

ASX RELEASE

6 July 2020

## Chief Executive Officer's Contract Extended

The Board of Adveritas Limited (**Adveritas** or **Company**) is pleased to announce that it has agreed with its Chief Executive Officer and Managing Director, Mr Mathew Ratty, to extend the term and vary the remuneration of his Executive Services Agreement with the Company (**Service Agreement**).

The term of Mr Ratty's Service Agreement has been extended to 30 June 2023. The Board of Adveritas considers this extension to be of material benefit to the Company as it continues to execute its current strategy.

Adveritas Chairman, Stephen Belben, said "The Board is pleased to have Mat extend his contract. We have reviewed management's strategy and considered our key personnel and we believe that Mat is well placed to lead the Company to achieve its aggressive growth targets. The Board looks forward to further expansion and clients wins (particularly across the United States) to add shareholder value".

In addition to Mr Ratty's Service Agreement being extended, his annual remuneration has been increased to \$290,000 per annum (plus superannuation) with effect from 1 August 2020. This coincides with the date that Non-executive Director fees and executive and staff salaries return to the levels they were in March 2020, prior to the implementation of significant voluntary reductions to mitigate the impact COVID-19 on the Company. All other terms of Mr Ratty's Service Agreement remain the same.

The Board has also agreed, subject to shareholder approval being obtained, to issue 4,500,000 Performance Rights to Mr Ratty with the following performance milestones:

| Tranche | Milestone                                    | Quantum of Performance Rights to vest upon achievement of milestone |
|---------|--|---|
| 1       | 500 clients signed up to Freemium offering   | 1,000,000   |
| 2       | 1,000 clients signed up to Freemium offering | 1,000,000   |
| 3       | 1,250 clients signed up to Freemium offering | 500,000   |
| 4       | 1,500 clients signed up to Freemium offering | 500,000   |
| 5       | 2,000 clients signed up to Freemium offering | 500,000   |
| 6       | 3,000 clients signed up to Freemium offering | 1,000,000   |
|         | <b>Total</b>                                 | <b>4,500,000</b>  |

The Performance Rights will convert into fully paid ordinary shares (**Shares**) on a 1:1 basis upon achievement of the milestones.

#### **Issue of Shares on Achievement of Performance Milestones**

The Board is pleased to advise that the following performance milestones attached to Performance Rights issued in November 2018 have been achieved by management:

- First 10 clients to sign on using TrafficGuard.
- First 3 tier 1 clients considered by the Board consider to be enterprise level have signed on to use TrafficGuard.
- First achievement of revenue producing twelve month contracts to the amount of \$1m.

The achievement of these milestones will result in the issue of 2,250,000 Shares on the vesting of 2,250,000 Performance Rights which are currently on issue. Of this a total of 1,250,000 Shares will be issued to Mr Ratty. The Shares will be issued this week.

#### **Issue of Options to Non-Executive Directors**

The Board advises that the Company has entered into Option Deeds with the Non-Executive Directors pursuant to which the Company has agreed to issue 1,250,000 options to each of the Non-Executive Directors subject to shareholder approval to be sought at the Company's next General Meeting which is expected to be held in August, 2020. The options will have an exercise price of \$0.15 each representing an 89% premium to the last traded price prior to entering into the Option Deeds and an expiry date of 3 July 2023 which is three years from the date of execution of the Option Deeds.

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

ENDS

#### **For more information, please contact:**

##### **Investor Enquiries**

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