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2025 Annual Results

Transformational Year Produces Record Results and Outlook

Adveritas Limited (**Company** or **Adveritas**) (**ASX: AV1**) is pleased to report its results for the financial year ended 30 June 2025.

Key Highlights

Financial Performance

- **Record cash receipts:** $10.38 million for FY2025, up 101% on FY2024 ($5.17 million) and almost 4x the cash receipts of $2.7 million in FY2023.
- **Significant growth in annualised recurring revenue (ARR):** increase of 72% to $10.47 million at 30 June 2025 from $6.09 million at 30 June 2024.
- **Substantial improvement in operating cashflow:** operating cash outflow down 68% from $9.2 million in FY2024 to $2.9 million in FY2025.
- **Strong cash balance:** $9.5 million at 30 June 2025 following successful $8.5 million institutional placement.
- **Positive outlook:** strong momentum built in FY2025 provides foundation for record outlook.

Strategic Achievements

- **Leading anti-fraud provider in the sports betting and online gaming market:** expanded market share with major client wins including LeoVegas, FanDuel, and Bally's, with combined annual contract values of approximately $1.1 million.
- **Agency momentum:** the signing of the first tier-1 agency contract, which added approximately $500,000 to ARR, together with the renewal of existing agency contracts at higher rates validates agencies as a scalable distribution channel.
- **eCommerce vertical entry:** successfully expanded into the eCommerce sector with first revenues achieved.

- **Meta integration approval:** post year end, approval was received from Meta Platforms Inc. for TrafficGuard to integrate with Meta's social platforms, including Facebook and Instagram, expanding the addressable market opportunity for TrafficGuard.

Outstanding Financial Performance

FY2025 represents a transformational year for Adveritas, with the Company achieving record performance across several key financial metrics including growth in ARR, increased customer receipts, reduction of operating cash outflows and strengthened balance sheet.

Strong ARR growth momentum

The Company achieved record ARR growth in FY2025, reflecting the Company's success in expanding its customer base and increasing contract values.

ARR has increased by 187% over the last 2 financial years from $3.65 million in FY2023 to $10.47 million in FY2025 as shown in chart 1 below.
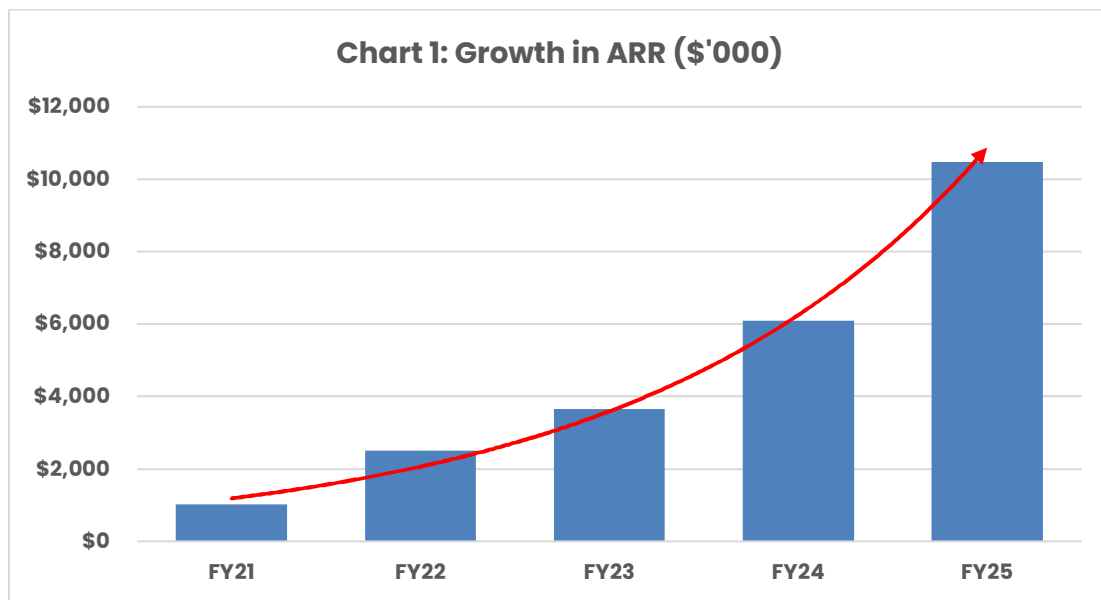
Record Cash Receipts

The significant 101% increase in cash receipts to $10.38 million in FY2025 demonstrates the strength of the Company's recurring revenue model and the successful execution of its growth and pricing strategies.

The Company is focused on maintaining its strong momentum in growing cash receipts as shown in chart 2 below.

Chart 2: Growth in annual customer receipts ($'000)

FY23	FY24	FY25
2,711	5,169	10,375
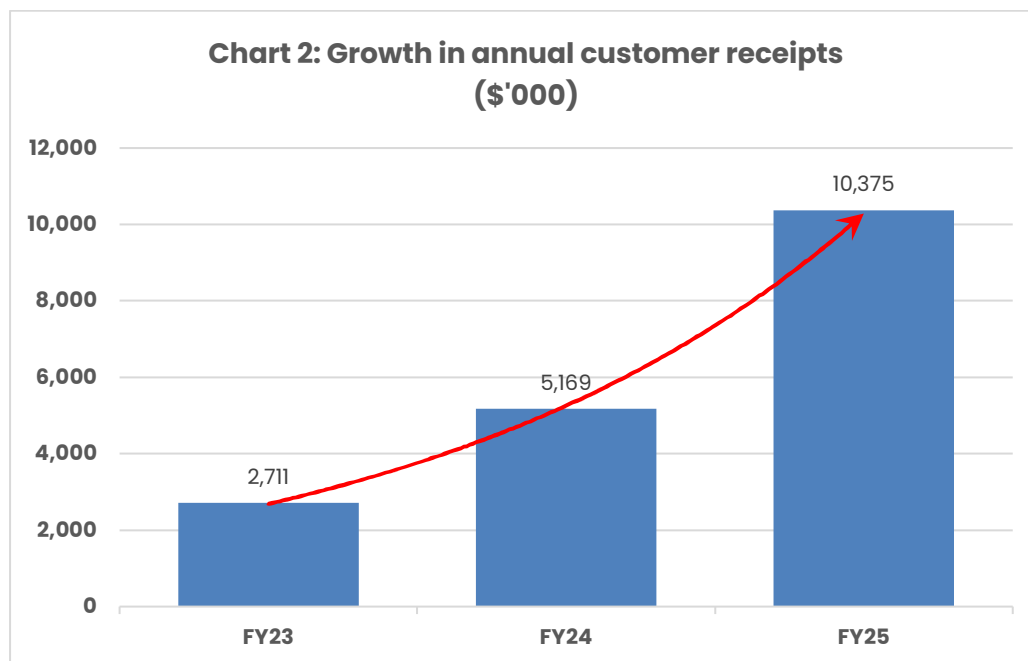
Substantial Improvement in Operating Cashflows

The Company has substantially improved net cash outflow from operating activities, reducing the outflow by 68% from $9.2 million in FY2024 to $2.9 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 momentum.

Strengthened Balance Sheet

In June 2025, the Company completed an institutional placement raising $8.5 million (before costs). The placement shares were issued at price of 10 cents per share, representing a 67% premium to the Company's previous capital raising in May 2024.

The placement was heavily oversubscribed, reflecting strong support from both existing and new institutional investors.

The strengthened cash balance allows the Company to focus on its strategic objectives and will support planned growth activities including the following:

- Expansion into the USA.
- Expansion into new verticals including eCommerce.
- Ongoing product development.
- Additional integrations with affiliate platforms to increase cross selling opportunities with the existing client base.

Significant Strategic Achievements

Market Leadership in Sports Betting and Online Gaming

The sports betting and online gaming verticals continued to generate the largest proportion of ARR growth during FY2025 and TrafficGuard is now recognised as a category leader in Sports Betting Google PPC verification.

A significant untapped market opportunity remains, with TrafficGuard currently servicing approximately 65 of the over 1,000 sports betting companies globally.

Key achievements in the sports betting and online gaming market during FY2025 included:

- **Major client acquisitions:** Secured contracts with influential global operators including LeoVegas, FanDuel, and Bally's**.**
- **Contract renewals at higher rates:** Multiple existing clients renewed with upgraded rates and extended terms.
- **Multi-year contract momentum:** Increasing adoption of multi-year agreements providing enhanced revenue visibility.
- **Group-level opportunities:** Progressing negotiations for holding group contracts across multiple subsidiaries.

Expansion into eCommerce

FY2025 marked successful expansion into the global eCommerce market through strategic agency partnerships. Multiple trials were conducted across the United States and Europe, with first revenues achieved during the year.

The global eCommerce market represents a substantial opportunity, with annual global turnover of $23 trillion forecast to reach $34 trillion by 2029 (source: Juniper research, January 2025).

Agency partnerships

During FY2025, the Company was focused on its strategy of becoming the preferred vendor of anti-fraud services for global tier 1 agencies.

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, and agency clients typically provide high revenue contracts.

Agency partnership benefits include:

- Access to thousands of enterprise clients, including Fortune 500 companies.
- Leverage of extensive agency direct sales teams.
- Accelerated sales cycles.
- Cross-vertical expansion opportunities.

The Company achieved several agency milestones during FY2025, including:

- First tier 1 agency contract signed. This contract added approximately $500,000 to the Company's ARR which, although not individually material, is significant as it confirms the value of TrafficGuard to agencies. Importantly, the contract value has the potential to increase as TrafficGuard is adopted by their substantial client base.
- 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.

Product Innovation and Enhancements

The Company's continuous product innovation and enhancements are focused on increasing the value of TrafficGuard to the Company's customer base and expanding revenue opportunities.

Historically, the Company has focused on Google PPC advertising. However, most of TrafficGuard's clients drive user acquisition through a cross-channel approach, including Google, Meta and affiliate management platforms.

During FY2025, the Company enhanced its TrafficGuard offering with the objective of expanding its cross-channel coverage and increasing revenue generating opportunities.

Meta Integration Approval

TrafficGuard's Meta product is designed to prevent fraud from infiltrating clients' budgets and to resolve critical visibility gaps across digital advertising platforms. During FY2025, TrafficGuard's new Meta product underwent multiple beta trials with select partners and early feedback has been highly encouraging.

A significant milestone was achieved subsequent to year end with Meta Platforms Inc approving the integration of TrafficGuard with Meta's social platforms, including Facebook and Instagram. This development is significant for the following reasons:

- Doubles the addressable opportunity for existing clients, particularly in the sports betting vertical.
- Enables cross-channel protection, which strengthens TrafficGuard's value proposition and
- Provides a pathway to capture a greater share of digital ad spend.

Google PPC Product Enhancements

The Company launched a powerful new "Non-Incremental Returning User" feature that identifies 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.

Outlook

The Company expects a record FY2026 in which it will be focused on:

- United States expansion, which has an estimated $324.9 billion digital advertising market (source: US Digital Ad Spend Growth (2017-2028): Key Drivers, Challenges & Outlook).
- Commercialising its Meta product.
- Continued expansion of global sports betting and online gaming market share, including initial revenue from TrafficGuard's Meta product.
- Generating significant revenue from the eCommerce sector.
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- Expanding product channels and penetrating new growth verticals to scale distribution of the TrafficGuard solutions.
- Entering into additional agency partnership agreements to scale market reach and revenue growth.
- Accelerating the integration of TrafficGuard's unique affiliate solution with several affiliate management platforms, prioritising TrafficGuard's existing customers. This will open material incremental revenue opportunities from both existing clients and the client base of those affiliate platforms.

Commentary from Co-founder and CEO, Mathew Ratty

"FY2025 has been a transformational year for Adveritas, with record results across our key metrics which validates our strategic focus and execution capabilities. The 101% growth in cash receipts, combined with the reduction in cash outflow from operations demonstrates the strength of our recurring revenue model and pathway to sustainable profitability.

"Our success in the sports betting and online gaming verticals, breakthrough with agency partnerships, and expansion into eCommerce provides a solid foundation for continued growth. The Meta integration approval is particularly exciting as it effectively doubles our addressable market opportunity with existing clients. With a record year end cash balance of $9.5 million and ARR of $10.5 million, we are well-positioned to accelerate our expansion into the United States while maintaining our disciplined approach to capital allocation.

TrafficGuard has established itself as the market leader in fraud prevention and with the increase in product capabilities across meta and affiliate, we look forward to capturing the significant global opportunity ahead."

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

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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

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.