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ASX RELEASE **29 July 2025**

June 2025 Quarterly Report

Strong Growth in Client Base Drives Annualised Recurring Revenue and Record Full Year Cash Receipts

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Adveritas Limited (**Company** or **Adveritas**) (**ASX: AV1**) is pleased to report its results for the June 2025 quarter.

Key Highlights

- **Significant annualised recurring revenue (ARR) growth:** $10.47 million ARR at the close of the June 2025 quarter, a 62% increase on June 2024 quarter.
- **Full-year cash receipts**: $10.38 million received for FY2025, up 101% on FY2024 and almost 4x the cash receipts of $2.7 million in FY2023.
- **Sports betting growth momentum**: strong expansion continued through a combination of new clients and renewals of existing client contracts at higher rates.
- **Agency partnerships**: new top tier agency contract and existing agency renewal at higher rates.
- **Affiliate integrations**: integrations with additional affiliate management platforms are expected to be completed in the September 2025 and December 2025 quarters which will drive further contract value in sports betting and other verticals.
- **Quarterly cash receipts**: $1.9 million received in the June quarter 2025, up 45% on the June 2024 quarter
- **Substantial operating cashflow improvement:** 67% reduction in full-year operating cash outflow from $9.3 million in FY2024 to $3.06 million in FY2025.
- **Institutional placement completed:** $8.5 million (before costs) raised to strengthen the Company's balance sheet and support planned growth initiatives, including accelerating expansion into the USA.
- **Record cash balance:** approximately $9.5 million cash at end of June 2025 quarter.
- **Record outlook**: on track for a strong September 2025 quarter with ARR now at $10.8 million post 30 June 2025.

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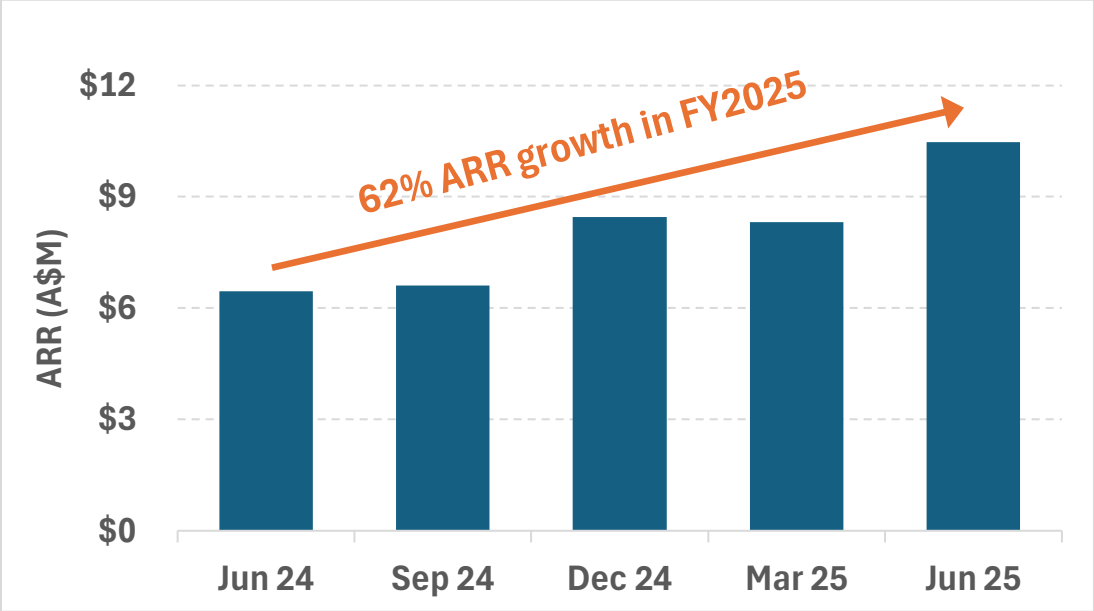
Strong Growth in ARR

ARR increased by 62% during the 2025 financial year, with growth of 26% occurring in the June 2025 quarter.

CHART 1: Strong ARR growth momentum



The sports betting and online gaming verticals continue to generate the largest proportion of ARR growth. During the June 2025 quarter, contracts were signed with several new international sports betting and online gaming clients. In addition, renewal contracts containing higher contract rates were signed with existing clients. Trial extensions and up-sell negotiations resulted in execution delays for some contracts that were forecast to close in the June quarter.

Expanding its share in this segment remains a key strategic priority of the Company, as was highlighted at the Company's Annual General Meeting in November 2024, and ARR post 30 June 2025 currently sits at $10.8 million.

Agency partnerships

The Company is successfully implementing its strategy of executing agency agreements.

Agency partnerships have significant potential to accelerate the Company's 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 TrafficGuard's solutions can expand rapidly with agency clients typically providing high revenue contracts.

International agencies manage advertising budgets for thousands of enterprise clients (including Fortune 500) and employ their own extensive direct sales teams. Accordingly, agency partnerships bring several additional benefits to the Company including exposure to top tier clients and leveraging extensive agency sales teams to accelerate the sales cycle.

The Company achieved several agency milestones during the June 2025 quarter, including:

- First tier 1 agency contract signed. This contract initially adds approximately $500,000 to the Company's ARR which, although it is not individually material, is significant as it confirms the value of TrafficGuard to agencies and includes substantial growth potential.
- 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.

The Company is focused on becoming the preferred vendor of anti-fraud services for Global Tier 1 agencies which globally have thousands of potential TrafficGuard clients within eCommerce, telecommunications, finance and entertainment verticals.

Expansion of affiliate service

TrafficGuard has a unique affiliate solution available on the leading affiliate management platform, Impact Tech Inc (Impact.com), resulting from a custom integration that was built for Disney Streaming Services (**DSS**). TrafficGuard's affiliate solution protects the affiliate programmes of DSS globally and TrafficGuard's service contract with DSS has been renewed consecutively for 3 years due to strong success.

Affiliate programmes are highly scalable and profitable to advertisers as they allow them to pay only for successful conversions at agreed prices. However, due to the incentive nature of this model, advertisers typically report between 10-15% of conversions claimed were also attributed to other media, or were low value or cancelled, or were fraudulent. This constrains growth, increases the customer acquisition cost, and decreases profitability for the advertiser. TrafficGuard's affiliate solution targets each of these factors, solving a genuine advertiser problem.

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Most of TrafficGuard's clients use a cross-channel approach across Google, Meta and affiliate management platforms to drive user acquisition. To date, the Company has been focused on Google as a channel through which to drive growth in annualised revenue.

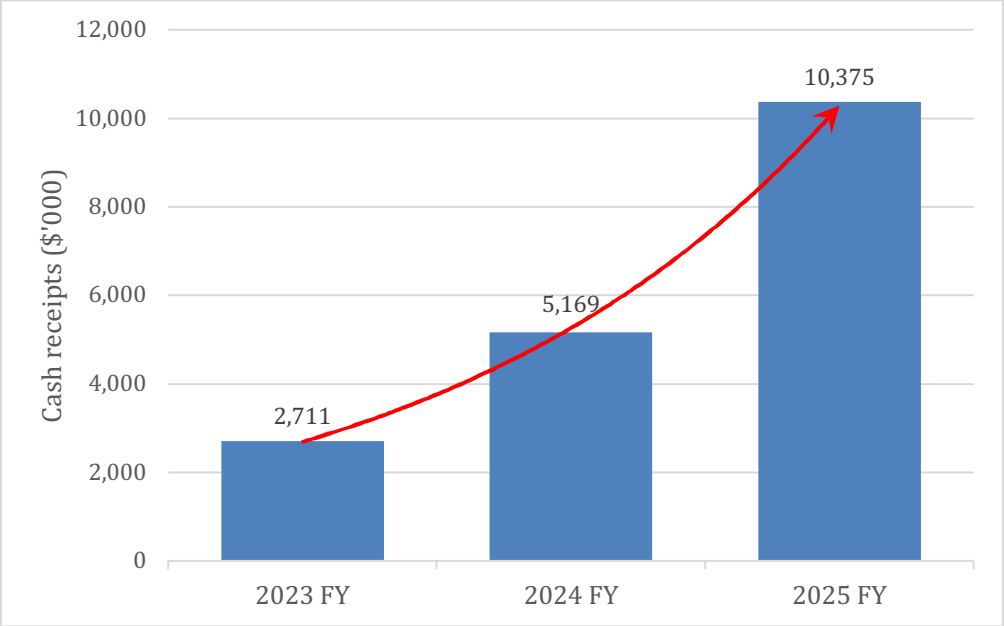
TrafficGuard is now recognised as a category leader in Sports Betting Google PPC verification. Given that the vast majority of the Company's Sports Betting clients run affiliate programmes, the Company is focused on accelerating the integration of TrafficGuard with a number of affiliate management platforms, with priority being given to the platforms being used by TrafficGuard's existing customers. This will open up material incremental revenue opportunities from both existing clients and the client base of those affiliate platforms in the upcoming quarters.

Record Annual Cash Receipts

The Company expects to maintain its momentum of strong annual cash receipts growth.

Annual cash receipts in FY2025 increased by 101% compared to FY2024 and are almost 4x the cash receipts in FY2023.

CHART 2: Strong annual cash receipts growth



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Substantial Improvement in Operating Cashflows

The Company has substantially improved net cash outflow from operating activities, reducing the outflow by 67% from $9.3 million in FY2024 to $3.06 million in FY2025.

This result was achieved through a combination of increased customer receipts and strong financial discipline.

The Company is well placed to achieve sustainable positive operating cashflows given its current resources (a record cash balance of $9.5 million) and growth trajectory (ARR increased by 62% in the last 12 months).

Product Enhancements

The Company continues to expand the quality and scope of its TrafficGuard products to enhance the value it provides to its growing customer base, as previously announced on 4 June 2025.

Google Search Product Enhancements

The Company has introduced a powerful new feature 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 TrafficGuard's value 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

The Company has 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 June 2025 quarter, TrafficGuard's new Meta product underwent multiple beta trials with select partners. TraffiGuard's Meta product is designed to prevent fraud from infiltrating clients' budgets and 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 signaling a strong intention to move to commercial agreements, subject to final performance validation. The Company anticipates initial revenue from TrafficGuard's Meta product to be recognised in the September 2025 quarter.

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 Company to capture a greater share of digital ad spend from both current and prospective customers.

Institutional Placement Completed

During the June 2025 quarter, the Company successfully completed an institutional placement raising approximately $8.5 million (before costs).

The placement received overwhelming 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 Company to focus on its strategic objectives and will support planned growth activities including:

- Expansion into the USA;
- 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.

Bell Potter Securities Limited acted as the sole lead manager to the placement.

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Outlook

The Company expects a strong September 2025 quarter driven by the following factors:

- 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.

Commentary from Co-founder and CEO, Mathew Ratty

"The oversubscribed placement completed in the June 2025 quarter not only strengthens our balance sheet but also indicates that our new and existing shareholders support our strategic plan and our vision. Whilst the sports betting and online gaming verticals continue to deliver significant revenue growth for the Company, we will continue our efforts to monetise these verticals at a faster rate through a number of initiatives, including multi-year contracts as well as holding group contracts which will see our technology being utilised across the entire group instead of only selected subsidiaries. Expansion into additional verticals is underway with an increasing rate of interest across the United States and Europe. Combining this with strong agency interest, TrafficGuard is fast becoming known as the leader in anti-fraud protection for digital marketing."

Appendix 4C

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

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Receipts from customers

The Company received $1.9 million from its customers in the June 2025 quarter which represented an increase of 45% on the June 2024 quarter. The receipts in the March 2025 quarter were comparably higher than the other quarters in FY2025 due to the timing of annual contracts renewals, which a number of clients elected to execute via prepayments.

		Previous quarters			
	Jun 2025 $'000	**Mar 2025 $'000**	**Dec 2024 $'000**	**Sep 2024 $'000**	**Jun 2024 $'000**
Receipts from customers	1,889	3,956	1,887	2,643	1,303

Payments for Operating Expenditure

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

		Previous quarters			
	Jun 2025 $'000	**Mar 2025 $'000**	**Dec 2024 $'000**	**Sep 2024 $'000**	**June 2024 $'000**
Research and development	(418)	(412)	(398)	(349)	(389)
Product manufacturing and operating	(162)	(275)	(215)	(218)	(211)
Advertising and marketing	(364)	(292)	(236)	(434)	(476)
Staff costs	(2,374)	(2,101)	(2,407)	(1,939)	(2,349)
Administration and corporate	(314)	(322)	(382)	(371)	(290)
Total operating expenditure payments	**(3,632)**	**(3,402)**	**(3,638)**	**(3,311)**	**(3,715)**

Salaries and fees paid to directors during the quarter amounted to $132k and are included in staff costs.

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Other Payments

During the June 2025 quarter, the Company settled the convertible notes that it issued to strategic, professional and sophisticated investors in April 2022[1]. The convertible notes initially had a maturity date of 12 April 2024 which was subsequently extended to 12 April 2025[2] at which point it was agreed that the interest that accrued during the extended period would be repayable by the Company in cash.

On settlement, the Company paid $288,822 in cash to settle the interest that accrued during the extended period and issued 43,797,022 shares to settle the principal amounts of the convertible notes and the interest that accrued to the initial maturity date of 12 April 2024.

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

-ENDS-

For more information, please contact:

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1. See ASX announcement dated 21 April 2022.
2. See ASX Announcement dated 3 May 2024.

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ABOUT US

Adveritas

Adveritas Ltd (ASX: AV1) is a pioneering technology company that is revolutionising the advertising technology space with AI-driven solutions. As the parent company of TrafficGuard Pty Ltd Adveritas focuses on leveraging big data and AI to solve some of the most critical challenges in digital advertising, such as ad-fraud prevention and performance optimisation.

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

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

TrafficGuard

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

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

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

For more information, visit www.trafficguard.ai

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FORWARD LOOKING STATEMENTS

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

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Appendix 4C

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

Name of entity

Adveritas Limited

ABN	**Quarter ended ("current quarter")**
88 156 377 141	June 2025

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	1,889	10,375
1.2	Payments for		
	(a) research and development	(418)	(1,577)
	(b) product manufacturing and operating costs	(162)	(870)
	(c) advertising and marketing	(364)	(1,326)
	(d) leased assets	-	-
	(e) staff costs	(2,374)	(8,821)
	(f) administration and corporate costs	(314)	(1,389)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	2	42
1.5	Interest and other costs of finance paid	(290)	(302)
1.6	Income taxes paid	(37)	(72)
1.7	Government grants and tax incentives	-	857
1.8	Other (provide details if material)	3	25
1.9	**Net cash from / (used in) operating activities**	**(2,065)**	**(3,058)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(9)	(23)
	(d) investments	-	-
	(e) intellectual property	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	2
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(9)**	**(21)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	8,500	8,500
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(329)	(350)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**(8,171)**	**(8,150)**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	3,362	4,286
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,065)	(3,058)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(9)	(21)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	8,171	8,150
4.5	Effect of movement in exchange rates on cash held	21	123
4.6	**Cash and cash equivalents at end of period**	**9,480**	**9,480**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	9,480	3,362
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**9,480**	**3,362**

6.	**Payments to related parties of the entity and their associates**	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1 (see explanation below)	132
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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

Explanation of payments shown at 6.1

The amount at item 6.1 comprises the payment of salaries and fees to executive and non-executive directors of $132,409

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7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify) Convertible loan notes	-	-
7.4	**Total financing facilities**	-	-

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

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

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	(2,065)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	9,480
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	9,480
8.5	**Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**	4.6

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

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

Answer:

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

Answer:

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

Answer:

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Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 29 July 2025

Authorised by: The Board of Directors

Notes

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

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