

H1 FY22 RESULTS

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H1 FY22: EXECUTING ON GROWTH STRATEGY

Strong growth in annualised revenue, up 68% since 30 June 2021, to **\$1.72 million** as at 31 December 2021. Revenue recorded in H1 FY21 (\$960k) up 108% vs H1 FY21 (\$462k).

Cash balance of \$6.4m with no bank debt as at 31 December 2021.

Raised \$8m from placements and exercise of options to support an acceleration of sales growth initiatives

Strong renewal rate with a number of clients including Go-Jek, GVC Australia and Deezer renewing their services in H1 FY22.

Freemium subscribers at 31 December **up 41%** from 30 June 2021 to circa 3,780, providing a large base to convert into paying customers. Strong average conversion rate of 8% maintained.

Continuing to penetrate key verticals with major client wins:

01.

Market Places

CARS24, JD.ID added in H1 FY22

02.

Telecommunications

Singtel added in H1 FY22 ; MyRepublic added Jan 22

03.

Betting

Palmerbet; Betfred and Betbull added in H1 FY22; William Hill added in Jan 22

DELIVERING ON KEY OBJECTIVES

Demonstrated rapid growth in client and revenue

Objectives:

Achievements:

Expand sales pipeline across key verticals

- Increasing number of companies on trial in sports betting, gaming, on-demand streaming, retail and finance verticals across Asia, Europe, India and North America
- Several global companies now trialling additional TrafficGuard services, increasing their revenue potential to Adveritas

Convert TrafficGuard trials into paying customers

- Enterprise clients signed across key verticals (telecomms, betting and marketplaces)
- Conversion of Freemium to paying customers of approximately 8% in H1 FY22 vs a global average of 2-5%¹
- Significant enterprise wins early in Q3 including William Hill, MyRepublic, Esport Technologies, Pomelo and others

Invest in the team to scale growth

- Chief Marketing Officer appointed in January 22, which will help scale direct sales and drive Freemium user conversion to paying customers
- Integrated sales and marketing approach implemented to fuel sales

¹ <https://hbr.org/2014/05/making-freemium-work>

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\$455b

Size of digital advertising market
eMarketer¹

28%

of digital traffic is non human
*Adobe*²

\$127b

Lost to non-human traffic

2.87x

ROI on advertising
*Nielsen*³

\$364b

Lost revenue

\$1.8–\$3.6t

Capital value erosion

Global scale and impact of invalid traffic and ad fraud

¹ <https://www.emarketer.com/content/worldwide-digital-ad-spending-2021>

² <https://www.wsj.com/articles/fraudulent-web-traffic-continues-to-plague-advertisers-other-businesses-1522234801>

³ <https://www.nielsen.com/us/en/insights/article/2016/benchmarking-return-on-ad-spend-media-type-brand-size-matter/>

General Invalid Traffic

Identified through routine
means of filtration

For example, web crawlers
identified using parameter
checks

VS

Sophisticated Invalid Traffic

Identified through advanced
analytics and significant human
intervention

For example, identifying bot
driven app installs through
anomalous click to install time

“Invalid traffic is any activity that doesn't come from a real user with genuine interest”

- *Google definition*

trafficguard



- Ad Stacking
- Bots
- Cookie Stuffing
- Click Farms
- Domain Spoofing
- Incentivised Ads
- Known Hosts
- Location Fraud
- Malware
- Pixel Stuffing
- Returning Users
- User Agent Spoofing

TRAFFICGUARD'S PREVENTION SOLUTION



Prebid

TrafficGuard detects and prevents invalid traffic by dynamically updating an exclusion list of invalid traffic from your advertising on a pre-bid basis.

Google PPC – performance advertisers with returning users

DSP – advertisers leveraging programmatic platforms to buy inventory

Attribution

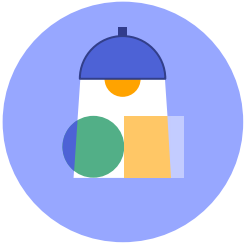
TrafficGuard detects and prevents invalid traffic by changing the attribution journey in real time to ensure only valid traffic and real users are sent for attribution and the correct partner is attributed for performance.

Mobile apps – using an MMP to track and attribute installs

Affiliate advertisers – using an affiliate platform

QUALIFYING TRAFFIC TO CREATE QUALITY LEADS

Translating Traffic to Customers for ROI Optimisation



Discovery & actionable insights



Automated removal of invalid traffic



Increase in customer value

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THE TRAFFICGUARD DIFFERENCE

	Legacy Platform	TrafficGuard	Measurement Platforms
Reported Impressions	✓	✓	✓
Rendered and Viewable Impressions	✓	✓	
GIVT and SIVT Impressions	✓	✓	
Impression Level Protection	✓	✓	
Clicks	✓	✓	
GIVT and SIVT Clicks		✓	
Click Level Protection		✓	
Installs		✓	✓
GIVT and SIVT Installs		✓	
Fraud Installs		✓	✓
Contribution		✓	✓
Attribution		✓	✓
Real-time attribution verification		✓	
Post attribution verification		✓	✓
Full funnel visibility and feedback loop		✓	

✓ Full Feature ✓ Partial Feature

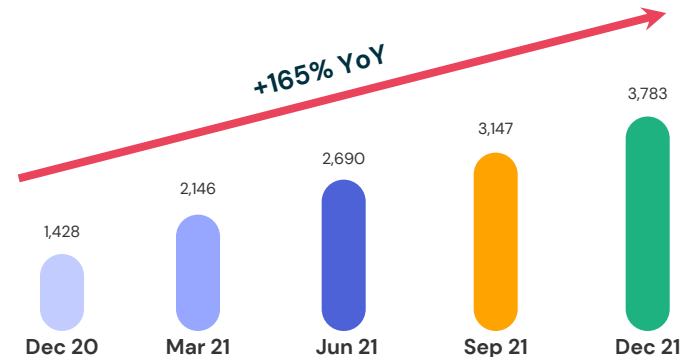


TRAFFICGUARD ADOPTION CONTINUES TO GAIN MOMENTUM...

Building a significant Freemium pipeline and investing to convert trial users to paying recurring customers

- Healthy growth continued in the Freemium & paying customer base
- Freemium subscribers increased by 165% YoY to 3,783
- Paying customers increased by 62% YoY to 177 customers
- Sales team enhanced with talented sales representatives hired across Asia and Europe
- Chief Marketing Officer, Chad Kinlay, appointed early Jan to scale enterprise meetings and drive conversion of free subscribers into paying customers.

Freemium subscribers

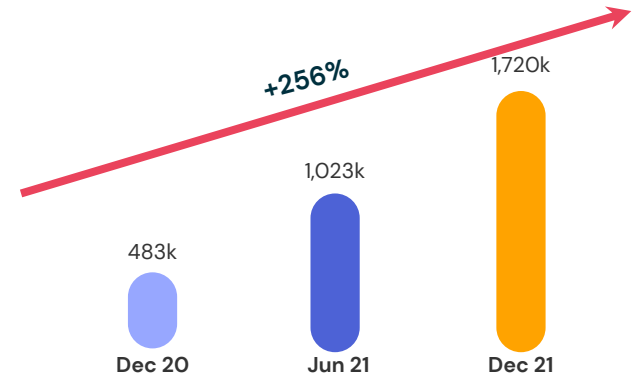


.. DRIVING STRONG REVENUE GROWTH

- Annualised revenue scaling up, underpinned by new enterprise contracts across telecommunications, legal and retail industries
- Total annualised revenue of circa \$1.72m as at 31 December 2021
- Recorded revenue of \$960k in H1 FY22, increase of 108% on the \$462k revenue recorded in H1 FY21

** Annualised revenue is a key leading indicator of future revenue*

Annualised Revenue (\$)

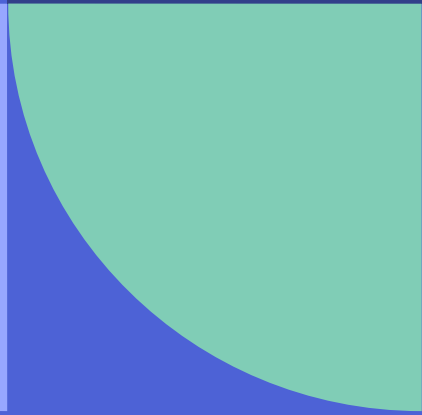
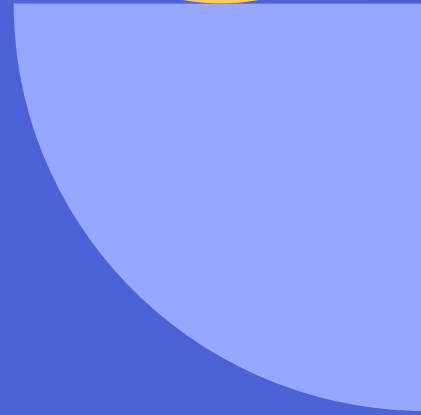
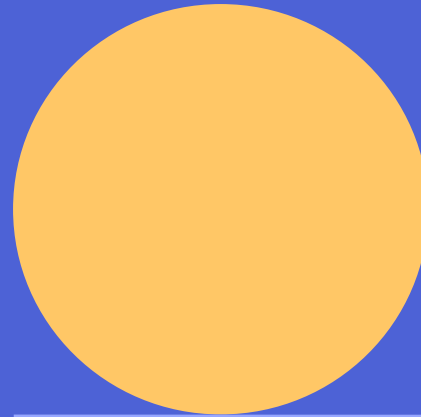


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H1 FY22

FINANCIAL PERFORMANCE



PROFIT & LOSS

(\$'000)	H1 FY22	H1 FY21
Revenue	960	462
Other income	23	407
Employment Costs	(3,570)	(2,983)
Server hosting costs	(1,024)	(750)
Marketing costs	(181)	(425)
Other operating costs	(547)	(780)
Overheads	(5,322)	(4,937)
Other Expenses	(58)	(1,577)
EBITDA	(4,397)	(5,644)
Loss after income tax	(4,525)	(5,771)

- H1 FY22 revenue reflects rapid scaling of TrafficGuard subscription revenues, reaching annualised revenue of \$1.72m as at 31 Dec 2021
- H1 FY21 Other income mainly consisted of JobKeeper and Pay-roll tax rebates (\$396k)
- Increase in employment costs reflects planned appointments to sales, customer success and marketing teams, to rapidly build revenue base
- Server hosting costs increased in line with increased TrafficGuard adoption
- Marketing costs reduced as the Company decided to hold off on executing a number of marketing initiatives until the Chief Marketing Officer commenced in Q3 FY22

BALANCE SHEET

(\$'000)	31 Dec 21	30 Jun 21
Cash and cash equivalents	6,436	3,231
Total Assets	7,709	4,317
Total Liabilities	2,081	2,515
Net Assets	5,627	1,802

Strong balance sheet underpins investments to scale TrafficGuard growth

- \$6.4m cash and no bank debt at 31 December 2021
- Investments in sales and marketing team, sales process and technology to drive continued growth in TrafficGuard subscription revenue
- \$8m raised during H1 FY22 to rapidly accelerate sales and marketing activities, focused on high value verticals and improving sales conversion
 - \$3m placement in July, supported by new institutional investor Pathfinder Asset Management
 - \$3.6m raised from exercise of listed options
 - \$1.4m placement in November, supported by strategic investor Record Point

TRAFFICGUARD CONTRACTS UNDERPINNED GROWING CASH RECEIPTS

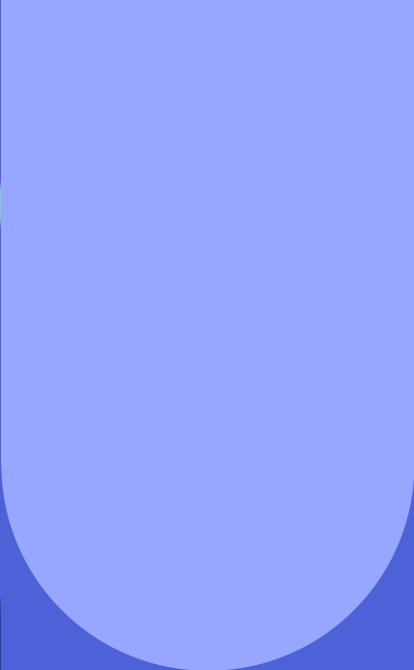
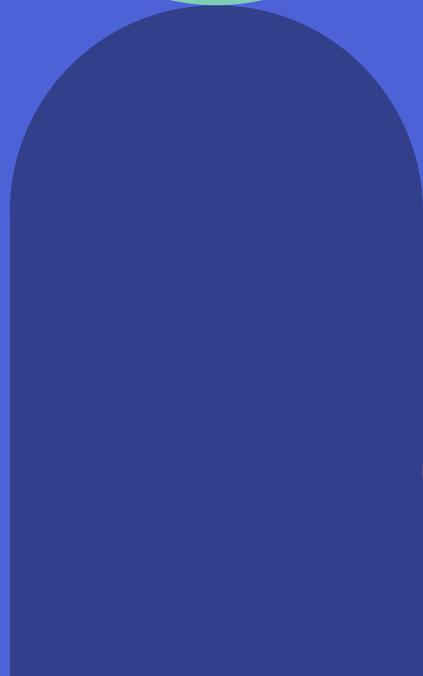
(\$'000)	H1 FY22	H1 FY21
Receipts from customers	1,073	504
Payments to suppliers and employees	(5,919)	(4,892)
Other income	23	543
Interest paid	(21)	(24)
Net cash flows used in operating activities	(4,845)	(3,869)
Net cash flows from / (used in) investing activities	106	(6)
Proceeds from issue of shares	7,994	2,393
Other	(60)	(88)
Net cash from financing activities	7,933	2,305
Cash and cash equivalents	6,436	6,719

Substantial 113% cash receipt ramp up to \$1.1m

- 113% increase in cash receipts reflects successful execution of growth strategy, as new customers were signed onto TrafficGuard, and includes \$179k received from ClearPier Inc to settle overdue invoices
- Increase in payments to suppliers and employees reflects increase in server hosting costs to support expanding customer base and investments made into sales and marketing initiatives, which delivered enterprise contracts
- \$8m raised during H1 FY22 to support acceleration of sales growth initiatives as the Company executes on significant growth pipeline

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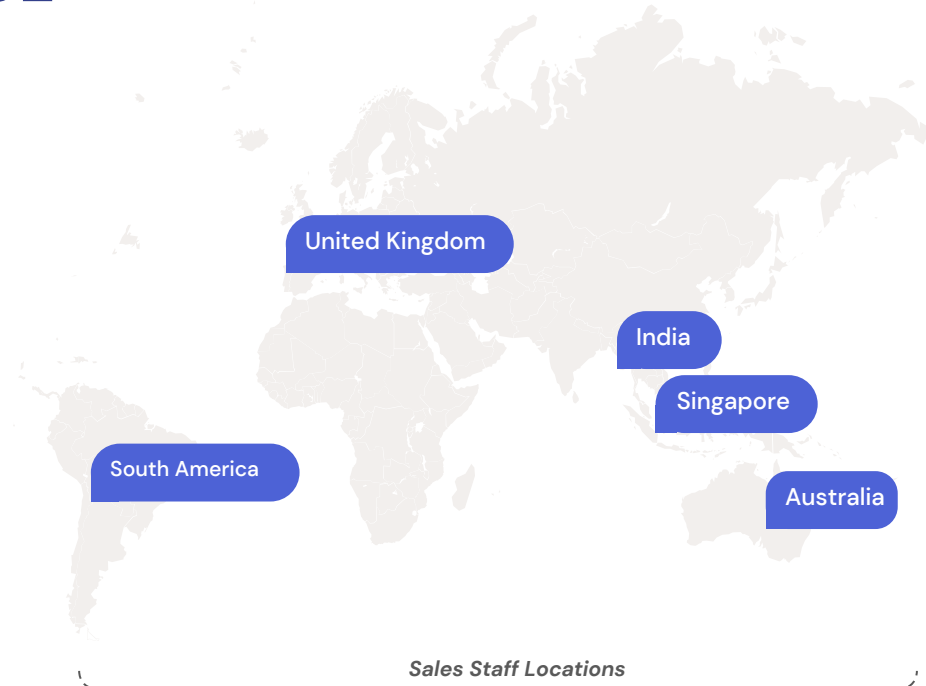
STRONG GROWTH OUTLOOK



ENHANCED SALES & MARKETING CAPABILITIES BEGINNING TO DRIVE ANNUALISED REVENUE SCALE UP

- Sales reps in 5 key locations with global coverage
- New sales reps with strong track records hired in Asia and Europe and have substantially increased the sales pipeline
- Chief Marketing Officer appointed to lead integrated sales and marketing approach – scaling up enterprise meetings for direct sales force & driving Freemium conversion rates

Significantly enhanced sales and marketing capabilities to underpin rapid scale up of enterprise client numbers, to drive Annualised Revenue growth



POSITIVE OUTLOOK

Strong start to H2 FY22

- New enterprise client wins – William Hill, MyRepublic, Esport Technologies and upgraded contracts from existing client base
- Establishing a strong pedigree of delivering client success in key verticals of online gambling, marketplaces, telecommunications, which is leveraged to further build the pipeline
- Enhanced sales and marketing approach aims to also penetrate new verticals and markets

TrafficGuard Google Cloud relationship progressing strongly. Marketing collateral on TrafficGuard benefits ready in Q3 FY22 for a Q4 FY22 launch

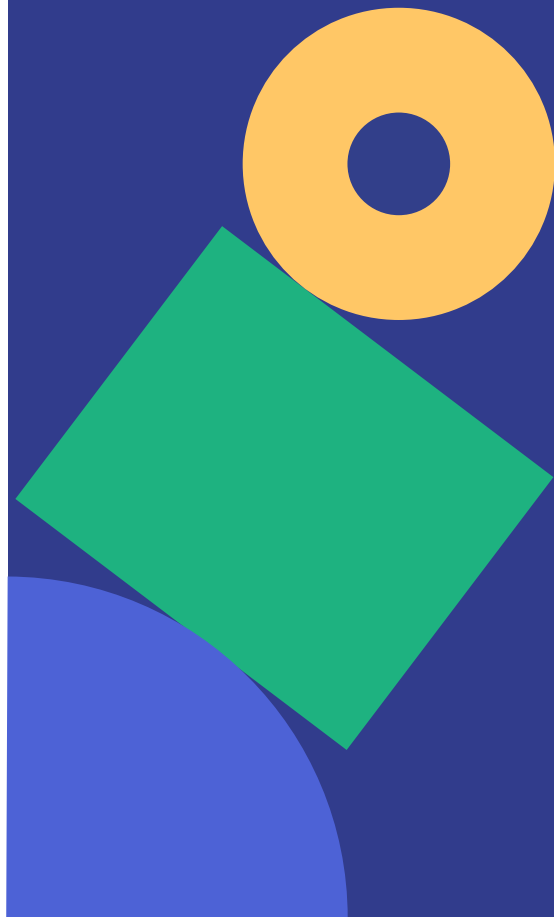
- \$8m in funds raised during H1 supports acceleration of growth initiatives, including broadening digital marketing footprint, additional sales representatives in Asia & Europe, supporting the TrafficGuard roll-out on Google Cloud Marketplace



IN CLOSING..

- **Huge Global Market:** Online ad fraud is estimated to cost advertisers \$127bn (advertising spend lost to non-human traffic)
- **Built by design:** TrafficGuard was built to address the inadequacies of legacy anti fraud solutions
- **Validation:** Growing list of Billion dollar companies now adopting TrafficGuard across Mobile, display and/or PPC spend
- **Growing user base:** Strong freemium growth leading to increasing paying customers. Any company that is using PPC advertising is a potential customer
- **Growing revenues:** Annualised revenue has grown 68% since 30 June 2021 with further growth to come
- **Scalable:** Substantial opportunity to scale through direct enterprise sales, channel partners and Self sign up PPC

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TRAFFICGUARD'S BROAD INDUSTRY RECOGNITION



**The Drum
Awards
Search**
Winner 2021



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

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