

ASX RELEASE

21 April 2022

ADVERTITAS STRENGTHENS BALANCE SHEET TO ACCELERATE GROWTH

Highlights:

- **\$3 million raised through the issue of convertible notes to strategic, professional and sophisticated investors**
- **Pro forma cash balance post issue of circa \$8 million, strengthening the balance sheet**
- **Funds raised to be used to accelerate Adveritas' sales and marketing growth initiatives**

Adveritas Limited (ASX: AVI) (**Adveritas** or **Company**) is pleased to announce that a small group of strategic professional and sophisticated investors have subscribed for a total of \$3 million through an offer of unsecured convertible notes (**Convertible Notes**). The offer was supported by both long term shareholders, who have participated in previous capital raisings, and new investors.

The Convertible Notes have a two-year term, 8% per annum coupon and a conversion price based on 80% of the Company's 90-day VWAP subject to a ceiling price of \$0.17 per share and a floor price of \$0.08 per share. The key terms of the Convertible Notes are set out in the schedule to this announcement.

The issue of the Convertible Notes is within the Company's placement capacity restrictions under ASX Listing Rule 7.1 and is not subject to shareholder approval.

The Company's Board of Directors has determined that the terms of the Convertible Notes are more favourable to the Company than a capital raising via the issue of ordinary shares because:

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1. It avoids a direct equity raise being conducted at the same time that the Company is focussing on the Google Cloud Marketplace rollout;
2. Favourable conversion terms have been secured from the Company's long term supportive shareholders; and
3. The Company has the option to redeem the Convertible Notes prior to their maturity, providing greater flexibility.

Funds raised from the offering will strengthen Adveritas' capital position and balance sheet, supporting the acceleration of sales and marketing growth initiatives as the Company executes on its significant growth pipeline:

- Multi-channel direct sales and marketing activities and digital advertising for the TrafficGuard solution
- Hiring of additional sales representatives across Asia and Europe; and
- Supporting the roll-out of TrafficGuard on the Google Cloud Marketplace which is now live.

Settlement of the Convertible Notes is expected to occur on or around 22 April 2022.

Commenting on the capital raising, Adveritas Co-founder & Chief Executive Officer Mat Ratty said:

"We have set the foundations for global growth through our three well planned channels of direct sales, land and expand (where existing contracts are upsold to another product) and channel partnerships, such as the Google Cloud Marketplace. I would like to thank our loyal shareholders, and new investors, for supporting the Company through this raise at an exciting juncture in our growth strategy. Given the growth opportunities visible to Adveritas, we are confident that this capital raise is in the best interest of all shareholders as it minimises dilution while further strengthening the balance sheet to support the attractive growth trajectory we see for the business."

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

- ENDS -



For more information, please contact:

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About Adveritas

Adveritas Ltd (ASX:AVI) creates innovative software solutions that leverage big data to drive business performance. Adveritas' ad fraud prevention software, TrafficGuard, is its first available software as a service. Early adopters of TrafficGuard include LATAM super-app, Rappi and APAC super-app, GO-JEK. Both businesses are well funded with \$2 billion and \$12 billion valuations respectively, and conducting aggressive user acquisition advertising for fast growth. In both cases, TrafficGuard was chosen after a rigorous procurement process that saw the effectiveness of our solution evaluated against a range of competing solutions.

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



About TrafficGuard

TrafficGuard detects, mitigates and reports on ad fraud before it impacts digital advertising budgets. Three formidable layers of protection block both general invalid traffic (GIVT) and sophisticated invalid traffic (SIVT) to ensure that digital

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advertising results in legitimate advertising engagement. TrafficGuard uses patent-pending technology and proprietary big data accumulated by the performance advertising business previously operated by the Company.

For more information about TrafficGuard's comprehensive fraud mitigation, see <https://www.trafficguard.ai>

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SCHEDULE – SUMMARY OF KEY TERMS OF CONVERTIBLE NOTES

1. Securities offered	Convertible Notes which are convertible into fully paid ordinary shares in the capital of the Company (Convertible Notes).
2. Face Value of each Convertible Note	\$1.00 per Convertible Note.
3. Maturity Date	12 April 2024.
4. Interest Rate	8% per annum.
5. Interest calculation	<p>Interest will:</p> <ul style="list-style-type: none"> (a) accrue on each Convertible Note at the Interest Rate from the issue date of the Convertible Note up to (but excluding) the date on which that Convertible Note is converted or redeemed; (b) be capitalised at the end of each calendar quarter; and (c) be satisfied in arrears upon the earlier of the redemption or conversion of the Convertible Notes. <p>Where the Convertible Notes are converted, the accrued interest will be fully satisfied through the issue of Conversion Shares at the conversion price.</p>
6. Conversion	<p>The Convertible Notes, together with all accrued unpaid interest, will automatically convert into fully paid ordinary shares in the Company (Conversion Shares) on the Maturity Date. The Conversion Shares will be issued at a share price equal to 80% of the 90-day VWAP, unless:</p> <ul style="list-style-type: none"> (a) such amount is greater than \$0.17, in which case the conversion price will be \$0.17; or (b) such amount is less than \$0.08, in which case the conversion price will be \$0.08.
7. Redemption	<p>The Company may at any time prior to the Maturity Date, elect to redeem all or some of the Convertible Notes held by a Noteholder. The Company must also redeem all Convertible Notes upon the occurrence of an insolvency event.</p> <p>Where a Convertible Note is redeemed, the Company will pay to the relevant Noteholder an additional interest payment so that the total interest received by the Noteholder in respect of those Convertible Notes is equivalent to the amount they would have received had the relevant Convertible Notes been held until maturity.</p>

8. Change of Control	<p>If a change of control event occurs, the Company may in its discretion elect to either convert all or some Convertible Notes at the conversion price and/or redeem all or some Convertible Notes.</p>
9. Ranking	<p>The Convertible Notes will rank <i>pari passu</i> amongst themselves. All Conversion Shares will rank equally with and will carry the same rights as the existing issued fully paid ordinary shares in the Company.</p>
10. Transferability	<p>The Convertible Notes are not transferable without the prior written consent of the Company.</p>
11. Rights attaching to Convertible Notes	<p>A Convertible Note carries no right to participate in any offering of securities by the Company or the right to vote any a general meeting of the Company.</p>
12. Security	<p>The Convertible Notes will be unsecured.</p>
13. Quotation	<p>The Convertible Notes will not be quoted on ASX.</p>
14. Reorganisation	<p>If there is a reorganisation by the Company of its share capital, the rights of a Noteholder in relation to conversion will be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.</p> <p>If the Company makes a bonus issue of shares or other securities, then each Noteholder upon conversion of outstanding Convertible Notes held by it will be entitled to receive such number of further shares or securities which the Noteholder would have received if those outstanding Convertible Notes had been converted before the record date for the bonus issue.</p>