

ASX RELEASE

2 June 2020

**PLACEMENT TO STRATEGIC INVESTORS AND SHARE PURCHASE PLAN
TO ACCELERATE CUSTOMER ACQUISITION**

Key Highlights

- The Company welcomes \$4.5 million of new investment from strategic investors combined with a Share Purchase Plan, to raise up to a total of \$6.5 million at an issue price of \$0.075 per Share
- Balance sheet to be significantly strengthened, with the Company now funded well into calendar year 2021
- Funds to be used to accelerate customer acquisition strategies
- Strategic investors are well placed to provide enterprise-level introductions to TrafficGuard

Adveritas Limited (**Company** or **Adveritas**) (**ASX: AV1**) is pleased to advise that it has received firm commitments to raise \$4.5 million from strategic sophisticated and/or professional investors via a share placement (**Placement**) at an issue price of \$0.075 per Share, which represents a discount of 17.58% to the 15 day volume weighted average price (VWAP) of \$0.091. The Company is also pleased to announce a Share Purchase Plan (**SPP**) to existing eligible shareholders to raise up to a further \$2 million at \$0.075 per Share.

The Placement shares and the shares to be issued under the SPP will rank equally with existing fully paid ordinary shares on issue

Significant Balance Sheet Strength

The Company's reported cash balance at the end of March 2020 was \$4.13 million. With the potential total of up to \$6.5 million to be raised by the Placement and SPP, the Company's balance sheet will be significantly strengthened, funding the Company well into calendar year 2021.

Accelerating Customer Acquisition

This capital raising supports accelerated customer acquisition across both the Freemium and enterprise-level customer segments. The funds raised will be used to accelerate customer acquisition through increased marketing initiatives including advertising, media, public relations, and for additional sales and marketing personnel.

The Company sees a significant opportunity to accelerate customer acquisition through the Freemium offering of its unique TrafficGuard™ digital marketing anti-fraud software-as-a-service (**SaaS**) solution.

On 31 January 2020, Adveritas announced its intention to launch its Three by Three Sales model in the second quarter of 2020. The Three by Three Sales model involves three pricing models (Freemium, Land & Expand, Long-Dated Contracts) across three paths to market (Mass Market, Direct Sales and Third-Party Distribution).

In April 2020, the Company successfully launched all elements of its Three by Three Sales Model, gaining strong traction across all marketing channels and pricing models. Customer take-up of the Freemium offering has been strong, with a number of well-known ASX-listed and other enterprise-level clients currently in trial. There is strong interest in TrafficGuard's Google Pay-Per-Click (PPC) digital marketing anti-fraud offering, which will drive a new revenue growth line for the Company and also introduce customers to TrafficGuard's broader anti-fraud offerings.

Strategic Investors Welcomed

The Company is pleased to welcome a \$2 million new investment by Regal Funds Management ("Regal"), who are well placed to support the growth of the Company.

Founded in 2004, Regal is a multi-award-winning funds manager, managing close to \$3 billion, across a range of strategies. This investment will be made through the Regal Australian Emerging Companies Fund, which is known to be an active supporter of high-growth Australian technology companies.

Mr Mark McConnell will also invest \$2 million as part of the total placement. Mr McConnell is an existing shareholder and Non-Executive Director of the Company, an experienced technology investor and Co-Founder/CEO of ASX-listed Citadel Group.

Mr McConnell said, *"I have been an active, global, technology investor for over two decades, and I have identified TrafficGuard as an excellent example of Australian technology leading the world in its chosen segment. TrafficGuard's unique technology combines the intellectual property of its specialist software engineering and data science teams with its proprietary big data set which it has accumulated through almost a decade of adtech industry experience. I am confident that TrafficGuard will continue to scale globally and as a major shareholder, I am pleased to continue to support its global growth strategy"*.

CEO Commentary

The Company's CEO, Mathew Ratty, said, *"digital marketing fraud is a massive global problem, estimated to cost global advertisers US\$42 billion in 2019 and forecast to cost US\$100 billion by 2023."*¹

¹ Source – Juniper Research.

We know that TrafficGuard™ is leading the world globally in preventing digital ad fraud because many global clients selected TrafficGuard™ after conducting an extensive search for the best solution. The ad fraud problem is growing each and every year, so we know there is a large global need for our service by any company that advertises online.

The timing is right for our Company as businesses globally accelerate their transition to online commerce and we have a well validated and highly scalable SaaS solution in TrafficGuard which can ensure that our clients can optimise their return on ad spend and maximise their profitability”.

Placement

The Placement to be undertaken at \$0.075 per Share will take place in three tranches:

- **Tranche 1 (Unconditional)** – a placement of 20,000,000 Shares to raise \$1.5 million under the Company’s Listing Rule 7.1A 10% placement capacity;
- **Tranche 2 (Conditional)** – a placement of 13,333,334 Shares to raise \$1 million to be issued subject to the Company receiving approval at its general meeting, convened for 24 June 2020, to the ratification of previous issues of securities (contained in Resolution 1 in the Notice of Meeting dated 22 May 2020) (**Tranche 2 Placement Shares**).

For the avoidance of doubt, if that Resolution is not passed, enabling the Company to issue the Tranche 2 shares, the Tranche 2 Placement Shares shall not be issued or be issuable; and

- **Tranche 3 (Conditional)** – a placement of 26,666,666 Shares to raise \$2 million to Non-executive Director Mr Mark McConnell (or nominee) to be issued subject to the Company receiving approval at a general meeting, to be convened in early August 2020, for issue of securities to a related party (as defined in the ASX Listing Rules) (**Tranche 3 Placement Shares**).

For the avoidance of doubt, if shareholder approval is not obtained to enable the Company to issue the Tranche 3 shares, the Tranche 3 Placement Shares shall not be issued or be issuable.

No brokerage or fees will be paid in relation to the Placement.

Share Purchase Plan

Under the SPP, existing eligible shareholders who were registered as holders of Shares in the Company at 5.00pm (Perth time) on Monday, 1 June 2020 (**Record Date**) and whose registered address is in Australia or New Zealand (**Eligible Shareholders**), can apply for up to \$30,000 worth of new Shares (with a minimum application of \$2,000) in the Company at the Placement price of \$0.075 per Share. The Company will be relying on ASX’s recently released *Class Waiver Decision – Temporary Extra Placement Capacity* dated 31 March 2020 (as updated) in relation to the pricing of the SPP, and will comply with the conditions of that Class Waiver Decision. No brokerage or commissions are payable by shareholders in respect of the new Shares applied for under the SPP.

The amount of \$2 million has been set for the SPP to provide all Eligible Shareholders with the chance to subscribe for a reasonable parcel of Shares in the SPP.

The Placement and the SPP will together raise up to \$6.5 million which will support the Company's increased marketing initiatives including advertising, media, public relations, additional sales and marketing personnel and for general working capital.

The Board reserves the right, in its absolute discretion, to withdraw, scale-back or accept over subscriptions, subject to compliance with the ASX Listing Rules. Any scale back will be conducted in accordance with the *Class Waiver* and will be applied on a pro rata basis based on the number of securities applied for by each Eligible Shareholder.

Indicative SPP Timetable

Record Date for Share Purchase Plan	5.00pm (WST) on Monday, 1 June 2020
Announce Share Purchase Plan	Tuesday, 2 June 2020
Dispatch Share Purchase Plan booklet to shareholders and release Offer Letter on the ASX	Friday, 5 June 2020
Opening date for Share Purchase Plan	Friday, 5 June 2020
Closing date for Share Purchase Plan	5.00pm (WST) on Friday, 26 June 2020
Announcement of result of Share Purchase Plan	Tuesday, 30 June 2020
Issue of new Shares under the Share Purchase Plan, Lodge Appendix 2A	Tuesday, 30 June 2020
Quotation on ASX of new Shares under the Share Purchase Plan	Wednesday, 1 July 2020

These dates are indicative only. The Company may vary the dates and times of the SPP, except for the Record Date, without notice.

Full details of the SPP and the final timetable will be set out in the SPP offer document which will be despatched to Eligible Shareholders on or around Friday, 5 June 2020.

This announcement has been approved for release by the Board of Adveritas Limited.

END



About Adveritas

Adveritas Ltd (ASX: AV1) 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 along with MUV (a wholly owned subsidiary of WPP). Both super-apps are well funded with valuations reaching \$2 billion and \$10 billion respectively and conducting aggressive user acquisition advertising for fast growth. In all 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 www.adveritas.com.au and www.trafficguard.ai

For more information, please contact:

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