

29 October 2021

## September 2021 Quarterly Update

- Invoiced revenues of A\$95,214 delivered in Q3 2021.
- Has filed a formal listing application with the TSX Venture Exchange (TSXV).

**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 30 September 2021 and provides a review of its operational highlights.

### Summary of expenditure in the quarter

During the third quarter of 2021, the Company has reduced non-essential costs and has incurred expenditure in certain essential areas.

For example, the Company reduced its quarterly expenditure on promotional activities from A\$101k in calendar Q3 2021 compared to A\$620k in Q3, 2020, focusing on customers with a clear return on its investment in anticipation of the full rollout of its disruptive, next generation platform, AdRabbit.

The Company kept its full R&D staff spending A\$410k in Q3, 2021 compared to A\$363k in Q3, 2020; and the investment in the R&D expenditure of A\$136k in Q3, 2021 compared to A\$97k in Q1 acknowledging that development of the Company's intellectual property and technology is the most valued asset of the Company and this expenditure will ensure the Company's leadership as an SMBs' advertising platform.

At the same time the Company slightly increased its administration and corporate costs of A\$442k in Q3, 2021 compared to A\$209k in Q3, 2020. This included one-off non-recurring expenditure of A\$205k incurred during the quarter required to ensure timely listing on the TSXV.

### Operational and financial update

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

At the same time the company managed to receive additional A\$681K (US\$500K) funding in the form of convertible loan from 12.64 Fund.

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.

The payments to related parties of the entity and their associates in section 6 of the Appendix 4C includes payments such as remuneration to executive directors and non-executive directors' fees.

### AdRabbit launches

As an extension of its JARVIS offering, the Company has launched its newest online advertising platform, AdRabbit <https://appv.co/adr>.

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** (In June 2020, the Company announced the launch of **JARVIS**, the backend AI engine for an automated advertising management agent for SMBs that allows them to build and manage online advertising and promotional campaigns within Facebook, Google and TikTok removing the need for more costly human campaign managers), to ensure each campaign yields maximum customer reach, call to action and user conversion results.

The AdRabbit App will be free to use, however the Company will charge a fee associated with the quantum of SMBs advertising expenditure.

### **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 has commenced 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.

**-Ends-**

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

For further information, please contact:

### **Investor Relations / Media Enquiries**

Max Bluvband  
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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")

30 September 2021

Consolidated statement of cash flows	Current quarter \$AUS	Year to date (Nine months) \$AUS
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	95,214	329,497
1.2 Payments for		
(a) research and development	(136,399)	(301,823)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(101,224)	(292,476)
(d) leased assets	(15,998)	(56,834)
(e) staff costs	(409,597)	(1,290,928)
(f) administration and corporate costs	(442,498)	(947,885)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(649)	(2,099)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (VAT refund)	48,788	97,381
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(962,362)</b>	<b>(2,465,166)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(54)	(1,880)
(d) investments	-	-
(e) intellectual property	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$AUS</b>	<b>Year to date (Nine months) \$AUS</b>
	(f) other non-current assets	-	(34,459)
2.2	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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(54)</b>	<b>(36,339)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	739,868
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	-	(39,724)
3.5	Proceeds from borrowings	680,881	1,330,078
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>680,881</b>	<b>2,030,222</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	862,943	1,055,803
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(962,362)	(2,465,166)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(54)	(36,339)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$AUS</b>	<b>Year to date (Nine months) \$AUS</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	680,881	2,030,222
4.5	Effect of movement in exchange rates on cash held	2,731	(380)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>584,139</b>	<b>584,139</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$AUS</b>	<b>Previous quarter \$AUS</b>
5.1	Bank balances	584,139	862,943
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>584,139</b>	<b>862,943</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$AUS</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	211,485
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

*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.*

7.	<b>Financing facilities</b>	<b>Total facility amount at quarter end \$AUS</b>	<b>Amount drawn at quarter end \$AUS</b>
	<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>		
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	-	-
7.5	<b>Unused financing facilities available at quarter end</b>		-
7.6	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.		

8.	<b>Estimated cash available for future operating activities</b>	<b>\$AUS</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(962,362)
8.2	Cash and cash equivalents at quarter end (item 4.6)	584,139
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	<b>Total available funding (item 8.2 + item 8.3)</b>	<b>584,139</b>
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	0.6
	<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>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
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?	
	Answer: The company expects to raise additional funding and continue moving forward both on sales growth and on profitability path	
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?	
	Answer: The company has filed a listing application on TSXV in a plan to raise US\$ 2.5M	
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	
	<i>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.</i>	

## 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.

Date: 29<sup>th</sup> October 2021

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.