Remuneration of Key Management Personnel

		Short-term benefits		Post-employment	Long-term benefits	Share-based payments		
		Salary, fees & annual leave entitlements $	Commission / Bonus $	Super $	Long service leave $	Performance Rights[1] $	Total $	Performance related %
Non-Executive Directors								
S. Belben (resigned 14 July 2023)	**2025**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2024	2,440	-	270	-	-	2,710	-
J. Lowcock[3] (appointed 17 July 2023)	**2025**	**30,000**	**-**	**-**	**-**	**-**	**30,000**	**-**
	2024	27,500	-	-	-	-	27,500	-
M. McConnell[3]	**2025**	**20,275**	**-**	**2,332**	**-**	**-**	**22,607**	**-**
	2024	21,549	-	2,372	-	-	23,921	-
A. Stott[3]	**2025**	**21,900**	**-**	**-**	**-**	**-**	**21,900**	**-**
	2024	23,725	-	-	-	-	23,725	-
M. Phillips[3] (appointed 11 April 2024)	**2025**	**21,961**	**-**	**-**	**-**	**-**	**21,961**	**-**
	2024	4,872	-	-	-	-	4,872	-
S. Thomson[3] (appointed 11 April 2024)	**2025**	**22,200**	**-**	**-**	**-**	**-**	**22,200**	**-**
	2024	4,872	-	-	-	-	4,872	-
R. Besnard[3] (resigned 30 April 2024)	**2025**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2024	20,075	-	-	-	-	20,075	-
Executive Directors								
M. Ratty[1,4]	**2025**	**403,709**	**150,000**	**29,932**	**24,499**	**474,431**	**1,082,571**	**58**
	2024	375,283	-	27,399	5,828	198,459	606,969	33
Total Directors	**2025**	**520,045**	**150,000**	**32,264**	**24,499**	**474,431**	**1,201,239**	**52**
	2024	480,316	-	30,041	5,828	198,459	714,644	28
Senior Executives								
L. Taylor[2] (resigned 17 January 2024)	**2025**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2024	145,423	-	15,603	(5,614)	-	155,412	-
F. Muir[1]	**2025**	**220,861**	**-**	**25,399**	**3,760**	**39,620**	**289,640**	**14**
	2024	231,396	-	25,459	-	-	256,855	-
M. Sutton[1]	**2025**	**431,365**	**260,334**	**-**		**84,730**	**776,429**	**44**
	2024	432,616	205,769	-	-	120,364	758,749	43
C. Kinlay[1]	**2025**	**348,648**	**-**	**-**	**-**	**160,602**	**509,250**	**32**
	2024	325,440	-	-	-	-	325,440	-
E. Shuggi[1]	**2025**	**401,263**	**-**	**29,932**	**(2,280)**	**46,261**	**475,176**	**10**
	2024	365,711	-	27,399	1,707	34,724	429,541	8
Total Senior Executives	**2025**	**1,402,137**	**260,334**	**55,331**	**1,480**	**331,213**	**2,050,495**	**29**
	2024	1,500,586	205,769	68,461	(3,907)	155,088	1,925,997	19
Total Directors and Senior Executives	**2025**	**1,922,182**	**410,334**	**87,595**	**25,979**	**805,644**	**3,251,734**	**-**
	2024	1,980,902	205,769	98,501	1,921	353,547	2,640,641	21

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Notes

1. Refer to section 5 below and Note 17 for further information on the vesting conditions attached to performance rights.
2. In addition to the remuneration reflected in the above table, Mr Taylor was paid out his unused annual and long service leave upon his resignation on 17 January 2024 which came to $85,310 and $80,575 respectively.
3. During the 2024 financial year, the Non-Executive Directors voluntarily elected to forego 50% of their fees, this election continued in the 2025 financial year. There is no obligation for the Company to repay the foregone fees in the future.
4. During the current year, Mr Ratty was awarded a bonus of $150,000 relating to the achievement of the following milestones in the 2024 financial year: reduction in operating costs of approximately $1.75 million on an annualised basis, successful renewal of contracts at a higher price, leading the focus on sports betting and being involved in the engagement of approximately 42 clients, and the completion of a placement raising approximately $7.7 million (before costs).

4. EXECUTIVE CONTRACTS

Remuneration arrangements for executives are formalised in their employment agreements. The following outlines the details of the contracts with executives:

Mathew Ratty, Managing Director and Chief Executive Officer

Mr Ratty's current employment agreement commenced on 9 November 2018 (Mr Ratty held the position of Interim CEO up to this date). The term of Mr Ratty's contract will come to an end on 30 June 2028.

Details

- **Remuneration:**
  - Annual base salary – Mr Ratty's current annual base salary is $375,000 (plus statutory superannuation).
  - Performance related bonuses – short term incentive: at the Board's discretion, a cash bonus may be paid to Mr Ratty in relation to the successful completion of various milestones periodically set by the Board. The cash bonus is not to exceed 50% of the annual salary in the financial year the bonus is earnt.
  - Long term incentive: the following performance rights were held by Mr Ratty on 30 June 2025:

Milestones to be achieved	Quantum of performance rights to vest upon achievement of milestone	Status of performance rights at 30 June 2025
Remain as Chief Executive Officer of the Company as at 31 Dec 2023	2,500,000	Vested, not yet exercised
Remain as Chief Executive Officer of the Company as at 31 Dec 2024	2,500,000	Vested, not yet exercised
Remains as Chief Executive Officer of the Company on 31 December 2025.	2,750,000	Not yet vested
Remains as Chief Executive Officer of the Company on 31 December 2026.	3,000,000	Not yet vested
Achieve annual recurring revenue (**ARR**) of $9 million and an operating cost reduction of $1 million by 30 June 2025	1,500,000	Vested, not yet exercised
Achieve ARR of $15 million by 30 June 2026	2,250,000	Not yet vested
Achieve an annual customer contract value of $1 million	500,000	Vested, not yet exercised

- **Termination:**

  The agreement may be terminated:

  - by the Company without cause by giving twelve months' notice, or immediately with payment in lieu of notice;
  - by the Company giving one months' notice if Mr Ratty is unable to perform his duties due to illness, accident or incapacitation, for six consecutive months or a period aggregating more than six months in any twelve-month period; or
  - by the Company immediately without notice following material breach or in the case of misconduct; or
  - by Mr Ratty without cause by giving three months' notice or immediately if the Company commits any serious or persistent breach of the agreement.

- **Other:**

  The agreement includes other general industry standard provisions for a senior executive.

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REMUNERATION REPORT (AUDITED) (CONTINUED)

4. EXECUTIVE CONTRACTS (CONTINUED)

Matthew Sutton, Chief Operating Officer

Mr Sutton's employment agreement commenced on 4 January 2021 and has no fixed term.

Details

- **Remuneration:**
  - Current annual base salary of SGD$370,000.
  - Commission ranging between 1% and 7% on revenue from contracts entered into or renewed as a result of the sales efforts of Mr Sutton or his sales team.
  - Long term incentive: the following performance rights were held by Mr Sutton on 30 June 2025:

Milestones to be achieved	Quantum of performance rights to vest upon achievement of milestone	Status of performance rights at 30 June 2025
Achieve ARR of $9 million and an operating cost reduction of $1 million by 30 June 2025	400,000	Vested, not yet exercised
Achieve ARR of $15 million by 30 June 2026	600,000	Not yet vested

- **Termination:**

  The agreement may be terminated:
  - by the Company without cause by giving three months' notice, or immediately with payment in lieu of notice;
  - by the Company giving one months' notice if Mr Sutton is unable to perform his duties due to illness, accident or incapacitation, for two consecutive months or a period aggregating more than two months in any twelve-month period; or
  - by the Company immediately without notice following material breach or in the case of misconduct; or
  - by Mr Sutton without cause by giving three months' notice or at any time if the Company commits any serious or persistent beach which is not remedied within twenty eight days.

- **Other:**

  The agreement includes other general industry standard provisions for a senior executive.

Elie Shuggi, Chief Product Officer

Mr Shuggi's employment agreement commenced on 14 November 2022 and has no fixed term. Mr Shuggi resigned from the Company with effect from 13 August 2025.

Details

- **Remuneration:**
  - Current annual base salary of $350,000
  - Performance related bonuses – short term incentive: a cash bonus may be paid at any time during the term of the agreement conditional upon the achievement of key performance indicators set by the Company's board of directors. The cash bonus is not to exceed 25% of the annual salary in the financial year the bonus is earnt
  - Long term incentive: the following performance rights were held by Mr Shuggi on 30 June 2025:

Milestones to be achieved	Quantum of performance rights to vest upon achievement of milestone	Status of performance rights at 30 June 2025
Achieve ARR of $9 million and an operating cost reduction of $1 million by 30 June 2025	400,000	Vested, not yet exercised
Achieve ARR of $15 million by 30 June 2026	600,000	Not yet vested

- **Termination:**

  The agreement may be terminated:
  - by the Company without cause by giving three months' notice, or immediately with payment in lieu of notice;
  - by the Company giving one months' notice if Mr Shuggi is unable to perform his duties due to illness, accident or incapacitation, for two consecutive months or a period aggregating more than two months in any twelve-month period; or
  - by the Company immediately without notice following material breach or in the case of misconduct; or
  - by Mr Shuggi without cause by giving three months' notice or at any time if the Company commits any serious or persistent beach which is not remedied within twenty eight days.

- **Other:**

  The agreement includes other general industry standard provisions for a senior executive.

Chad Kinlay, Chief Marketing Officer

Mr Kinlay commenced the role of Chief Marketing Officer on 4 January 2022. Mr Kinlay performed this role via a consultancy agreement which came to an end on 30 June 2025. With effect from 1 July 2025, Mr Kinlay has been employed by the Company by way of an Executive Services Agreement.

Key terms of the consultancy agreement which was in effect until 30 June 2025:

- Fee: from 1 January 2025 a monthly fee of $30,340 was payable to Mr Kinlay together with any out of pocket expenses. Prior to 1 January 2025, the monthly fee payable to Mr Kinlay was $27,840.
- Termination: The agreement could be terminated by the Company or Mr Kinlay by giving one months' notice.

The following performance rights were held by Mr Kinlay on 30 June 2025:

Milestones to be achieved	Quantum of performance rights to vest upon achievement of milestone	Status of performance rights at 30 June 2025
Achieve ARR of $9 million and an operating cost reduction of $1 million by 30 June 2025	400,000	Vested, not yet exercised
Achieve ARR of $15 million by 30 June 2026	600,000	Not yet vested
Set up 100 sales qualified sports betting meetings by 31 December 2025	1,000,000	Vested, not yet exercised

Fiona Muir, Chief Financial Officer

Ms Muir's employment agreement commenced on 25 June 2018 and has no fixed term.

Details

- **Remuneration:**

  Ms Muir fulfils the role of Chief Financial Officer on a part time basis and is currently remunerated pro-rata based on an annual base salary of $288,500 plus statutory superannuation.

- **Termination:**

  The agreement may be terminated:
  - by Ms Muir with one months' notice, unless the Company is in breach of a material term of the agreement, in which case Ms Muir may terminate it immediately;
  - by the Company with one months' notice or payment in lieu of notice;
  - by the Company immediately without notice following material breach or in the case of misconduct

- **Other:**

  The agreement includes other general industry standard provisions for a senior executive.

The following performance rights were held by Ms Muir on 30 June 2025:

Milestones to be achieved	Quantum of performance rights to vest upon achievement of milestone	Status of performance rights at 30 June 2025
Remain an employee of the Company on 19 December 2025	500,000	Not yet vested
Remain an employee of the Company on 19 December 2026	500,000	Not yet vested

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REMUNERATION REPORT (AUDITED) (CONTINUED)

5. ADDITIONAL DISCLOSURES RELATING TO PERFORMANCE RIGHTS, OPTIONS AND SHARES

Performance Rights

Performance rights do not carry any voting or dividend rights and can only be converted into ordinary shares up until their expiry date, provided any vesting conditions are met and the Executive remains as an employee of the Group as at a specified date.

The tables below disclose the movement in performance rights held by key management personnel during the current and prior year. During the current year, 19,745,000 performance rights were granted.

There is a nil exercise price payable on the conversion of performance rights into ordinary shares.

	Number of performance rights						
	Opening balance	Granted during the year	Vested during the year	Converted into ordinary shares during the year	Lapsed during the year	Closing balance (vested, not yet exercised)	Closing balance (not yet vested)
2025							
Executive directors							
M. Ratty	5,000,000	10,000,000	4,500,000	-	-	7,000,000	8,000,000
Senior Executives							
M. Sutton	4,000,000	1,000,000	2,400,000	4,000,000	-	400,000	600,000
E. Shuggi	500,000	1,000,000	900,000	500,000	-	400,000	600,000
C. Kinlay	-	2,000,000	1,400,000	-	-	1,400,000	600,000
F. Muir	-	1,000,000	-	-	-	-	1,000,000

	Number of performance rights						
	Opening balance	Granted during the year	Vested during the year	Converted into ordinary shares during the year	Lapsed during the year	Closing balance (vested, not yet exercised)	Closing balance (not yet vested)
2024							
Executive directors							
M. Ratty	5,000,000	-	2,500,000	-	-	2,500,000	2,500,000
Executives							
M. Sutton	4,000,000	-	2,000,000	-	-	2,000,000	2,000,000
E. Shuggi	1,000,000	-	500,000	(500,000)	-	-	500,000

The table below discloses the fair values of performance rights granted to key management personnel during the current year:

	Grant date	Number granted	Fair value per performance right at grant date
M Ratty	18/11/2024	10,000,000	$0.08
M Sutton	20/12/2024	1,000,000	$0.10
E Shuggi	20/12/2024	1,000,000	$0.10
C. Kinlay	20/12/2024	2,000,000	$0.10
F. Muir	20/12/2024	1,000,000	$0.10

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The table below discloses the status of the associated performance milestones at 30 June 2025:

	Vesting Condition	Number	Status at 30 June 2025	Expiry date
M Ratty	Remains as Chief Executive Officer of the Company on 31 December 2023.	2,500,000	Vested, not yet exercised	22 June 2028
M Ratty	Remains as Chief Executive Officer of the Company on 31 December 2024.	2,500,000	Vested, not yet exercised	22 June 2028
M Ratty	Remains as Chief Executive Officer of the Company on 31 December 2025.	2,750,000	Not yet vested	27 Nov 2027
M Ratty	Remains as Chief Executive Officer of the Company on 31 December 2026.	3,000,000	Not yet vested	27 Nov 2027
M Ratty	Achieve annual recurring revenue (**ARR**) of $9 million and an operating cost reduction of $1 million by 30 June 2025	1,500,000	Vested, not yet exercised	27 Nov 2027
M Ratty	Achieve ARR of $15 million by 30 June 2026	2,250,000	Not yet vested	27 Nov 2027
M Ratty	Achieve an annual customer contract value of $1 million	500,000	Vested, not yet exercised	27 Nov 2027
M Sutton	Achieve ARR of $9 million and an operating cost reduction of $1 million by 30 June 2025	400,000	Vested, not yet exercised	31 Dec 2025
M Sutton	Achieve ARR of $15 million by 30 June 2026	600,000	Not yet vested	31 Dec 2026
E Shuggi	Achieve ARR of $9 million and an operating cost reduction of $1 million by 30 June 2025	400,000	Vested, not yet exercised	31 Dec 2025
E Shuggi	Achieve ARR of $15 million by 30 June 2026	600,000	Not yet vested	31 Dec 2026
C Kinlay	Achieve ARR of $9 million and an operating cost reduction of $1 million by 30 June 2025	400,000	Vested, not yet exercised	31 Dec 2025
C Kinlay	Achieve ARR of $15 million by 30 June 2026	600,000	Not yet vested	31 Dec 2026
C Kinlay	Set up 100 sales qualified sports betting meetings by 31 December 2025	1,000,000	Vested, not yet exercised	30 Jun 2026
F Muir	Remain an employee of the Company on 19 December 2025	500,000	Not yet vested	31 Mar 2026
F Muir	Remain an employee of the Company on 19 December 2026	500,000	Not yet vested	31 Mar 2027

Option holdings of KMP

Nil options were held at 30 June 2025.

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REMUNERATION REPORT (AUDITED) (CONTINUED)

5. ADDITIONAL DISCLOSURES RELATING TO PERFORMANCE RIGHTS, OPTIONS AND SHARES (CONTINUED)

Share holdings of KMP

The table below discloses the shares held directly, indirectly and beneficially by key management personnel.

	Balance 1 July 2024	On market purchases	Exercise of performance rights	Balance 30 June 2025
J. Lowcock	880,000	-	-	880,000
S. Thomson	1,000,000	-	-	1,000,000
M. McConnell	105,503,433	-	-	105,503,433
A. Stott	1,100,000	-	-	1,100,000
M. Ratty	27,460,544	-	-	27,460,544
E. Shuggi	500,000	-	500,000	1,000,000
M. Sutton	-	-	4,000,000	4,000,000
C. Kinlay	-	500,000	-	500,000
F. Muir	500,000	-	-	500,000
Total	**136,943,977**	**500,000**	**4,500,000**	**141,943,977**

6. OTHER TRANSACTIONS AND BALANCES WITH KEY MANAGEMENT PERSONNEL AND THEIR RELATED PARTIES

No transactions and balances occurred and existed during the current financial year with key management personal and their related parties.

END OF REMUNERATION REPORT

Signed in accordance with a resolution of the directors:

Mathew Ratty

Managing Director and Chief Executive Officer

Perth, Western Australia
Dated 27 August 2025

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Shape the future
with confidence

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Auditor's Independence Declaration to the Directors of Adveritas Limited

As lead auditor for the audit of the financial report of Adveritas Limited for the financial year ended 30 June 2025, I declare to the best of my knowledge and belief, there have been:

a) No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

b) No contraventions of any applicable code of professional conduct in relation to the audit; and

c) No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Adveritas Limited and the entities it controlled during the financial year.

Ernst & Young

Darryn Hall
Partner
27 August 2025

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CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2025

	Note	2025 $	2024 $
Revenue from contracts with customers	4	**7,843,953**	4,156,993
Interest income		**35,756**	87,030
Other income	5(a)	**881,277**	1,336,147
Employment costs	5(b)	**(10,294,398)**	(10,474,143)
Marketing costs	5(c)	**(1,353,288)**	(1,669,790)
Server hosting and product costs		**(1,227,046)**	(1,294,300)
Administration costs	5(d)	**(687,785)**	(701,551)
Compliance costs	5(e)	**(338,894)**	(357,001)
Consultancy costs	5(f)	**(166,817)**	(248,616)
Occupancy costs		**(124,914)**	(178,003)
Expected credit losses and bad debts expense	5(g)	**(36,334)**	(102,079)
Depreciation	5(h)	**(130,691)**	(174,114)
Foreign exchange losses		**(5,719)**	(57,414)
Finance costs	5(i)	**(438,480)**	(785,872)
Share based payments expense	17	**(990,096)**	(387,705)
Fair value gain / (loss) on convertible loan note derivative	14	**40,293**	(733,556)
Loss before income tax		**(6,993,183)**	(11,583,974)
Income tax expense	6	**(92,569)**	(11,011)
Loss for the year attributable to the members of Adveritas Limited		**(7,085,752)**	(11,594,985)
Other comprehensive income net of tax			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		**99,709**	(22,489)
Total comprehensive loss for the year attributable to the members of Adveritas Limited		**(6,986,043)**	(11,617,474)

Loss per share attributable to members of Adveritas Limited

		Cents	Cents
Basic loss per share	23	**(0.89)**	(1.66)
Diluted loss per share	23	**(0.89)**	(1.66)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to the consolidated financial statements.

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	Note	2025 $	2024 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	**9,481,457**	4,285,814
Trade and other receivables	8	**735,507**	1,456,226
Prepayments		**94,734**	132,691
Convertible loan note derivative	14	**-**	879,444
TOTAL CURRENT ASSETS		**10,311,698**	6,754,175
NON-CURRENT ASSETS			
Plant and equipment	9	**22,711**	29,767
Right-of-use assets	10	**101,054**	202,107
TOTAL NON-CURRENT ASSETS		**123,765**	231,874
TOTAL ASSETS		**10,435,463**	6,986,049
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	**1,093,772**	796,474
Income tax payable		**31,141**	3,711
Deferred revenue	12	**3,917,409**	2,127,607
Provisions	13	**777,153**	548,487
Lease liabilities	10	**163,015**	146,398
Convertible loan note liability	14	**-**	4,259,858
TOTAL CURRENT LIABILITIES		**5,982,490**	7,882,535
NON-CURRENT LIABILITIES			
Provisions	13	**70,493**	88,346
Lease liabilities	10	**-**	136,427
TOTAL NON-CURRENT LIABILITIES		**70,493**	224,773
TOTAL LIABILITIES		**6,052,983**	8,107,308
NET ASSETS / (LIABILITIES)		**4,382,480**	(1,121,259)
EQUITY			
Contributed equity	15	**84,002,149**	72,165,390
Accumulated losses	18	**(85,250,149)**	(78,164,397)
Share based payment reserve	16	**5,515,767**	4,862,744
Foreign currency translation reserve	16	**114,713**	15,004
TOTAL EQUITY / (DEFICIT)		**4,382,480**	(1,121,259)

The Consolidated Statement of Financial Position is to be read in conjunction with the notes to the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2025

	Note	2025 $	2024 $
Cash flows from operating activities			
Receipts from customers		**10,375,461**	5,168,835
Payments to suppliers and employees		**(13,846,546)**	(15,227,769)
Research and development grant income received	5(a)	**856,602**	773,121
Other income received		**25,498**	14,140
Interest received		**42,104**	87,189
Interest expense on lease liabilities	10	**(16,366)**	(25,688)
Interest paid		**(302,269)**	(5)
Income tax paid		**(71,660)**	(5,142)
Net cash flows used in operating activities	7	**(2,937,175)**	(9,215,319)
Cash flows from investing activities			
Purchase of plant and equipment		**(22,698)**	(8,959)
Proceeds on disposal of plant and equipment		**-**	3,384
Deposits refunded on leased property		**1,814**	6,464
Net cash flows (used in) / generated by investing activities		**(20,884)**	889
Cash flows from financing activities			
Proceeds from issue of shares		**8,500,000**	7,700,000
Share issue costs paid		**(349,802)**	(417,083)
Lease liability payments		**(119,810)**	(107,454)
Net cash flows provided by financing activities		**8,030,388**	7,175,463
Net increase / (decrease) in cash and cash equivalents		**5,072,329**	(2,038,967)
Cash and cash equivalents at the beginning of the year		**4,285,814**	6,339,205
Effects of exchange rate changes on cash and cash equivalents		**123,314**	(14,424)
Cash and cash equivalents at the end of the year	7	**9,481,457**	4,285,814

The Consolidated Statement of Cash Flows is to be read in conjunction with the notes to the consolidated financial statements.

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	Contributed equity $	Accumulated losses $	Share based payments reserve $	Foreign currency translation reserve $	Total equity $
Balance at 1 July 2024	72,165,390	(78,164,397)	4,862,744	15,004	(1,121,259)
Loss for the year	-	(7,085,752)	-	-	(7,085,752)
Other comprehensive expenditure					
Foreign exchange differences arising on translation of foreign operations	-	-	-	99,709	99,709
Total comprehensive expenditure for the year	-	(7,085,752)	-	99,709	(6,986,043)
Transactions with equity holders in their capacity as owners					
Ordinary shares issued	8,500,000	-	-	-	8,500,000
Share issue costs	(460,279)	-	-	-	(460,279)
Share issued on conversion of performance rights	337,073	-	(337,073)	-	-
Share issued on conversion of convertible loan notes	3,459,965	-	-	-	3,459,965
Share based payments expense			990,096	-	990,096
	11,836,759	-	653,023	-	12,489,782
Balance at 30 June 2025	84,002,149	(85,250,149)	5,515,767	114,713	4,382,480
Balance at 1 July 2023	64,658,338	(66,569,412)	4,602,426	37,493	2,728,845
Loss for the year	-	(11,594,985)	-	-	(11,594,985)
Other comprehensive expenditure					
Foreign exchange differences arising on translation of foreign operations	-	-	-	(22,489)	(22,489)
Total comprehensive expenditure for the year	-	(11,594,985)	-	(22,489)	(11,617,474)
Transactions with equity holders in their capacity as owners					
Ordinary shares issued	7,700,000	-	-	-	7,700,000
Share issue costs	(320,335)	-	-	-	(320,335)
Share issued on conversion of performance rights	127,387	-	(127,387)	-	-
Share based payments expense	-	-	387,705	-	387,705
	7,507,052	-	260,318	-	7,767,370
Balance at 30 June 2024	72,165,390	(78,164,397)	4,862,744	15,004	(1,121,259)

The Consolidated Statement of Changes in Equity is to be read in conjunction with the notes to the consolidated financial statements.

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1. CORPORATE INFORMATION

The consolidated financial report of Adveritas Limited (**Adveritas** or **Company**) and its controlled entities (collectively referred to as the **Group**) for the year ended 30 June 2025 was authorised for issue in accordance with a resolution of the directors on 27 August 2025.

Adveritas is a for-profit company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange. The Group's registered office is in Bentley, Western Australia.

The nature of operations and principal activities of the Group are the creation of innovative software solutions that leverage big data to drive business performance. TrafficGuard is the Group's first commercially available software as a service.

Information on the Group's corporate structure and related party relationships is provided in Note 21.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a summary of the significant accounting policies adopted in the preparation of this consolidated financial report. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of Preparation

The consolidated financial report is a general-purpose financial report which has been prepared on a historical cost basis, with the exception of derivatives, which are carried at fair value, and is presented in Australian dollars.

(b) Statement of Compliance

The consolidated financial statements have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board and comply with the International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board (**IASB**).

(c) Changes in accounting policies, disclosures, standards and interpretations

i Accounting Standards and Interpretations issued but not yet adopted

The Group has assessed the new accounting standards and interpretations that have been issued but are not yet effective as at 30 June 2025. Except for AASB 18 – Presentation and Disclosure in Financial Statements, these new accounting standards and interpretations have been considered as not applicable to the Group and have been assessed to have no impact on the Group during the reporting period to which they are applicable. The Group has not early adopted any new accounting standards and interpretations at balance sheet date.

AASB 18 - Presentation and Disclosure in Financial Statements (effective 1 January 2027)

AASB 18 aims to improve how entities communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss. AASB 18 is accompanied by limited amendments to the requirements in AASB 107 Statement of Cash Flows. AASB 18 is effective from 1 January 2027 and applied fully retrospectively. Entities are permitted to apply AASB 18 before that date.

AASB 18 replaces AASB 1 - Presentation of Financial Statements. The requirements in AASB 1 that are unchanged have been transferred to AASB 18 and other standards. There are 3 main areas of changes:

- requiring additional defined subtotals in the statement of profit or loss, which makes entities' financial performance easier to compare and provides a consistent starting point for investors' analysis;
- requiring disclosures about management-defined performance measures, which increases discipline over use and transparency about their calculation; and
- adding new principles for grouping (aggregation and disaggregation) of information, which improves effective communication of information.

ii. New standards, interpretation and amendments adopted by the Group

The Group has adopted all applicable new standards, interpretations and amendments during the current year without there being any significant impact.

(d) Basis of Consolidation

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

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Generally, there is a presumption that a majority of voting rights results in control. To support this presumption, and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (**OCI**) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

(e) Segment Reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision makers to make decisions about resources to be allocated to the segments and assess their performance and for which discrete financial information is available. This includes start-up operations which are yet to earn revenues.

Operating segments have been identified based on the information presented to the chief operating decision makers, being the Company's board of directors in conjunction with the executive management team.

Information about other business activities is combined and disclosed in a separate category called "Corporate".

(f) Foreign Currency Translation

i. Functional and presentation currency

Items included in the financial statements of each Group company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Australian dollars, which is the parent's functional and presentation currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

ii. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss.

iii. Group companies

On consolidation, the assets and liabilities of foreign operations are translated into Australian dollars at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation purposes are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss. Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Plant and Equipment

All plant and equipment is stated at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the profit or loss during the reporting period in which they are incurred.

Depreciation is calculated over the estimated useful life of the asset as follows:

	Method	Useful Lives
Plant and equipment	Straight Line	1.5 – 2.5 years
Leasehold improvements	Straight Line	the term of the lease
Office equipment	Straight Line	2 – 10 years
Computer equipment	Straight Line	1.5 – 4 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

(h) Impairment of non-financial assets

Non-financial assets comprise of plant and equipment. Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value (less costs of disposal) and value in use. For the purposes of assessing impairment, assets are grouped together at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

(i) Cash and Cash Equivalents

Cash and short-term deposits in the Consolidated Statement of Financial Position comprise cash held in bank accounts, in electronic money accounts, on hand and in short-term deposits with a maturity of three months or less.

For the purpose of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

(j) Government grants

Government grants are recognised as other income where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

(k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the consolidated statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(l) Revenue from contracts with customers

The Group is in the business of providing access to its fraud mitigation software as a service to its customers. Revenue from contracts with customers is recognised over time as the service is delivered to the customer, at an amount that reflects the consideration to which the Group is entitled under the terms of the contract for that service. The Group has concluded that it is the principal in its revenue arrangements because it controls the service before delivering it to the customer.

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(l) Revenue from contracts with customers (continued)

The Group's performance obligation is providing access to its software as a service to the customer over the period of time that was agreed upon with the customer. The customer is required to pay the consideration agreed upon in the service contract. The service contract may stipulate payment on a monthly basis over the term of the contract, in which case the normal credit term is 30 to 60 days upon delivery of the service. Alternatively, the service contract may stipulate payment of the full contract value at the commencement of the contract, in which case the normal credit terms is 15 to 30 days upon commencement of the service.

As a practical expedient, the Group does not disclose the transaction price allocated to the remaining performance obligations as it recognises revenue from the customer at the amount that corresponds directly with the value to the customer of the Group's performance completed to date.

Contracts with customers may include a variable consideration in addition to the fixed fee. The variable consideration comprises a fee for each block of transactions that exceeds the transaction allowance included in the fixed fee. The variable consideration is recognised at the point in time when it can be reliably estimated and the constraint applied.

Taxes collected from customers and remitted to government authorities are excluded from revenue.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for services transferred to the customer. If the Group performs by transferring services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due). Refer further to the accounting policy on financial assets (Note 2(q)) for details on initial recognition, subsequent measurement and impairment.

Deferred revenue

Deferred revenue is the obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, deferred revenue is recognised when the payment is made. Deferred revenue is recognised as revenue when the Group performs under the contract.

Cost to obtain a contract

The Group pays sales commission to its employees for pre-determined milestones in relation to sales of is software services. The Group has elected to apply the optional practical expedient for costs to obtain a contract which allows the Group to immediately expense sales commissions because the amortisation period of the asset that the Group otherwise would have used is one year or less.

(m) Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(n) Employee Benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Income Tax

Current Tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred Tax

Deferred tax is accounted for using the liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit and does not give rise to equal taxable and deductible temporary differences. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, branches, associates and joint ventures except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company / Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the consolidated statement of profit or loss and other comprehensive income except when it relates to items credited or debited directly to equity, in which case the current and deferred tax is also recognised directly in equity.

(p) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(q) Financial Assets

Initial recognition and measurement

Financial assets within the scope of AASB 9 are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The classification of financial assets that are debt instruments at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under AABS 15. Refer to the accounting policy on revenue at Note 2(l).

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss. This category includes derivative instruments.

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Financial assets at amortised cost

This category is the most relevant category to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost include trade and other receivables.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Listed equity instruments that are designated at fair value through OCI are not subject to impairment assessment.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Financial Assets (continued)

Financial assets at amortised cost

For contract assets, trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(r) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, or as loans and borrowings, or as payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification. The Group's financial liabilities comprise trade and other payables and convertible loan notes.

Trade and other payables represent liabilities for goods or services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are subsequently measured at amortised cost using the effective interest method and are presented as current liabilities unless payment is not due within 12 months after the reporting period.

The convertible loan notes recognised in the prior financial year represented the Company's obligation to either redeem or convert the loan notes into fully paid ordinary shares in the Company. The loan notes had an initial maturity date of 12 April 2024 which was subsequently extended to 12 April 2025. On maturity in the current financial year, the principal and the interest capitalised to 12 Aril 2024 was converted into fully paid ordinary shares in the Company. The convertible loan notes were unsecured and bore interest at the rate of 8% per annum which was capitalised on a quarterly basis. Interest capitalised over the period 13 April 2024 to 12 April 2025 was settled in cash in the current financial year.

Subsequent to their initial recognition, the convertible loan notes were measured at amortised cost using the effective interest method and were presented as current liabilities in the previous financial year as conversion was due within 12 months after that reporting period.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss and other comprehensive income.

(s) Share-based payments

Consultants and employees (including senior executives) of the Group receive payment or remuneration in the form of share-based payments, whereby the consultants or the employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model, further details of which are given in Note 17.

The cost of equity-settled transactions is recognised in the share-based payments expense, together with a corresponding increase in equity, over the period in which the performance and / or service conditions are fulfilled.

The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair

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value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

If the terms of an equity-settled award are modified, as a minimum, an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based arrangement, or is otherwise beneficial to the recipient, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of diluted loss per share (further details are given in Note 23).

(t) Loss per share

Basic loss per share is calculated as net loss attributable to members of the Company, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares of the Company, adjusted for any bonus element.

Diluted loss per share is calculated as net profit or loss attributable to members of the Company, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(u) Significant accounting judgements, estimates and assumptions

The directors made estimates and judgements during the preparation of these consolidated financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the consolidated financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and assumptions made have been described below:

Revenue from contracts with customers

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

- The Group determined that revenue from its fraud mitigation software service is to be recognised over time because the customer simultaneously receives and consumes the benefits provided by the Group. Where a service contract includes a usage allowance relating to the volume of advertising spend or transactions to be processed on behalf of the client, revenue from that service contract is recognized over the shorter of the term of the contract and the consumption of the usage allowance.
- The Group has determined that it is the principal in its agreements with its customers because it has control over the service before delivering it to the customer, it is primarily responsible for fulfilling the promise to deliver the service, and it is responsible for establishing the price for the service to be delivered.
- Certain contracts with customers contain a variable consideration in relation to each block of transactions that exceeds the transaction allowance included in the fixed fee. The Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled. The Group has determined that the most likely amount method is appropriate.

Share-based payments

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. The estimate also requires making assumptions about the most appropriate inputs to the valuation model, including the expected life of the share option, volatility and dividend yield. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 17.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Significant accounting judgements, estimates and assumptions (continued)

Income Taxes

Judgement is required in assessing whether deferred tax assets are recognised in the consolidated statement of financial position. Deferred tax assets are recognised only when it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. Judgements are also required about the application of income tax legislation.

The Group estimates that it has $52,747,688 of tax losses carried forward (2024: $47,355,798). Although these losses do not expire, they may not be capable of being used to offset taxable income elsewhere in the Group. The Group has neither taxable temporary differences nor tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets in respect of the tax losses carried forward.

Further details on taxes are disclosed in Note 6.

Provision for expected credit losses of trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade and other receivables and contract assets. The provision rates are based on days past due and adjusted for forward looking expectations specific to the debtors and the economic environment.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets.

(v) Going Concern

The consolidated financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

During the year ended 30 June 2025, the Group incurred a net loss after tax of $7,085,752 (2024: net loss after tax of $11,594,985) and a net cash outflow from operating activities of $2,937,175 (2024: net cash outflow from operating activities of $9,215,319). The cash and cash equivalents balance at 30 June 2025 was $9,481,457 (2024: $4,285,814).

The ability of the Group to pay its trade creditors, continue its planned activities and maintain its going concern status is dependent on the Group continuing to grow revenue and raising additional funds, as required. As at the date of this report, the directors are satisfied that there are reasonable grounds to believe that the Group will be able to operate as a going concern by continuing to grow revenue and raising further funds as required. In forming this view, the directors of the Company have considered the ability of the Company to generate sufficient revenue and raise funds as required by way of future capital raisings.

There are inherent uncertainties associated with growing revenue and the successful completion of capital raisings. Should the directors not be able to manage these inherent uncertainties and successfully secure funding as required, there would be significant uncertainty as to whether the Group would be able to meet its debts as and when they fall due and therefore continue as a going concern.

These consolidated financial statements do not include any adjustments relating to the recoverability or classification of recorded asset amounts nor to the amounts or classifications of liabilities that might be necessary should the Group not be able to continue as a going concern.

(w) Comparative information

The consolidated financial statements provide comparative information in respect of the previous period. Where required, a reclassification of items in the financial statements of the previous period has been made in accordance with the classification of items in the consolidated financial statements of the current period.

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3. SEGMENT INFORMATION

The Group's operating segments comprise:

- **Product and Engineering:** responsible for the development and maintenance of the Group's proprietary software offerings. These activities are conducted primarily in Australia and Croatia; and
- **Sales and marketing:** responsible for deploying the Group's sales and marketing initiatives and for providing ongoing customer service. These activities are carried out by sales and marketing personnel and consultants located in the Australia Pacific region, Europe, Latin America and South-East Asia.
- **Corporate:** responsible for carrying out the finance and administration and human resources functions for the Group. These activities are primarily carried out in Australia.

The board of directors review internal management reports on a monthly basis that are consistent with the information provided in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position and Consolidated Statement of Cash Flows. As a result, no reconciliation is required because, in aggregate, the information as presented is what is used by the board to make strategic decisions. No operating segments have been aggregated.

Segment results for the year ended 30 June 2025

	Product & Engineering $	Sales and marketing $	Corporate $	Consolidated $
Revenue	-	7,843,953	-	7,843,953
Other income	856,602	4,663	939,749	1,801,014
Expenses	(5,980,165)	(4,507,878)	(5,616,692)	(16,104,735)
Loss before interest, depreciation and tax	(5,123,563)	3,340,738	(4,676,943)	(6,459,768)
Interest income	-	-	35,756	35,756
Interest expense	(8,019)	-	(430,461)	(438,480)
Depreciation	(72,193)	(3,384)	(55,114)	(130,691)
Income tax expense	(1,763)	(90,806)	-	(92,569)
Loss after income tax	(5,205,538)	3,246,548	(5,126,762)	(7,085,752)

Segment results for the year ended 30 June 2024

	Product & Engineering $	Sales and marketing $	Corporate $	Consolidated $
Revenue	-	4,156,993	-	4,156,993
Other income	773,121	6,070	242,956	1,022,147
Expenses	(6,154,968)	(5,246,121)	(4,489,069)	(15,890,158)
Loss before interest, depreciation and tax	(5,381,847)	(1,083,058)	(4,246,113)	(10,711,018)
Interest income	-	-	87,030	87,030
Interest expense	(12,587)	-	(773,285)	(785,872)
Depreciation	(102,570)	(13,688)	(57,856)	(174,114)
Income tax expense	(9,599)	(1,412)	-	(11,011)
Loss after income tax	(5,506,603)	(1,098,158)	(4,990,224)	(11,594,985)

3. SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities at 30 June 2025

	Product & Engineering $	Sales and marketing $	Corporate $	Consolidated $
Assets	1,263,752	792,029	8,379,682	10,435,463
Liabilities	542,138	4,454,579	1,056,266	6,052,983

Segment assets and liabilities at 30 June 2024

	Product & Engineering $	Sales and marketing $	Corporate $	Consolidated $
Assets	991,470	1,489,075	4,505,504	6,986,049
Liabilities	838,612	2,409,730	4,858,966	8,107,308

Geographic information

	Consolidated	
	2025 $	2024 $
Revenue from external customers by customer location:		
Australia	510,851	474,466
Foreign countries (refer to note 4 or further details)	7,333,102	3,682,527
Total	7,843,953	4,156,993

Included in revenue from foreign countries is revenue arising from sales shown in the sales and marketing segment from one customer which amounted to $987,674 (2024: $300,430).

	Consolidated	
	2025 $	2024 $
Non-current operating assets by location		
Australia	117,381	224,410
Europe	4,550	4,292
Asia Pacific	1,834	2,798
Other	-	374
Total	123,765	231,874

Non-current assets for this purpose consist of right of use assets and property, plant and equipment.

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4. REVENUE FROM CONTRACTS WITH CUSTOMERS

4.1 Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	Consolidated	
	2025 $	2024 $
Revenue by type of goods or services		
Revenue from the sale of software as a service	**7,843,953**	4,156,993
Total revenue from contracts with customers	**7,843,953**	4,156,993
Revenue by timing of revenue recognition		
Services transferred over time	**7,843,953**	4,156,993
Total revenue from contracts with customers	**7,843,953**	4,156,993
Revenue by geographical region		
North America	**1,473,663**	504,261
Latin America	**264,215**	37,557
Asia Pacific	**214,831**	623,536
Australia	**510,851**	474,466
Europe	**5,154,575**	2,300,265
Other	**225,819**	216,908
Total revenue from contracts with customers	**7,843,953**	4,156,993

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5. OTHER INCOME AND EXPENSES

This note provides a breakdown of the significant items included shown in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

		Consolidated	
		2025 $	2024 $
(a)	**Other income**		
	Research and development grant[1]	**856,602**	773,121
	Gain on modification of convertible loan notes	**-**	221,429
	Gain on modification of convertible loan note derivative	**-**	314,000
	Miscellaneous income	**24,675**	27,597
		881,277	1,336,147
(b)	**Employment costs**		
	Salaries and wages[2]	**8,917,012**	9,397,903
	Ancillary employment costs	**1,371,944**	1,034,489
	Recruitment fees	**5,442**	41,751
		10,294,398	10,474,143
(c)	**Marketing costs**		
	Advertising and marketing materials	**652,508**	701,556
	Public relations	**83,316**	182,950
	Travel, entertainment, trade shows and events	**617,464**	785,284
		1,353,288	1,669,790
(d)	**Administration costs**		
	IT costs	**257,294**	271,652
	Office and general administration costs	**270,125**	293,972
	Corporate travel	**160,366**	135,927
		687,785	701,551
(e)	**Compliance costs**		
	Accounting fees	**34,570**	32,045
	ASX compliance fees	**137,243**	142,232
	Audit and tax fees	**157,046**	174,263
	Regulatory body fees	**10,035**	8,461
		338,894	357,001
(f)	**Consultancy costs**		
	Legal fees	**47,844**	93,662
	Investor relations	**101,500**	72,894
	Other	**17,473**	82,060
		166,817	248,616

1. Research and development grant income is received from the Australian government in relation to qualifying research and development activities carried out within Australia. The grant income relating to FY24 research and development activities was received in the current year and the grant income for FY23 research and development activities was received in prior year.

2. Refer to Note 24 for further details on director and executive remuneration.

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	Consolidated	
	2025 $	2024 $
(g) Expected credit losses and bad debt expense		
Trade receivables written off as a bad debt:		
- where an expected credit loss had been recognised	126,592	40,782
- where an expected credit loss had not been recognised	-	19,031
	126,592	59,813
Expected credit losses (reversed) / recognised	(90,258)	42,266
	36,334	102,079
(h) Depreciation		
Depreciation of property, plant and equipment	29,637	73,060
Depreciation of right-of-use asset	101,054	101,054
	130,691	174,114
(i) Finance costs		
Interest expense on lease liabilities (Note 10)	16,366	25,688
Convertible loan notes (Note 14)		
- interest capitalised in accordance with loan note instrument	181,132	272,202
- amortisation of conversion premium	227,534	487,977
Other	13,448	5
	438,480	785,872

6. INCOME TAX EXPENSE

	Consolidated	
	2025 $	2024 $
Major components of income tax expense for the year are:		
Current income tax		
Current income tax charge	87,916	11,011
Under / (over) provision of income tax liability in prior year	4,653	-
Deferred income tax		
Deferred income tax charge relating to origination and reversal of temporary differences	-	-
Income tax expense reported in income statement	92,569	11,011

Tax Consolidation

The Company and its 100% owned Australian incorporated subsidiaries formed a tax consolidated group with effect from 1 July 2015.

Reconciliation

A reconciliation of income tax expense applicable to accounting loss before income tax at the statutory income tax rate to income tax expense at the Company's effective income tax rate for the year is as follows:

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6. INCOME TAX EXPENSE (CONTINUED)

Reconciliation (continued)

	Consolidated	
	2025 $	2024 $
Accounting loss before tax	**(6,993,183)**	(11,583,974)
Income tax benefit at the statutory income tax rate of 25% (2024: 25%)	**(1,748,296)**	(2,895,993)
Adjusted for:		
Under/(over) provision for income tax in a prior year	**4,653**	-
Non-deductible/(non-assessable) share-based payments expense/ (reversal)	**247,524**	96,926
Other non-deductible expenses	**57,263**	146,474
Non-assessable grant income	**(214,151)**	(193,280)
(Non-assessable)/non-deductible fair value (gain)/loss on convertible loan note derivative	**(10,073)**	183,389
Non-assessable gain on modification of convertible loan notes	**-**	(55,357)
Non-assessable gain on modification of convertible loan note derivative	**-**	(78,500)
Other non-assessable income	**(54)**	-
Utilisation of previously unrecognised tax losses	**(13,864)**	-
Difference between the Australian statutory income tax rate and the statutory income tax rate applicable to foreign operations	**(27,517)**	(23,381)
Tax losses and temporary differences not recognised as a deferred tax asset (Australian tax: $1,754,925 (FY24: $2,827,515, Singaporean tax: $25,662 (FY24: $22,343) USA tax: $412 (FY24: $1,008) Croatian tax: $164CR (FY24: $111CR) UK tax: $5,352 (FY24: $18,907CR) Brazilian tax: $39,248 (FY24: $3,315CR))	**1,797,084**	2,830,733
	92,569	11,011

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	Consolidated	
	2025 $	2024 $
Revenue losses	**52,747,688**	47,355,798
Capital losses	**342,174**	342,174
Temporary differences	**3,636,536**	3,399,168
	56,716,398	51,097,140
Unrecognised deferred tax assets at 25% (2024: 25%)	**14,179,099**	12,774,285

Tax losses do not expire under current Australian legislation. Tax losses relating to foreign jurisdictions amount to $1,397,991 (2024: $1,476,940).

Deferred tax assets have not been recognised in respect of tax losses or temporary differences because it is not certain that future taxable profit will be available in the near term against which the Group can utilise the benefits.

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Availability of Tax Losses

The availability of the Group's tax losses for future periods is uncertain and will be dependent on strict requirements being satisfied with respect to continuity of ownership and the same business test imposed by income tax legislation.

The recoupment of tax losses as at 30 June 2025 is contingent upon the following:

- entities in the Group deriving future assessable income of a nature and of an amount sufficient to enable the benefit from the losses to be realised;
- the conditions for deductibility imposed by income tax legislation continuing to be complied with; and
- there being no changes in income tax legislation which would adversely affect the entities from realising the benefit from the losses.

7. CASH AND CASH EQUIVALENTS

For the purpose of the Consolidated Statement of Financial Position and the Consolidated Statement of Cash Flows, cash and cash equivalents comprise the following at 30 June:

	Consolidated	
	2025 $	2024 $
Cash at bank, on hand and in electronic money accounts	**9,481,457**	4,285,814

The Group's cash is mainly held with a banking institution in Australia with a AA credit rating. Cash at bank earns interest at floating rates based on daily at call bank deposit and savings rates.

Reconciliation from the loss after tax to the net cash flows from operations

	Consolidated	
	2025 $	2024 $
Net loss	**(7,085,752)**	(11,594,985)
Adjustments for non-cash items:		
Profit on disposal of plant and equipment	**389**	2,653
Depreciation	**130,691**	174,114
Share based payments expense (refer to Note 17)	**990,096**	387,705
Fair value gain / (loss) on convertible loan note derivative (refer to Note 14)	**(40,293)**	733,556
Interest on convertible loan notes (refer to Note 14)	**119,845**	760,179
Gain on modification of convertible loan note derivative (refer to Note 14)	**-**	(314,000)
Gain on modification of convertible loan notes (refer to Note 14)	**-**	(221,429)
Unrealised foreign exchange gains	**(32,158)**	(2,590)
Expected credit loss (reversed) / recognised	**(90,258)**	42,266
Changes in assets and liabilities:		
Decrease / (increase) in trade receivables [1]	**867,717**	(978,569)
Increase in other receivables	**(50,274)**	(25,525)
Decrease in prepayments	**37,957**	302,548
Increase / (decrease) in trade and other payables [1]	**186,820**	(366,694)
Increase in deferred revenue	**1,789,802**	2,061,725
Increase / (decrease) increase in provision for employee entitlements	**210,813**	(179,583)
Increase in provision for income tax	**27,430**	3,310
Net cash used in operating activities	**(2,937,175)**	(9,215,319)

1. Movement is stated after adjusting for the effects of movements in foreign exchange rates from the beginning of the financial year to the end of the financial year.

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8. TRADE AND OTHER RECEIVABLES

	Consolidated	
	2025 $	2024 $
CURRENT		
Trade receivables (a)	**636,801**	1,502,175
Allowance for expected credit losses (b)	**(62,335)**	(152,593)
Net trade receivables	**574,466**	1,349,582
Sundry receivables	**44,172**	39,469
Deposits	**96,736**	42,230
GST receivables	**20,133**	24,945
Other receivables	**161,041**	106,644
	735,507	1,456,226

(a) Trade receivables

Trade receivables are amounts due from customers for the sale of the Group's software as a service products. Trade receivables are generally due for settlement within 30-60 days and are therefore classified as current assets. The Group's accounting policies for trade receivables are outlined in Notes 2(l) and 2(q).

(b) Allowance for expected credit losses

The movement in the allowance for expected credit losses is set out below:

	Consolidated	
	2025 $	2024 $
Allowance for expected credit losses		
Balance at 1 July	**152,593**	110,326
Allowance for expected credit losses	**82,788**	182,674
Reversal of expected credit losses: bad debts written off (Note 5 (g))	**(126,592)**	(40,782)
Reversal of expected credit losses: payment received	**(44,959)**	(100,338)
Foreign exchange movements	**(1,495)**	713
Balance at 30 June	**62,335**	152,593

(c) Fair values of trade and other receivables

The fair value of trade and other receivables is assumed to approximate their carrying amounts due to their relatively short-term in nature.

(d) Impairment and risk exposure

Information about the impairment of trade and other receivables, their credit quality and the Group's exposure to credit risk, foreign currency risk and interest rate risk can be found in Note 19.

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9. PLANT AND EQUIPMENT

	Consolidated: 2025			
	Leasehold improvements $	Computer Equipment $	Office Equipment $	Total $
Cost	81,467	275,911	141,112	498,490
Accumulated depreciation	(81,068)	(261,073)	(133,638)	(475,779)
Carrying amount at 30 June 2025	399	14,838	7,474	22,711
Reconciliation				
Carrying amount at 1 July 2024	614	21,688	7,465	29,767
Additions	-	15,875	6,823	22,698
Disposals	-	-	(381)	(381)
Impact of foreign exchange	-	-	264	264
Depreciation	(215)	(22,725)	(6,697)	(29,637)
Carrying amount at 30 June 2025	399	14,838	7,474	22,711

	Consolidated: 2024			
	Leasehold improvements $	Computer Equipment $	Office Equipment $	Total $
Cost	81,467	265,408	52,295	399,170
Accumulated depreciation	(80,853)	(243,720)	(44,830)	(369,403)
Carrying amount at 30 June 2024	614	21,688	7,465	29,767
Reconciliation				
Carrying amount at 1 July 2023	829	69,692	29,258	99,779
Additions	-	8,959	-	8,959
Disposals	-	(4,367)	(1,713)	(6,080)
Impact of foreign exchange	-	-	169	169
Depreciations	(215)	(52,596)	(20,249)	(73,060)
Carrying amount at 30 June 2024	614	21,688	7,465	29,767

Refer to Note 2(g) for further details on the Group's accounting policies for plant and equipment.

10. RIGHT OF USE ASSETS AND LEASE LIABILITIES

The Group is the lessee in lease contracts for office premises and various items of office equipment. Leases of office premises generally have lease terms of between 1 and 10 years, while office equipment generally has a lease term between 1 and 2 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets.

In the case of leases of office premises and low value office equipment with lease terms of 12 months or less, the Group has applied the 'short-term lease' and 'lease of low-value assets' recognition exemptions under AASB 16 on leases. In the case of leases of office premises with lease terms over 12 months, the Group has recognised a right-of-use asset and an associated lease liability.

Set out below are the carrying amounts of right-of-use assets and the movements during the year:

	Consolidated	
	2025 $	2024 $
Office Premises		
Opening balance	**202,107**	303,161
Depreciation expense	**(101,054)**	(101,054)
Closing balance	**101,053**	202,107

Set out below are the carrying amounts of the lease liabilities and the movements during the year:

	Consolidated	
	2025 $	2024 $
Lease Liabilities		
Opening balance	**282,825**	390,279
Interest expense	**16,366**	25,688
Lease payments	**(136,176)**	(133,142)
Closing balance	**163,015**	282,825
Current lease liabilities	**163,015**	146,398
Non-current lease liabilities	**-**	136,427
	163,015	282,825

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The following are the amounts recognised in profit or loss in relation to leased assets:

	Consolidated	
	2025 $	2024 $
Right-of-use-assets		
Depreciation of right-of-use-assets	**101,054**	101,054
Interest expense on lease liabilities associated with right-of-use-assets	**16,366**	25,688
Short term or low value asset leases		
Included in occupancy costs		
Rent expense - short-term lease	**91,919**	146,493
Included in administration costs		
Rent expense - low-value assets	-	-
Total amount recognised in profit or loss	**209,339**	273,235

The Group had total cash outflows for right of use and short-term leases of $228,095 in the current year (2024: $279,636).

The Group has a lease contract that includes extension and termination options. The extension option was exercised on 1 July 2021. Options of this nature are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercised significant judgement in electing to exercise the extension option and will exercise judgement in considering whether the termination option is likely to be exercised.

11. TRADE AND OTHER PAYABLES

	Consolidated	
	2025 $	2024 $
Trade payables	**610,262**	418,467
Statutory employment related liabilities	**388,682**	225,125
Accrued expenses	**20,348**	35,869
Accrued audit fee	**66,000**	75,000
Other payables	**8,480**	42,013
	1,093,772	796,474

Trade and other payables are non-interest bearing and are unsecured. Balances are usually settled within 30 days of recognition.

The carrying amounts of trade and other payables are assumed to be the same as their fair values, due to their short-term nature.

12. DEFERRED REVENUE

	Consolidated	
	2025 $	2024 $
Revenue received in advance from customers	**3,917,409**	2,127,607

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12. DEFERRED REVENUE (CONTINUED)

Set out below are the movements in deferred revenue recognised during the year:

	Consolidated	
	2025 $	2024 $
Opening balance	**2,217,607**	65,882
Contract revenue invoiced in advance of the services being performed	**6,403,887**	3,309,905
Contract revenue recognised in profit or loss on performance of the services	**(4,704,085)**	(1,248,180)
Closing balance	**3,917,409**	2,127,607

Deferred revenue balances are usually settled within 12 months of receipt and are recognised as revenue when the Group performs under the contract.

The carrying amount of deferred revenue is assumed to be the same as its fair value, due to its short-term nature.

13. PROVISIONS

	Consolidated	
	2025 $	2024 $
CURRENT		
Employee benefits	**777,153**	548,487
NON-CURRENT		
Employee benefits	**70,493**	88,346

The current provision for employee benefits relates to the Group's liability for annual leave and long service leave. The non-current provision for employee benefits relates only to the Group's liability for long service leave.

14. CONVERTIBLE NOTES

In April 2022, the Company issued 3,000,000 convertible notes each with a face value of $1 to raise $3,000,000. The convertible notes had an initial maturity date of 12 April 2024 which was extended to 12 April 2025 during the 2024 financial year.

It was agreed with the convertible note holders that on the revised maturity date of 12 April 2025, the total of the convertible notes principal and the interest capitalised to the initial maturity date of 12 April 2024 would be convertible into fully paid ordinary shares in the Company, and the interest capitalised over the period 13 April 2024 to 12 April 2025 would be settled in cash.

During the current year, the Company issued 43,797,022 shares and paid interest of $288,822 to settle the convertible notes.

Interest

Interest accrued on the convertible notes at the rate of 8% per annum from the date of issue of the convertible notes up to (but excluding) the date on which the convertible notes were converted into ordinary shares. Interest was capitalised at the end of each calendar quarter.

On maturity, the accrued interest up to 12 April 2024 was satisfied through the issue of ordinary shares at an agreed conversion price. The interest accrued from 12 April 2024 up to 12 April 2025 was satisfied by way of a cash payment.

Conversion

On maturity, the convertible notes principal and the interest accrued to the initial maturity date of 12 April 2024 was convertible into fully paid ordinary shares in the Company. It was agreed with the note holders that the shares issued on conversion would be issued at a share price equal to 80% of the 90-day VWAP, unless such amount was:

- greater than $0.17 in which case the conversion price would be $0.17; or
- such amount was less than $0.08 in which case the conversion price would be $0.08.

On maturity, 80% of the 90-day VWAP was less than $0.08. Consequently, the conversion price was deemed to be $0.08 and it was determined that 43,797,022 ordinary shares were required to be issued to the note holders.

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Convertible loan note derivative

The fact that the convertible note agreements contained a maximum conversion price of $0.17 and a minimum conversion price of $0.08 created an embedded derivative feature within the convertible notes that was required to be recognised separately. The convertible loan note derivative was initially recognised at fair value and was subsequently adjusted at each reporting date to reflect the carrying amount of the convertible debt, with the adjustments to fair value being recognised in the consolidated statement of profit or loss.

Set out below is the carrying amount of the convertible loan note derivative asset and the movements during the current and prior year:

	Consolidated	
	2025 $	2024 $
Carrying amount at beginning of year	**879,444**	1,299,000
Gain on modification of convertible loan note derivative	**-**	314,000
Fair value gain / (loss) recognised in the year	**40,293**	(733,556)
Fair value on conversion transferred to share capital	**(919,737)**	-
Carrying amount at end of year	**-**	879,444
The balance is spilt as follows:		
Current portion	**-**	879,444
Non-current portion	**-**	-
	-	879,444

Convertible loan note liability and effective interest rate

The convertible loan note liability, being the convertible notes principal and accrued interest, was carried at amortised cost.

In accordance with AASB 9, the Company was required to determine the effective interest rate applicable to the convertible loan notes and apply that effective interest rate such that the carrying amount of the convertible loan note at maturity was equal to the fair value of the shares to be issued. The fair value was calculated by aggregating the face value of the loan notes, the interest capitalised thereon and the conversion premium arising from the fact that the conversion price will be 80% of the 90-day VWAP, subject to the minimum and maximum conversion prices.

On initial recognition of the convertible loan note liability, the Company determined the effective interest rate to be 21.3%. The difference between the effective interest rate and the interest rate specified in the convertible loan note agreements has been recognised at each reporting date as the amortisation of the conversion premium.

Set out below is the carrying amount of the convertible loan note liability and the movements during the current and prior year:

	Consolidated	
	2025 $	2024 $
Carrying amount at beginning of year	**(4,259,858)**	(3,721,108)
Interest capitalised in accordance with the convertible note instruments	**(227,534)**	(272,202)
Amortisation of conversion premium	**(181,132)**	(487,977)
Gain on modification of convertible loan notes	**-**	221,429
Cash payment of interest accrued from 12 April 2024 to 12 April 2025	**288,822**	-
Transferred to share capital	**4,379,702**	-
Carrying amount at end of year	**-**	(4,259,858)
The balance is spilt as follows:		
Current portion	**-**	(4,259,858)
Non-current portion	**-**	-
	-	(4,259,858)

14. CONVERTIBLE NOTES (CONTINUED)

The following are the amounts recognised in profit or loss in relation to the convertible loan notes and the convertible loan note derivative:

	Consolidated	
	2025 $	2024 $
Fair value gain / (loss) on convertible loan note derivative	**40,293**	(733,556)
Included in other income		
Gain on modification of convertible loan note derivative	**-**	314,000
Gain on modification of convertible loan notes	**-**	221,429
	-	535,429
Included in finance costs		
Interest recognised in accordance with the convertible loan note instruments	**(227,534)**	(272,202)
Amortisation of conversion premium	**(181,132)**	(487,977)
	(408,666)	(760,179)
Total amount recognised in profit or loss	**(368,373)**	(958,306)

15. CONTRIBUTED EQUITY

(a) Issued capital

	Consolidated	
	2025 $	2024 $
Ordinary shares, fully paid	**84,002,149**	72,165,390

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held and in proportion to the amount paid up on the shares held. At shareholder meetings, each ordinary share is entitled to one vote in proportion to the paid-up amount of the share when a poll is called, otherwise each shareholder has one vote on a show of hands.

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(b) Movements in share capital

	2025		2024	
	Number	$	Number	$
Shares on issue at 1 July	788,714,118	72,165,390	647,430,784	64,658,338
Shares issued on exercise of performance rights	4,500,000	337,073	1,700,000	127,387
Shares issued on conversion of convertible loan notes	43,797,022	3,459,965	-	-
Shares issued pursuant to a placement at the following prices:				
at $0.048 per share [1]	-	-	14,583,334	700,000
at $0.05 per share [1]	-	-	50,000,000	2,500,000
at $0.06 per share [1]	-	-	75,000,000	4,500,000
at $0.10 per share [1]	85,000,000	8,500,000	-	-
Share issue costs	-	(460,279)	-	(320,335)
Shares on issue at 30 June	922,011,140	84,002,149	788,714,118	72,165,390

Notes:

1. Placements were made to sophisticated and professional investors.

(c) Share issue costs

Share issue costs are made up as follows:

	Consolidated	
	2025 $	2024 $
Share issue costs paid during the year	(349,802)	(303,312)
Share issue costs included in trade and other payables at balance date	(110,477)	(17,023)
	(460,279)	(320,335)

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15. CONTRIBUTED EQUITY (CONTINUED)

(d) Capital Risk Management

The Group's objective when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

No changes were made in the objectives, policies or processes for managing capital during the years ended 30 June 2025 and 30 June 2024.

	Consolidated	
	2025 $	2024 $
Trade and other payables (Note 11)	**(1,093,772)**	(796,474)
Deferred revenue (Note 12)	**(3,917,409)**	(2,127,607)
Lease liabilities (Note 10)	**(163,015)**	(282,825)
Convertible loan note liability (Note 14)	**-**	(4,259,858)
Total debt	**(5,174,196)**	(7,466,764)
Total equity / (deficit)	**4,382,480**	(1,121,259)
Net gearing ratio	**118%**	666%

16. RESERVES

	Consolidated	
	2025 $	2024 $
Foreign currency translation reserve	**114,713**	15,004
Share based payments reserve	**5,515,767**	4,862,744
Movement in the foreign currency translation reserve		
Balance at beginning of year	**15,004**	37,493
Foreign exchange differences arising on translation of foreign operations	**99,709**	(22,489)
Balance at end of year	**114,713**	15,004
Movement in the share-based payments reserve		
Balance at beginning of year	**4,862,744**	4,602,426
Fair value recognised in the current year for:		
- performance rights granted in the 2023 financial year	**75,303**	387,705
- performance rights granted in the current year	**914,793**	-
Fair value of performance rights converted into ordinary shares	**(337,073)**	(127,387)
Balance at end of year	**5,515,767**	4,862,744

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Nature and purpose of reserves

Foreign currency reserve

The foreign currency translation reserve is used to recognise foreign currency exchange differences arising on translation of functional currency to presentation currency for foreign operations.

Share-based payments reserve

The share-based payments reserve is used to recognise the fair value of equity-settled share-based payments provided to employees, consultants and other third parties. Amounts are transferred to issued capital upon exercise of underlying equity instruments.

17. SHARE-BASED PAYMENTS

The share-based payments expense comprises the fair value of equity incentives at grant date recognised over their vesting periods:

	$	$
Performance rights granted in the 2023 financial year (FY23)	**75,303**	387,705
Performance rights granted in the current financial year (FY25)	**914,793**	-
	990,096	387,705

(a) Options

The movement in options during the year is set out below:

	2025 Number	2024 Number
Opening balance	**-**	5,000,000
Expired during the year	**-**	(5,000,000)
Closing balance	**-**	-

No options were granted during the current year (2024: nil).

There were no option outstanding at 30 June 2025 (2024: nil).

Holders of options do not have any voting or dividend rights in relation to the options.

(b) Performance Rights

The following table illustrates the movement in the number of performance rights on issue during the year:

	Opening balance at 1 July 2024	Granted during the year	Vested during the year	Converted into ordinary shares during the year	Lapsed during the year	Closing balance at 30 June 2025
Granted in FY 23	9,500,000	-	5,000,000	(4,500,000)	-	5,000,000
Granted in FY 25	-	19,745,000	4,200,000	-	-	19,745,000
	9,500,000	19,745,000	9,200,000	(4,500,000)	-	24,745,000

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17. SHARE-BASED PAYMENTS (CONTINUED)

(b) Performance Rights (continued)

The status of the vesting conditions of the performance rights on issue on 30 June 2025 is set out below:

Vesting condition	Quantum of performance rights	Status at 30 Jun 2025
Performance rights granted in FY23		
Remains an employee of the Group on 28 Oct 2023	2,000,000	Vested and exercised
Remains an employee of the Group on 28 Oct 2024	2,000,000	Vested and exercised
Remains an employee of the Group on 14 Nov 2024	500,000	Vested and exercised
Remains an employee of the Group on 31 Dec 2023	2,500,000	Vested, not yet exercised
Remains an employee of the Group on 31 Dec 2024	2,500,000	Vested, not yet exercised
Performance rights granted in FY25		
Remains an employee of the Group on 31 Dec 2025	2,750,000	Not yet vested
Remains an employee of the Group on 31 Dec 2026	3,000,000	Not yet vested
Achieves annualised recurring revenue of $9 million and a cost reduction of $1 million by 30 June 2025	2,700,000	Vested, not yet exercised
Achieves annualised recurring revenue of $15 million by 30 June 2026	4,050,000	Not yet vested
Achieves an annual customer contract value of $1 million	500,000	Vested, not yet exercised
Sets up 100 sales qualified meetings with sports betting organisations	1,000,000	Vested, not yet exercised
Achieves annualised recurring revenue of $2 million from agencies by 30 June 2026	700,000	Not yet vested
Remains an employee of the Group on 19 Dec 2025	2,522,500	Not yet vested
Remains an employee of the Group on 19 Dec 2026	2,522,500	Not yet vested

19,745,000 performance rights were granted during the current year (2024: nil).

The performance rights issued during the current year were valued at grant date at $1,792,707 using the Black-Scholes model which took into account the information set out in the tables below.

Description	Date by which vesting condition is to be achieved	Number granted	Grant date	Expiry date	Fair value $
Granted in FY25, T1	31/12/2025	2,750,000	18/11/2024	27/11/2024	225,257
Granted in FY25, T2	31/12/2025	3,000,000	18/11/2024	27/11/2024	245,735
Granted in FY25, T3	30/06/2025	1,500,000	18/11/2024	27/11/2024	122,868
Granted in FY25, T4	30/06/2026	2,250,000	18/11/2024	27/11/2024	184,301
Granted in FY25, T5	27/11/2027	500,000	18/11/2024	27/11/2024	40,956
Granted in FY25, T6	19/12/2025	2,522,500	20/12/2024	31/03/2026	252,010
Granted in FY25, T7	19/12/2026	2,522,500	20/12/2024	31/03/2027	252,020
Granted in FY25, T8	30/06/2025	1,200,000	20/12/2024	31/12/2025	119,885
Granted in FY25, T9	30/06/2026	1,800,000	20/12/2024	31/12/2026	179,834
Granted in FY25, T10	30/06/2026	700,000	20/12/2024	31/12/2026	69,935
Granted in FY25, T11	31/12/2025	1,000,000	20/12/2024	30/06/2026	99,906
					1,792,707

Description	Grant date	Expected volatility	Risk free interest rate	Dividend yield rate	Exercise price
Performance rights tranches T1 – T5	18/11/2024	53.70%	4.12%	0%	Nil
Performance rights tranches T6 – T11	20/12/2024	53.57%	3.98%	0%	Nil

The fair value at grant date is recognised as an expense over the vesting period. The expense recognised in the current year was $990,096 (2024: $387,705).

Holders of performance rights do not have any voting or dividend rights in relation to the performance rights.

18. ACCUMULATED LOSSES

	Consolidated	
	2025 $	2024 $
Accumulated losses at the beginning of financial year	**(78,164,397)**	(66,569,412)
Net loss for the year	**(7,085,752)**	(11,594,985)
Accumulated losses at the end of financial year	**(85,250,149)**	(78,164,397)

19. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(a) Financial assets (other than cash and cash equivalents)

	Consolidated	
	2025 $	2024 $
Financial assets at amortised cost		
Trade and other receivables (Note 8)	**735,507**	1,456,226
Financial asset at fair value through profit or loss		
Convertible loan note derivative (Note 14)	**-**	879,444
Total financial assets (other than cash and cash equivalents)	**735,507**	2,335,670
Total current	**735,507**	2,335,670
Total non-current	**-**	-
	735,507	2,335,670

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19. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(b) Financial liabilities

	Consolidated	
	2025 $	2024 $
Financial assets at amortised cost		
Trade and other payables (Note 11)	**610,262**	418,467
Interest bearing liabilities		
Lease liabilities (Note 10)	**163,015**	282,825
Convertible loan note liability (Note 14)	**-**	4,259,858
Total financial liabilities	**773,277**	4,961,150
Total current	**773,277**	4,824,723
Total non-current	**-**	136,427
	773,277	4,961,150

(c) Financial instruments risk management objectives and policies

Financial assets

The Group's principal financial assets comprise trade and other receivables, cash and cash equivalents and short-term deposits derived directly from its operations. In the prior year, the Group recognised a derivative attached to the convertible loan notes that were issued in the 2022 financial year and settled during the current year. The fair value of the convertible loan note derivate in prior year was assessed to be $879,444.

Financial liabilities

The Group's principal financial liabilities comprise trade and other payables and interest-bearing lease liabilities. In the prior financial year, the Group's principal financial liabilities also included an interest-bearing convertible loan note liability which was settled during the current year. The main purpose of these financial liabilities is to finance the Group's operations.

Risk

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management team oversees the management of these risks and is responsible for ensuring that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include trade and other receivables, convertible loan note derivative (prior year only), trade and other payables, interest-bearing lease liabilities and the interest-bearing convertible loan note liability that was settled during the current year.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates is negligible given that the Group has no floating rate instruments and the terms of the lease liability and convertible loan were agreed upfront.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue and trade receivables or expenses and trade payables are denominated in a foreign currency) and the Group's net investments in foreign subsidiaries.

The material financial instruments denominated in a foreign currency held by the Group are cash and cash equivalents and certain trade receivables and trade payables denominated in United States Dollars (USD) and Great British Pounds (GBP).

A summary of the AUD equivalent of the Group's foreign currency denominated financial instruments at the reporting date is as follows:

	Instruments denominated in USD Consolidated		Instruments denominated in GBP Consolidated	
	2025 $	2024 $	2025 $	2024 $
Cash and cash equivalents	**1,093,524**	109,711	**184,153**	430,936
Trade receivables	**254,994**	416,098	**196,700**	868,045
Trade payables	**(228,935)**	(215,164)	**(25,316)**	(37,717)
Net exposure	**1,119,583**	310,645	**355,537**	1,261,264

	Effects of AUD/USD exchange rate movements				Effects of AUD/GBP exchange rate movements			
	Loss before tax (Higher)/Lower		Loss before tax (Higher)/Lower		Loss before tax (Higher)/Lower		Loss before tax (Higher)/Lower	
	2025 $	2024 $	2025 $	2024 $	2025 $	2024 $	2025 $	2024 $
+11%	**58,702**	51,685	**58,702**	51,685	**3,752**	134,810	**3,752**	134,810
-11%	**(58,702)**	(51,685)	**(58,702)**	(51,685)	**(3,752)**	(134,810)	**(3,752)**	(134,810)

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily in relation to trade and other receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables and contract assets

Customer credit risk is managed by the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed based on the customer's financial position, past working experience with the customer (if any) and any other applicable factors. Individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and followed up accordingly.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are generally based on days past due after considering any other relevant forward-looking information. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 8. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in different jurisdictions and operate in largely independent markets.

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19. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(c) Financial instruments risk management objectives and policies (continued)

Trade receivables and contract assets (continued)

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

30 June 2025			Days past due		
	Total $	Current $	30-60 days $	61-90 days $	> 90 days $
Total gross carrying amount	636,801	561,336	15,685	17,862	41,918
Expected credit loss rate	-	0%	14%	97%	96%
Expected credit loss	(62,335)	(1,526)	(2,136)	(17,363)	(41,310)
Net carrying amount	574,466	559,810	13,549	499	608

30 June 2024			Days past due		
	Total $	Current $	30-60 days $	61-90 days $	> 90 days $
Total gross carrying amount	1,502,175	1,309,095	58,930	25,686	108,464
Expected credit loss rate	-	1%	22%	65%	99%
Expected credit loss	(152,593)	(15,881)	(13,070)	(16,637)	(107,005)
Net carrying amount	1,349,582	1,293,214	45,860	9,049	1,459

At 30 June, the exposure to credit risk for trade receivables and contract assets by geographic region was as follows:

	Consolidated	
	2025 $	2024 $
North America	26,587	203,501
Latin America	25,625	11,019
Asia Pacific	43,309	34,349
Europe	400,488	952,994
Australia	43,268	61,158
Middle East	24,487	47,728
Other	10,702	38,833
	574,466	1,349,582

Cash and cash equivalents

The Group held cash and cash equivalents of $9,481,457 at 30 June 2025 (2024: $4,284,814). All cash and cash equivalents are held with banks and electronic money accounts which the Group considers to be low risk.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and funding to ensure that the Group can meet its obligations when due. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Group holds the majority of its financial assets (excluding cash) as trade receivables with reputable customers who have had no significant payment issues in the past and hence, does not have any material liquidity risk at the reporting date.

The Group monitors rolling forecasts of liquidity reserves on the basis of expected cash flow.

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The following tables compare the carrying amounts at balance date to the remaining contractual liabilities at various maturities at balance date The contractual amounts are gross, undiscounted, include any contractual interest payments and exclude the impact of netting arrangements:

30 June 2025		Contractual cash flows				
	Carrying amount $	Total $	12 months or less $	1-2 years $	2-5 years $	5-10 years $
Non-derivative financial liabilities						
Trade payables	610,262	610,262	610,262	-	-	-
Lease liabilities	163,015	163,015	163,015	-	-	-
Convertible loan notes [1]	-	-	-	-	-	-
	773,277	**773,277**	**773,277**	**-**	**-**	**-**

30 June 2024		Contractual cash flows				
	Carrying amount $	Total $	12 months or less $	1-2 years $	2-5 years $	5-10 years $
Non-derivative financial liabilities						
Trade payables	418,467	418,467	418,467	-	-	-
Lease liabilities	282,825	281,695	139,262	142,433	-	-
Convertible loan notes [1]	4,259,858	4,259,858	4,259,858	-	-	-
	4,961,150	**4,960,020**	**4,817,587**	**142,433**	**-**	**-**

1. The convertible loan notes were settled during the current year.

Fair values

Fair values of financial assets and liabilities have been assessed as being equivalent to their carrying values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying amount of financial assets and financial liabilities recorded in the financial statements approximate their fair values.

The Group values derivative financial instruments using valuation techniques, such as the Monte Carlo simulation model, which employ the use of market observable inputs such as share price, volatility and risk-free rates. This valuation methodology is Level 2 in the fair value hierarchy,

For financial instruments carried at fair value, the Group uses various methods in estimating fair value. The methods comprise:

- Level 1 – the fair value is calculated using quoted prices in an active market.
- Level 2 – the fair value is estimated using inputs other than quoted prices included in the Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
- Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

20. COMMITMENTS AND CONTINGENCIES

(a) Lease Commitments – Group as lessee

Future minimum rentals payable under short-term and low-value leases are as follows:

	Consolidated	
	2025 $	2024 $
Within one year	6,735	6,674
After one year but not more than five years	-	-
More than five years	-	-
	6,735	6,674

(b) Property, Plant and Equipment Commitments

At balance date the Group had no contractual obligations to purchase plant and equipment (2024: nil).

(c) Contingent Liabilities

At balance date the Group had no pending legal claims or other contingent liabilities (2024: nil).

21. GROUP STRUCTURE AND RELATED PARTY DISCLOSURES

a) Group Structure

The consolidated financial statements include the financial statements of Adveritas Limited (the parent entity) and the entities listed in the table below.

	Country of incorporation	% Equity interest	
		2025	2024
Livelynk Group Pty Ltd [1]	Australia	100	100
TrafficGuard Pty Ltd [2]	Australia	100	100
TrafficGuard APAC Pte Ltd [2]	Singapore	100	100
TrafficGuard US Inc [2]	United States	100	100
Appenture d.o.o [2]	Croatia	100	100
TrafficGuard UK Ltd [2,]	United Kingdom	100	100
TrafficGuard LATAM LTDA [2,]	Brazil	100	100

Notes:

1. equity interest is held directly by Adveritas Limited
2. equity interest is held directly by Livelynk Group Pty Ltd

b) Transactions with related parties

There were no transactions with related parties during the current year.

c) Guarantees

None of the entities within the Group are guarantors.

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22. AUDITORS' REMUNERATION

Remuneration of the Group's auditor, Ernst and Young, was as follows:

	Consolidated	
	2025 $	2024 $
Audit or review of the consolidated financial report	**111,002**	118,725
Grant application services provided	**25,000**	25,000
	136,002	143,725

23. LOSS PER SHARE

Basic loss per share is calculated by dividing the loss for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares on issue during the year.

Diluted loss per share is calculated by dividing the loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares on issue during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the data used in the calculation of the basic and diluted loss per share:

	2025 Number	2024 Number
Weighted average number of ordinary shares used in the calculation of basic loss per share	**799,741,026**	698,472,679
Weighted average number of ordinary shares used in the calculation of diluted loss per share	**799,741,026**	698,472,679
	$	**$**
Loss attributable to ordinary equity holders of Adveritas Limited for basic and diluted loss	**(7,085,752)**	(11,594,985)
	Cents	**Cents**
Basic earnings loss per share	**(0.89)**	(1.66)
Diluted loss per share	**(0.89)**	(1.66)

Classification of securities as ordinary shares

The Company has only one category of ordinary shares included in basic loss per share.

Classification of securities as potential ordinary shares

No securities have been classified as dilutive potential ordinary shares on issue in the current year because the performance rights on issue are considered anti-dilutive on the basis that their inclusion in the calculation would reduce the loss per share.

The potential ordinary shares considered anti-dilutive at year end are 24,745,000 performance rights on issue at 30 June 2025 (30 June 2024: 9,500,000).

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these consolidated financial statements.

24. DIRECTORS AND EXECUTIVE DISCLOSURE

Compensation of Key Management Personnel

	Consolidated	
	2025 $	2024 $
Short-term employee benefits	**2,332,516**	2,186,671
Post-employment benefits	**87,595**	98,502
Other long-term benefits	**25,979**	1,921
Share based payments	**805,644**	353,547
	3,251,734	2,640,641

25. PARENT ENTITY INFORMATION

The following information relates to the legal parent entity of the Group, being Adveritas Limited. The information presented has been prepared using consistent accounting policies as presented in Note 2.

	As at 30 June 2025 $	As at 30 June 2024 $
Financial Position		
Assets		
Current assets	**8,302,948**	4,557,531
Non-current assets	**5,943**	3,098
Total assets	**8,308,891**	4,560,629
Liabilities		
Current liabilities	**645,337**	4,660,395
Non-current liabilities	**88,041**	49,628
Total liabilities	**733,378**	4,710,023
Net assets / (liabilities)	**7,575,513**	(149,394)
Equity		
Contributed equity	**80,813,843**	68,933,288
Share based payment reserve	**4,201,620**	3,548,597
Accumulated losses	**(77,439,950)**	(72,631,279)
Total equity / (deficit)	**7,575,513**	(149,394)
Financial Performance		
Loss for the year	**(4,808,671)**	(10,097,470)
Other comprehensive income	**-**	-
Total comprehensive loss	**(4,808,671)**	(10,097,470)

26. EVENTS AFTER BALANCE SHEET DATE

No event has arisen since 30 June 2025 that would be likely to materially affect the operations of the Group, or its state of affairs which has not otherwise been disclosed in this financial report.

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As at 30 June 2025				
Entity name	**Entity type**	**Body corporate country of incorporation**	**Body corporate % of share capital held**	**Country of tax residence**
Adveritas Limited	Body Corporate	Australia		Australia
Controlled entities of Adveritas Limited:				
Livelynk Group Pty Ltd	Body corporate	Australia	100	Australia
TrafficGuard Pty Ltd	Body corporate	Australia	100	Australia
TrafficGuard APAC Pte Ltd	Body corporate	Singapore	100	Singapore
TrafficGuard US Inc	Body corporate	United States	100	United Sates
Appenture d.o.o	Body corporate	Croatia	100	Croatia
TrafficGuard UK Ltd,	Body corporate	United Kingdom	100	United Kingdom
TrafficGuard LATAM LTDA,	Body corporate	Brazil	100	Brazil

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DIRECTORS' DECLARATION

For the year ended 30 June 2025

In the directors' opinion:

(a) The consolidated financial statements and notes of Adveritas Limited set out on pages 26 to 65 are in accordance with the *Corporations Act 2001*, including:

(i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and

(ii) giving a true and fair view of the Group's consolidated financial position as at 30 June 2025 and its performance for the financial year ended on that date, and

(b) Note 2(b) confirms that the consolidated financial statements also comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

(c) Subject to Note 2(v), there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

(d) The consolidated entity disclosure statement required by section 295(3A) of the Corporations Act is true and correct.

This declaration has been made after receiving the declarations required to be made to the directors by the chief executive officer and chief financial officer in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2025.

On behalf of the board

Mathew Ratty
Managing Director and Chief Executive Officer

Perth, Western Australia
Dated 27 August 2025

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Independent auditor's report to the members of Adveritas Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Adveritas Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2025 and of its consolidated financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2(v) in the financial report, which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matter described below to be the key audit matter to be communicated in our report. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial report.

1. Revenue from Contracts with Customers

Why significant	How our audit addressed the key audit matter
During the year ended 30 June 2025, the Group has recognised total revenue of $7,843,953 in relation to monthly subscriptions for TrafficGuard software services. In accordance with the requirements of Australian Accounting Standards AASB 15 'Revenue from Contracts with Customers' ("AASB 15"), the Group recognises revenue with respect to the performance obligations it has identified within its customer contracts. Generally, the Group has determined these obligations are satisfied over time as disclosed in Note 2(l) of the financial report. Judgement is involved in assessing the stage of completion of the services and therefore the amount of revenue to be recognised. In addition, as material revenue transactions can occur close to year end, there is a risk that revenue is recognized in the incorrect period. For the above reasons we consider this to be a key audit matter.	Our audit procedures included: ▪ Examined a sample of new services customer contracts to assess whether revenue recognised was in accordance with AASB 15 and the terms and conditions in the underlying contracts ▪ On a sample basis of revenue transactions recorded throughout the year and near year end, we assessed whether they were recorded appropriately and in the correct period ▪ Examined a sample of cash receipts in advance from customers and tested the reasonableness of the amortisation during the year and the appropriateness of deferred revenue as at the balance date ▪ Reviewed all significant credit notes issued subsequent to the balance date ▪ Performed journal entry testing procedures focusing on manual journal entries recognised within revenue near to year end ▪ Assessed the adequacy of the presentation and disclosures in Note 3, Note 4 and Note 12 of the financial report.

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Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2025 annual report other than the financial report and our auditor's report thereon. We obtained the directors' report that is to be included in the annual report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the annual report after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of:

a. The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and;

b. The consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

For such internal control as the directors determine is necessary to enable the preparation of:

i. The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii. The consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 14 to 24 of the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Adveritas Limited for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Darryn Hall
Partner
Perth
27 August 2025

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The following additional information is required by the Australian Securities Exchange. The information is current as at 8 September 2025.

CORPORATE GOVERNANCE

The Board of Adveritas Limited is committed to achieving and demonstrating the highest standards of Corporate Governance. The Board is responsible to its Shareholders for the performance of the Company and seeks to communicate extensively with Shareholders. The Board believes that sound Corporate Governance practices will assist in the creation of Shareholder wealth and provide accountability. In accordance with ASX Listing Rule 4.10.3, the Company has elected to disclose its Corporate Governance policies and its compliance with them on its website, rather than in the Annual Report. Accordingly, information about the Company's Corporate Governance practices is set out on the Company's website at www.adveritas.com.au/about-us/corporate-governance.

SECURITY HOLDING

The security holding information outlined below is current as at 8 September 2025.

1. TOP 20 SHAREHOLDERS

	Holder name	Number	% of issued capital
1	Capital Property Corporation Pty Ltd <Carrington A/C>	116,742,560	12.65
2	BNP Paribas Nominees Pty Ltd <Hub24 Custodial Serv Ltd>	95,950,783	10.40
3	Shanahan Freight Holdings Pty Ltd	67,106,715	7.27
4	Mera Vale No 4 Pty Ltd <Mera Vale No 4 A/C>	59,442,813	6.44
5	BNP Paribas Noms Pty Ltd	41,535,012	4.50
6	Surf Coast Capital Pty Ltd <Minnie P/F A/C>	39,131,188	4.24
7	Mera Vale No 4 Pty Ltd <Mera Vale No 4 Trust A/C>	34,712,745	3.76
8	HSBC Custody Nominees (Australia) Limited	33,786,710	3.66
9	Adman Lanes Pty Ltd	30,000,000	3.25
10	Citicorp Nominees Pty Limited	26,520,140	2.87
11	MC Management Group Pty Ltd	17,447,862	1.89
12	BNP Paribas Noms (NZ) Ltd	15,348,129	1.66
13	UBS Nominees Pty Ltd	12,116,684	1.31
14	HSBC Custody Nominees (Australia) Limited-GSI EDA	11,951,754	1.30
15	Mr Luke Taylor <Taylor Family A/C>	10,700,000	1.16
16	Mr David Matthew Fite	10,000,000	1.08
17	Tripel Pty Ltd	9,489,355	1.03
18	Mera Vale No1 Pty Ltd <Mera Vale No1 Trust A/C>	8,000,000	0.87
19	Non Correlated Capital Pty Ltd <Lucerne Select Alpha/F A/C>	7,991,582	0.87
20	Dr Glenn Carlton Croft	7,465,881	0.81
	TOTAL	**655,439,913**	**71.03**

There are 1,569 holders of the 922,811,141 ordinary fully paid shares on issue. All shares are quoted on the Australian Securities Exchange (ASX). The ASX code is AV1.

There are 162 shareholders with less than a marketable parcel of $500 based on a share price of 14.5 cents.

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2. SUBSTANTIAL SHAREHOLDERS

Substantial shareholders in the Company and the number of equity securities over which the substantial shareholder has a relevant interest as disclosed in substantial holding notices provided to the Company are listed below:

Name of Substantial Shareholder	Total number of voting shares in which the substantial shareholder and its associates hold a relevant interest [1]	Percentage of total number of voting shares (%) [2]	Date of notice
Shanahan Freight Holdings Pty Ltd	67,106,715	7.27%	08/09/2025
Capital Property Corporation Pty Ltd ATF Carrington Trust	99,938,315	12.68%	13/05/2024
Mark McConnell and related entities	69,940,688	15.94%	10/11/2021

Notes

1. This is the number of shares as at the date of the notice provided by the substantial shareholder.
2. This percentage is calculated using the total number of voting shares on issue as at the date of the notice provided by the substantial shareholder.

3. DISTRIBUTION SCHEDULES

Shareholders

Spread of holders	Number of shareholders	Number of shares	% shares on issue
1 – 1,000	78	9,954	-
1,001 – 5,000	247	908,760	0.10
5,001 – 10,000	238	1,901,091	0.21
10,001 – 100,000	705	27,041,627	2.93
Over 100,000	301	892,949,709	96.76
Total on register	**1,569**	**922,811,141**	**100.00**

Performance Right Holders

Spread of holders	Number of performance rights holders	Number of performance rights	% performance rights on issue
1 – 1,000	-	-	-
1,001 – 5,000	-	-	-
5,001 – 10,000	-	-	-
10,001 – 100,000	23	1,685,000	7.04
Over 100,000	12	22,260,000	92.96
Total on register	**35**	**23,945,000**	**100.00**

4. VOTING RIGHTS OF EACH CLASS OF EQUITY SECURITY

Ordinary fully paid shares

Each shareholder is entitled to one vote per share. In accordance with the Company's constitution, on a show of hands every number present in person or by proxy or attorney or duly authorised representative has one vote. On a poll every member present in person or by proxy or attorney or duly authorised representative has one vote for every fully paid ordinary share held.

Performance rights

There are no voting rights attached to performance rights. Voting rights will be attached to the issued fully paid ordinary shares when performance rights have been exercised post vesting.

5. RESTRICTED SECURITIES

As at 8 September 2025, there were no restricted securities on issue.

6. ON-MARKET BUY-BACK

The Company is not currently undertaking an on-market buy-back.

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