

ersonal use only



2020 Annual General Meeting

24 November 2020



Disclaimer

This presentation contains summary information about Adveritas Limited (Adveritas) and is current at 24th November 2020. The information in this presentation is of general background and does not purport to be complete.

This presentation is not investment or financial product advice (nor tax, accounting or legal advice) and is not intended to be used for the basis of making an investment decision. Investors should obtain their own advice before making any investment decision.

This document has been prepared based on information available at the time of preparation. No representation or warranty, express or implied, is made as to the fairness, accuracy or completeness of the information, opinions and conclusions contained in this presentation.

Some of the statements appearing in this presentation are in the nature of forward looking statements. You should be aware that such statements are only predictions based on assumptions, and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industry in which Adveritas operates as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets.

Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement. Neither Adveritas, or their officers or any person involved in the preparation of this presentation makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward looking statement. The forward looking statements in this presentation reflect Adveritas' views as at the date of this presentation.

To the maximum extent permitted by law, Adveritas and its related bodies corporate (as that term is defined in the Corporations Act) and the officers, directors, employees, advisers and agents of those entities do not accept any responsibility or liability including, without limitation, any liability arising from fault or negligence on the part of any person, for any loss arising from the use of the presentation or its contents or otherwise arising in connection with it.

ersonal use only

CEO's address:
Mat Ratty

trafficguard

Digital advertising fraud

Advertising fraud – a massive global problem

Ad fraud has massive direct and indirect costs for the global digital advertising ecosystem

Direct costs

\$42 billion and rising!

\$ lost to ad fraud in 2019 by advertisers globally*

1 in 10

app installs worldwide will not be from genuine users by 2022*



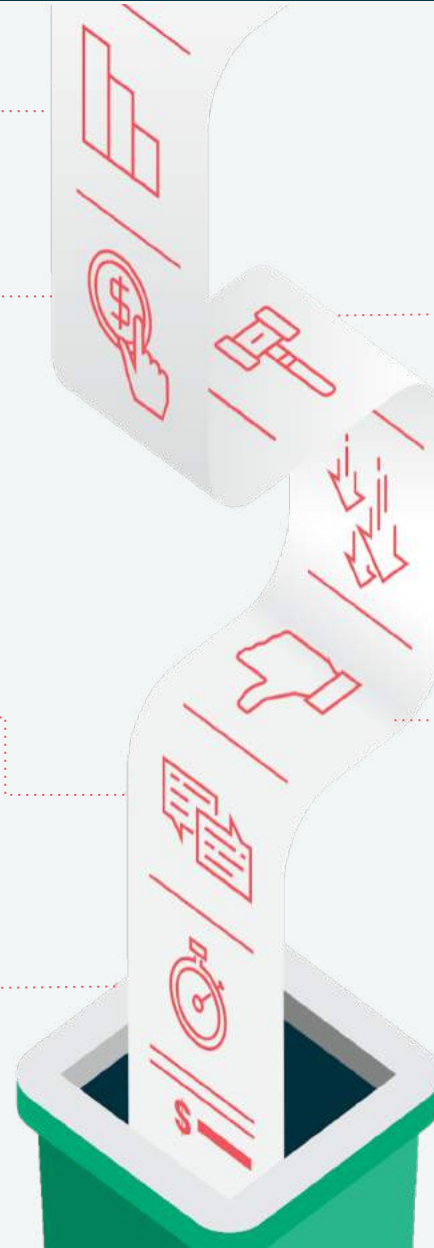
The true cost of ad fraud

Indirect costs

Indirect costs of ad fraud impact the entire digital advertising ecosystem

- Continued investment in sources of fraud**
- Downstream media costs**
Traffic sources may unwittingly pay for fraud before it is identified
- Media volume negotiations**
Among other costs, reconciling media volumes is time consuming
- Opportunity cost**
Spending time, money and resources reacting to fraud

- Threat of litigation**
Unresolved disputes about the presence of ad fraud adds unnecessary risk
- Restricted optimisation**
Inaccurate representation of traffic stops a campaign reaching its full potential
- Damage to reputation**
A lack of transparency can lead to a breakdown of trust and lost clients



ersonal use only

TrafficGuard's holistic solution

trafficguard 

Our mission



Driving trust and transparency in the digital advertising ecosystem

TrafficGuard provides a unique, holistic approach to confronting digital ad fraud.

Reporting tools help advertisers recover wasted media spend but TrafficGuard isn't a reporting tool - it is a **holistic** solution to ad fraud. TrafficGuard's objective is to:

- Prevent fraud from occurring in real time
- Reduce the impacts to intermediaries in the media buying chain
- Make the business of fraud infeasible for perpetrators

ersonal use only

Why TrafficGuard?

Removing invalid traffic increases return on ad spend
Preventing fraud, delivering genuine ad engagement, and converting more customers



Surgical prevention

- Our surgical approach is based on **proprietary big datasets** accumulated through years of advertising campaigns, so we only remove invalid traffic
- Others excessively block digital ad traffic, resulting in false positives for advertisers and unfairly penalised traffic sources



Transparency

- TrafficGuard is **highly transparent**
- We share results with advertisers and supply partners to demonstrate the data science supporting our diagnosis
- This facilitates trust and saves time wasted on invoice reconciliation



























Protection across the whole journey

- We provide **universal protection across all digital advertising channels** - mobile, desktop, and all campaign types

Full funnel approach to solving ad fraud

TrafficGuard's unique holistic, "one-stop shop" solution is based on proprietary big data sets accumulated through 10+ years of operations

Ad Verification	Ad Fraud	Mobile Ad Fraud	PPC Fraud	Bot Management
				NETACEA
				
				
				
				
				



ersonal use only

Global leader in digital ad fraud prevention

TrafficGuard operates across the client's entire ad spend (mobile, desktop, programmatic, Google ads), analysing every stage of the consumer's digital marketing journey

Feature	TrafficGuard	Legacy Solutions
Multiple channels	<p>TrafficGuard is the world's first full funnel solution that allows the client to make informed decisions around their marketing budgets</p> <p>TrafficGuard also provides visibility into the entire consumer journey, not single point focused</p>	<p>Legacy solutions are usually built for their specific silo, with no broader visibility of traffic beyond that one application</p> <p>Most are also looking at a single point in the consumer journey which limits the intelligence of identifying fraud</p>
Reporting	<p>Can report across multiple channels with clear transparency along the entire consumer journey</p>	<p>Limited to reporting in a specific silo and lacks transparency into why fraud is occurring</p>
Invalid traffic definition	<p>Fully transparency with clear and defensible traffic validation</p>	<p>Risk scores or ambiguous reporting</p>

ersonal use only

TrafficGuard's proprietary data and technology – How it works



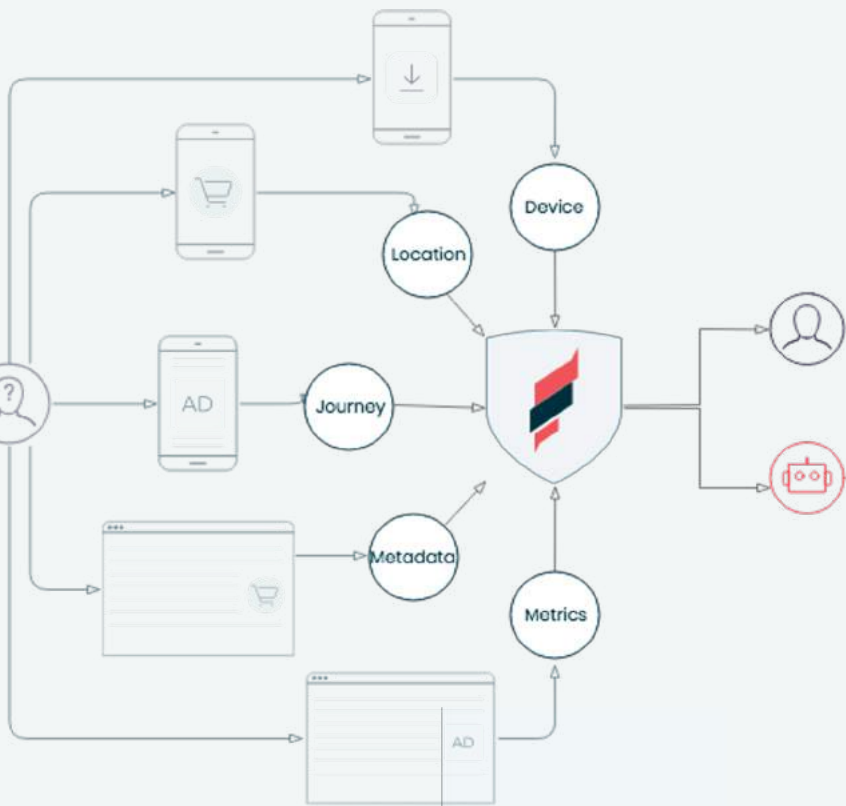
Machine learning protecting against unknown fraud

TrafficGuard analyses hundreds of data points every time an ad is viewed, clicked, and converts, to determine whether that ad engagement is genuine or delivered by fraud.

How it works

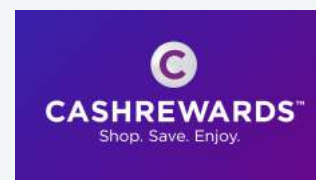
TrafficGuard analyses over 200+ signals from these 5 categories to identify fraud.

1. Device characteristics: model, browser, version
2. Location: lat/long, city, user of proxies, carriers
3. Journey: clicks, app installs, conversions, post-conversion activity. Changes in device or location details at different journey stages
4. Metadata: traffic sources, campaign targeting
5. Metrics: conversion rates, click through rates, click to install times



Trusted by major global enterprises

Major enterprise clients in key segments including transport, on-demand applications, ad agencies, online marketplaces, fintech, mobile marketing, gaming



ersonal use only

Key achievements in FY2020 – positioned to rapidly scale

Business positioned to rapidly scale

All sales channels gained momentum

- New sales appointments made in North America and EMEA to grow and nurture the sales pipeline
- Strong traction gained across all marketing channels and pricing models
- Launched Three by Three sales model in 4Q FY20
- Built enterprise-level sales pipeline, driven by direct sales team and referral partners

Prospective customers currently running trials from high spending verticals including insurance, money transfer apps, On demand services, retail, automotive, betting agencies

Strategic partnerships

- Generated strong interest from ad agencies in Referral Partner Program, introducing TrafficGuard to a wider client base
- Planned new strategic partnerships with digital agencies which is vital for rapid expansion
- Adveritas is in advanced discussions with Google for a strategic partnership

ersonal use only

Business positioned to rapidly scale

Revenues - Over 50 paying clients across all three pricing categories

- Achieved FY20 Revenue of \$1.23m, a 91% increase from FY19
- Received first revenues from Freemium subscriber conversions
- Freemium subscribers reached ~580 by 30 June, subsequently rising to ~1050 by September 2020
- Multiple customers acquired under “land and expand” contracts in gaming and betting verticals, including ASX-listed customers
- Initial revenues received from “land and expand” Google PPC digital marketing anti-fraud customers

Improved Balance Sheet to deliver on growth plans

- Record balance sheet strength provides focus for management to execute on its plan
- Record balance sheet strength of circa \$8m – strongest ever in the Company’s history
- Strategic Placement of \$4.5m (Mark McConnell and Regal) and oversubscribed \$3.0m SPP

Multiple Industry Awards & PR Recognition

TrafficGuard has won multiple industry awards beating billion-dollar competitors.

Industry awards such as Mobile Marketing's "Most Effective Anti-Fraud Solution" are attractive to future clients, helping to validate TrafficGuard's solutions and amplify the success clients have had using them.

TrafficGuard continues to get coverage in major trade and business publications globally, demonstrating the Company's building authority on topics pertinent to the industry.

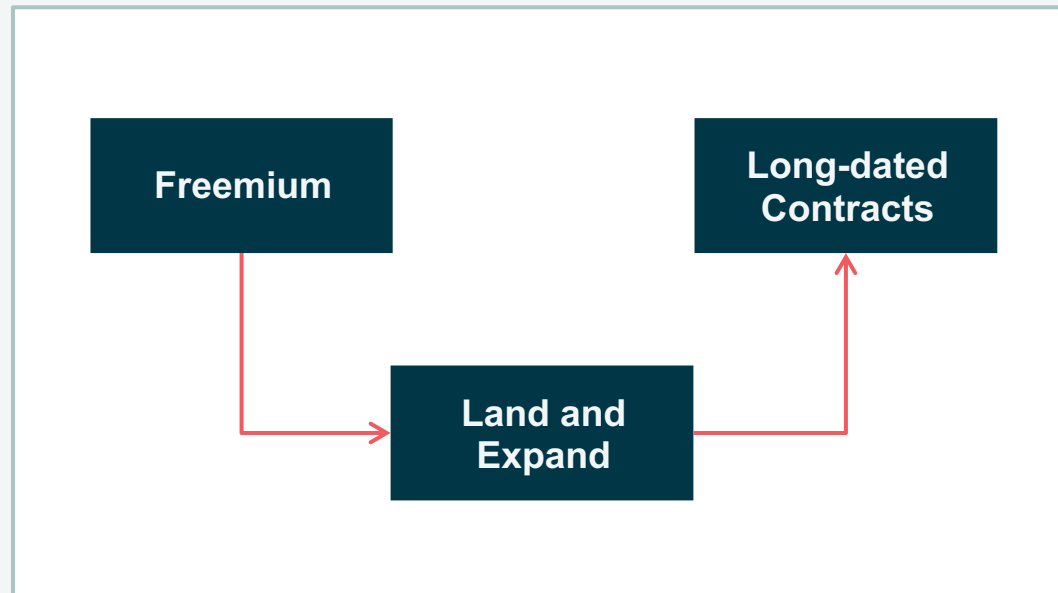


Attractive growth strategy

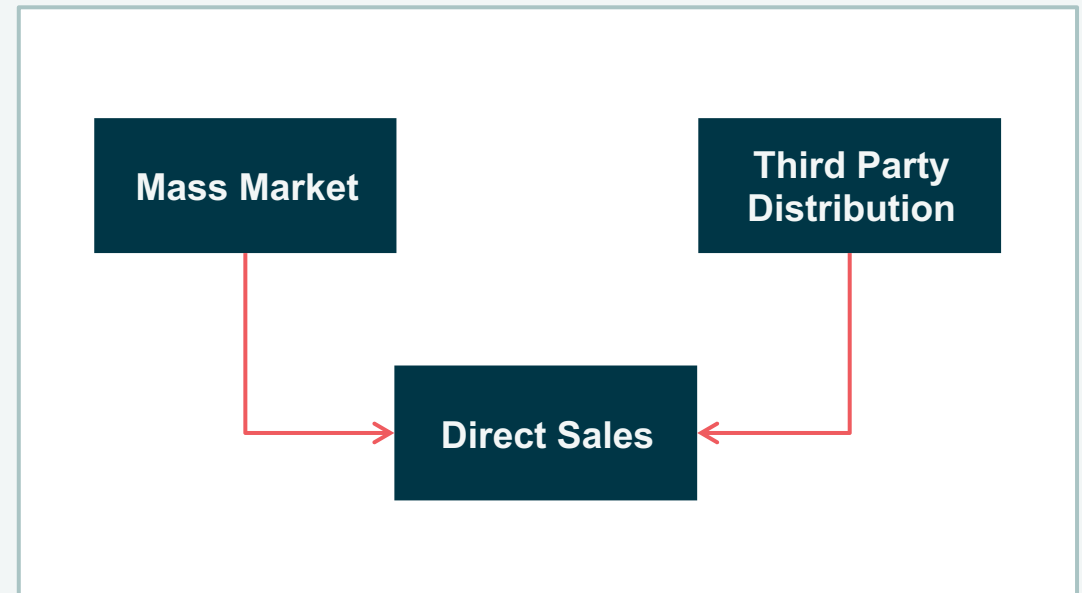
3 X 3 sales model

Both “land and expand” and long-dated contracts have been proven to work for Adveritas.
The launch of Freemium (fraud detection only) model is increasing the sales pipeline.

Three Sales Models



Three Paths To Market



Multiple growth drivers



Freemium

Freemium offering to be mass marketed. Any company using Google Pay-per-click (PPC) advertising is a Freemium prospect and potential Land & Expand customer



Online Sales

Increase marketing channels including Facebook, Google Ads, retargeting



Direct Sales

Increase direct sales reps to build enterprise level funnel and increase conversion



Sector Education

Increase whitepapers, conferences, thought leadership, customer case studies



Public Relations

Increase awareness of the problem and the TrafficGuard solution

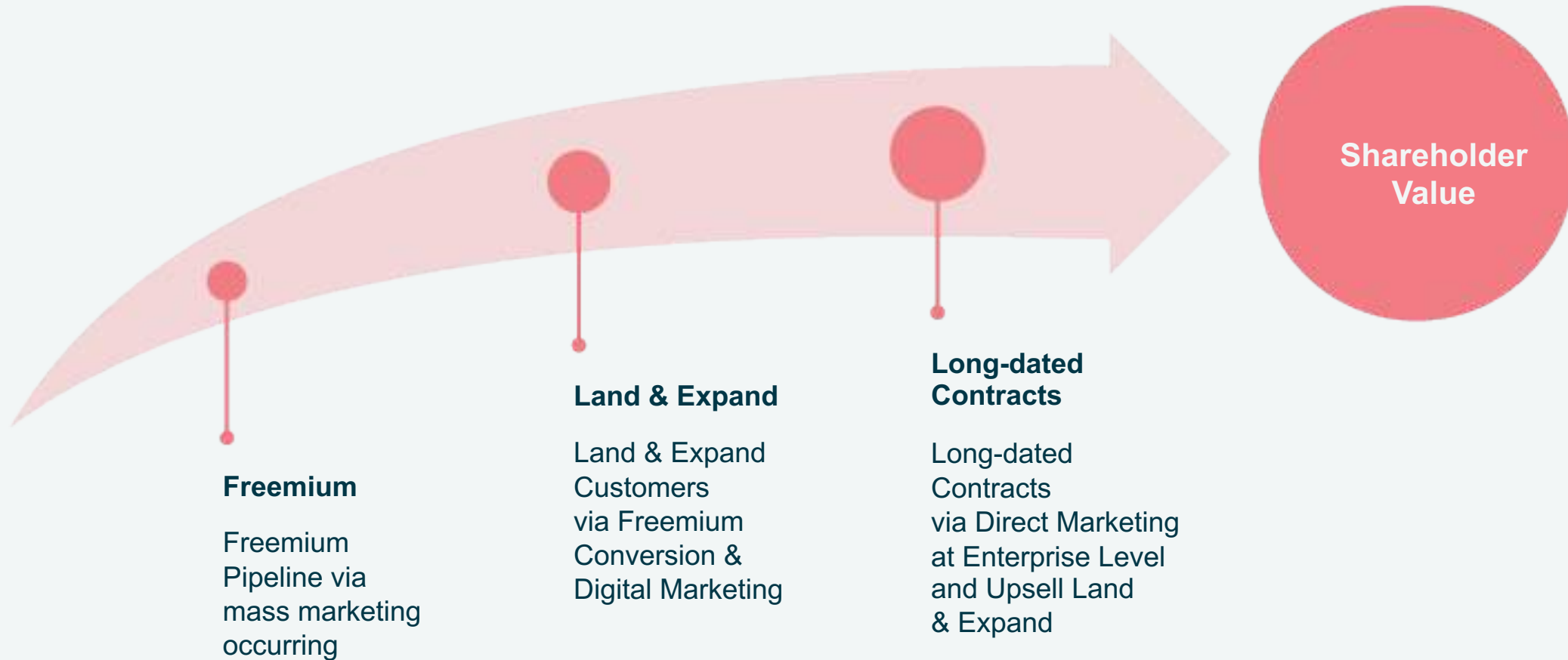


Strategic Sectors

Direct sales reps tasked with specific high spending verticals – Insurance, pharmaceutical, on demand services, fintech, banks, online market places, ecommerce

Multiple shareholder value drivers

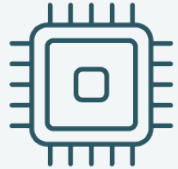
All elements of the 3 x 3 sales model work together to drive shareholder value



ersonal use only

Third party partnerships can be transformational

- Any groups that can introduce TrafficGuard to large numbers of clients is a potential Strategic Partnership
- Examples include ad agencies, Resellers, Banks, Accounting firms, Large enterprises
- **Sales leverage through third party sales can be transformational to Adveritas's revenue**



Ecommerce players

- Large amounts of clients globally
- TrafficGuard has now integrated with Shopify
- Mass marketing will target Ecommerce owners



Google

- TrafficGuard is in advanced discussions with Google for a strategic partnership
- Good client relationships
- Act as good advisors to clients
- TrafficGuard shortly to be on the Google Market Place



Resellers

- Transformational opportunity as they have a wide range of customers to market to
- TrafficGuard currently in talks with many resellers to market our Google PPC product



AD AGENCIES

- Often the client requires the ad agency to use TrafficGuard, which opens its other clients also
- Agencies can be engaged as a reseller
- TrafficGuard has recently signed with agency MCN Media Brands

ersonal use only

Strong outlook for FY21

trafficguard 

Momentum continues to build

Sales continue to rapidly scale so far in FY21

- 80% quarter on quarter increase in Freemium subscribers to ~1050 by September
- ~25% increase in customer numbers, with over 50 revenue-generating customers, driven by strong conversions from Freemium to fee paying “land and expand” customers

Growing revenues from new customer contracts early in FY21

- Signed “Land and expand” contracts across fintech, financials, cashback companies, legal companies, education companies and affiliate networks
- \$100k 12-month Land and expand contract with GVC Australia, one of the world’s largest betting agencies (~GBP \$6 billion market cap)

Several other online sports betting brands are currently trialing TrafficGuard. Adveritas is confident the majority will convert into paying clients

Enterprise Level clients in trial continue to build

- TrafficGuard has committed trials with some of the largest companies in the world that are looking to solve the issue of advertising fraud and management is confident of converting the vast majority of these for significant revenue growth

Momentum continues to build

New strategic partnerships

- 12-month contract with MCN Media brands allowing them to seamlessly onboard their clients onto TrafficGuard
Initial tranche of clients already onboarded
- Finalising partnership with Google for combined go-to-market strategy of TrafficGuard's pay-per-click product
will enable rapid expansion to Google customers

Significant cross-sell and up-sell opportunities

- Cross-selling Google PPC into mobile app install anti-fraud SaaS solutions
- Up-selling existing clients into larger data-usage contracts as they scale their ad spend

Adveritas is confident of converting its Freemium pipeline into fee-paying land & expand customers and ultimately enterprise level long-dated contracts

Outlook FY2021

ersonal use only

Q3 Increased client trials and new Enterprise Level client wins expected

Q3 Increased Freemium sign ups

Q3 Increased Marketing and Public Relations

Q4 Increased Freemium conversion ratio

Ongoing New functionality in reporting and product iterations

Investor enquiries



This presentation has been approved by the Board of Directors of Adveritas Limited.

For more information, please contact:

Mat Ratty

Chief Executive Officer

Adveritas Limited (ASX: AV1)

Office: +61 (8) 9473 2500

Email: investor.enquiry@adveritas.com.au

Ronn Bechler – investor relations

Managing Director

Market Eye

Office: +61 (0)400 009 774

Email: ronn.Bechler@marketeye.com.au