

20 October 2020

Operational Update – Q3 2020

Max Bluvband, Founder and CEO comments:

"COVID-19 has created increased demand from SMBs to establish an online presence – AppsVillage is very well placed to benefit from this growing trend."

- Paying subscribers increased by 23% in Q3 2020 vs. Q3 2019
- Annualized Recurring Revenues (ARR) increased by 18% in Q3 2020 vs. Q3 2019
- Spending on customer acquisition decreased by 50% in Q3 2020 vs. Q3 2019
- Successful introduction of cost saving initiatives has led to a 50% decrease in expenditure vs. only a 6% decrease in invoiced income in Q3 2020 v Q3 2019

AppsVillage Australia Ltd (ASX: APV) (AppsVillage or the Company), a SaaS solutions provider for small and medium businesses, today announces an operational update for Q3 2020.

During the June and September quarters this year, a number of initiatives were implemented to significantly reduce operating costs in the business while at the same time providing a platform for sustainable, profitable growth moving forward.

While the global pandemic situation has caused a minimal decline in Company revenues for the last two quarters, the cost saving initiatives drove a 50% reduction in expenses while maintaining growth of 23% in paying subscribers, an increase of Annualized Recurring Revenues (ARR) of 18%, and a 50% reduction of spending on customer acquisition - all vs. Q3 of 2019.

The Company is pleased to report that despite the worldwide economic downturn, invoiced income have declined by only 6% versus the comparative period in 2019 and 3% on the previous quarter.

The Company is continuing to focus on profitable and sustainable growth while at the same time introducing initiatives designed to benefit from the structural shift by SMBs to implement digital strategies in order to establish an online presence to promote their businesses. Management believes that AppsVillage is well positioned for strong growth as it moves through the economic crisis towards 2021.

-Ends-

This announcement has been approved and authorised for release by Max Bluvband, AppsVillage CEO



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About AppsVillage Australia Limited

AppsVillage provides an easy and inexpensive SAAS solution that allows small-to-medium businesses to create and manage their own mobile application as a means of connecting with their customers and growing their business.

AppsVillage's technology has automated the design, development, maintenance and marketing of mobile apps, allowing any business to build, preview and launch their own application without have any code writing or digital marketing knowledge.