

March 2021 Quarterly Update

- Invoiced revenues of \$139,072 delivered in Q1 2021;
- Launched the AdRabbit, an affordable digital advertising and marketing platform
- AppsVillage selected by Facebook as a participant in its program to assist SMBs during COVID-19

AppsVillage Australia Ltd (ASX: APV) (AppsVillage or the Company), a SaaS solutions provider for small and medium businesses, today releases its Appendix 4C for the quarter ended 31 March 2021 and provides a review of its operational highlights.

Operational and financial update

In line with its cost reduction strategy, the Company has continued to deliver decreases in its expenditure, while focusing on profitable growth.

The Company has received conditional approval from the TSX Venture Exchange (TSXV) to proceed with a dual listing.

North America is a key growth market for AppsVillage SMB product offering and through the dual listing on the TSXV, the Company will be in a stronger position to broaden its international profile not only with SMBs, but also with institutional and other investors in that market.

The Company will continue to work with the TSXV authorities to satisfy their listing requirements and at this stage anticipates proceeding with the listing within the 90 day period.

Agreement with TikTok

AppsVillage signed an agreement with TikTok to enable its SMB customers to advertise on the TikTok platform.

Under the terms of the agreement, AppsVillage will expand the use of its advertising campaign management application, JARVIS, for the TikTok platform, which will allow SMBs to create advertising campaigns and reach new audiences. JARVIS will provide an optimized solution for SMBs to quickly and easily create and manage intelligent online advertising and promotion campaigns in a matter of minutes.

Integration of Google Ads

Furthermore, AppsVillage will also integrate its JARVIS platform with Google Ads to optimise advertising space allocation between Facebook, Google and TikTok to achieve greater efficiency and higher returns on social media advertising spend.

Integration with Google Ads is expected to commence in the first quarter of calendar 2021.

Selected by Facebook to build SMBs digital presence

AppsVillage was selected by Facebook as part of an initiative to help SMBs build a digital presence to help meet the challenges presented by the COVID-19 pandemic. The Company was selected alongside Fiverr, Wix, Lightrics, Monday and HoneyBook, for providing SMBs with the various tools necessary to build and develop their digital presence.

AppsVillage has been working with Facebook since September 2019 and this initiative commenced in Israel in Q4 2020.

AdRabbit launches

As an extension of its JARVIS offering, the Company launched its newest online advertising platform, AdRabbit.

AdRabbit is an affordable digital advertising and marketing platform that allows SMBs to design, build and launch advertising campaigns instantly on social media platforms and top tier networks such as Facebook, Google and TikTok, directly from their mobile. AdRabbit acts as a virtual Chief Marketing Officer for those SMBs who cannot afford a human CMO. The platform will leverage JARVIS, to ensure each campaign yields maximum customer reach, call to action and user conversion results.

AdRabbit App will be free to use, however the Company will charge a fee on top of the SMBs advertising expenditure.

-Ends-

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

For further information, please contact:

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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.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

AppsVillage Australia Limited

ABN

50 626 544 796

Quarter ended ("current quarter")

31 March 2021

Consolidated statement of cash flows	Current quarter \$AUS	Year to date (three months) \$AUS
1. Cash flows from operating activities		
1.1 Receipts from customers	139,072	139,072
1.2 Payments for		
(a) research and development	(66,556)	(66,556)
(b) product manufacturing and operating costs		
(c) advertising and marketing	(124,600)	(124,600)
(d) leased assets	(19,798)	(19,798)
(e) staff costs	(446,769)	(446,769)
(f) administration and corporate costs	(278,666)	(278,666)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid	(730)	(730)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (VAT repayments)	18,126	18,126
1.9 Net cash from / (used in) operating activities	(779,921)	(779,921)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment		
(d) investments		
(e) intellectual property		

Consolidated statement of cash flows		Current quarter \$AUS	Year to date (three months) \$AUS
2.2	(f) other non-current assets Proceeds from disposal of: (a) entities (b) businesses (c) property, plant and equipment (d) investments (e) intellectual property (f) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities		

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	698,431	698,431
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(8,625)	(8,625)
3.5	Proceeds from borrowings	100,000	100,000
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	789,806	789,806

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,055,804	1,055,804
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(779,921)	(779,921)
4.3	Net cash from / (used in) investing activities (item 2.6 above)		

Consolidated statement of cash flows		Current quarter \$AUS	Year to date (three months) \$AUS
4.4	Net cash from / (used in) financing activities (item 3.10 above)	789,806	789,806
4.5	Effect of movement in exchange rates on cash held	(6,849)	(6,849)
4.6	Cash and cash equivalents at end of period	1,058,840	1,058,840

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$AUS	Previous quarter \$AUS
5.1	Bank balances	1,058,840	1,055,803
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,058,840	1,055,803

6.	Payments to related parties of the entity and their associates	Current quarter \$AUS
6.1	Aggregate amount of payments to related parties and their associates included in item 1	128,302
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$AUS	Amount drawn at quarter end \$AUS
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities		
7.5	Unused financing facilities available at quarter end		-
7.6	<p>Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</p> <p>Share capital raised from:</p> <ol style="list-style-type: none"> existing shareholders through SPP and personal investments by company's board members 		

8.	Estimated cash available for future operating activities	\$AUS
8.1	Net cash from / (used in) operating activities (item 1.9)	(729,984)
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,058,840
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	1,058,840
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.45
<p><i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i></p>		
8.6	<p>If item 8.5 is less than 2 quarters, please provide answers to the following questions:</p> <p>8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?</p> <p>Answer: The company expects to raise additional funding and continue moving forward both on sales growth and on profitability path</p> <p>8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?</p> <p>Answer: The company is in discussions with several sophisticated investors for raising more funds in the next couple of months.</p>	

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Based on its ability to raise more funds, the entity expects to be able to continue its sales growth and ongoing operations

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

30 April 2021

Date:

Max Bluvband, AppsVillage CEO

Authorised by:
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.