



**AdRabbit Limited (formerly, AppsVillage Australia Limited)
provides update on Financing and TSXV Listing**

SYDNEY, AUSTRALIA, February 3, 2022/THENEWSWIRE - AdRabbit Limited (formerly, AppsVillage Australia Limited) (ASX:RAB) (the "**Company**") is pleased to provide the following corporate updates, including regarding its previously announced convertible loan financings and upcoming listing of its Ordinary Shares on the TSX Venture Exchange.

Name Change

As announced on January 31, 2022, the Company completed its name change from "AppsVillage Australia Limited" to "AdRabbit Limited" and changed its ticker code on the Australian Securities Exchange ("**ASX**") to RAB, effective February 1, 2022.

TSXV Listing

The Company has satisfied the material conditions of its previously announced conditional approval from the TSX Venture Exchange (the "**TSXV**") to cross-list the ordinary shares of the Company ("**Ordinary Shares**") on the TSXV. The Company's Ordinary Shares are scheduled to commence trading on the TSXV under the ticker symbol RAB on or about February 7, 2022. The Ordinary Shares will continue to trade on the ASX under the ticker RAB. The Company has appointed Odyssey Trust Company at its office in Vancouver, British Columbia as its co-transfer agent for the Ordinary Shares of the Company in Canada.

Completion of Convertible Loan Financings and Conversion into Ordinary Shares and Warrants

The Company completed its previously announced unsecured convertible loan financing (collectively, the "**Series B Convertible Loan**") for an aggregate principal amount of US\$2,250,000 (approximately C\$2,850,000) pursuant to convertible loan agreements entered into between the Company and lenders. Max Bluvband, the CEO and a director of the Company, purchased US\$100,000 principal amount under the aggregate Series B Convertible Loan. The principal amount raised under the Series B Convertible Loan was subject to escrow, pending the satisfaction of the escrow release conditions, including shareholder and other approvals described in the Company's Listing Application (defined below).

Effective today, the escrow release conditions have been satisfied, and the aggregate proceeds subject to escrow, less applicable transaction fees, have been released to the Company. The satisfaction of the escrow release conditions has also triggered the automatic conversion of US\$2,082,000 principal amount (and certain accrued interest on such amount) under the Series B Convertible Loan, as described below. US\$168,000 principal amount (and accrued interest on such amount) remains outstanding and subject to conversion at a later date, as described below.



In addition to the Series B Convertible Loan, the Company had previously completed an aggregate of US\$1,000,000 of unsecured convertible loan financing with 12.64 Fund, Limited Partnership (the "**Series A Convertible Loan**") pursuant to a convertible loan agreement announced on May 12, 2021 (as amended and announced on November 5, 2021, the "**Series A Convertible Loan Agreement**"). The satisfaction of the escrow release conditions in respect of the Series B Convertible Loan has triggered the automatic conversion of the principal amount (and accrued interest) under the Series A Convertible Loan under the terms of the Series A Convertible Loan Agreement. The Series A Convertible Loan Agreement contained an adjustment provision that adjusted the conversion price of the Series A Convertible Loan to match the conversion price of the Series B Convertible Loan. As such, the Series A Convertible Loan and Series B Convertible Loan (referred to collectively as the "**CLA Financings**") have converted at the same conversion price and into the same type of securities, as described below.

Effective today, in connection with the satisfaction of the escrow release conditions noted above, an aggregate principal amount of US\$3,082,000 (approximately C\$3,895,648), plus accrued and unpaid interest of US\$13,835 (approximately C\$17,487), under the CLA Financings has been converted into units (each, a "**Unit**") of the Company at the conversion price of C\$0.05 per unit (the "**Conversion Price**") pursuant to the terms of the respective agreements providing for the CLA Financings. Each such Unit is comprised of one Ordinary Share and one warrant of the Company (each, a "**CLA Warrant**"). As such, an aggregate of 78,262,709 Ordinary Shares and 78,262,709 CLA Warrants were issued pursuant to the conversion on the date hereof. Each CLA Warrant is exercisable into one Ordinary Share at an exercise price of C\$0.05 per Ordinary Share until 5 years from the date hereof.

Pursuant to the agreements with certain Series B Convertible Loan lenders, the Company must use reasonable endeavours to lodge an ASX cleansing notice or other disclosure document in Australia as soon as practicable after any required issue date of Ordinary Shares pursuant to the conversion of outstanding Series B Convertible Loan or exercise of CLA Warrants (as the case may be, the "**Subject Shares**") as required such that the Subject Shares can be issued as freely tradeable under Australian laws ("**Cleansed**"). In the event that any such Subject Shares cannot be issued as Cleansed within 10 days of the required issuance (the "**Deadline**"), the Company cannot issue such Subject Shares until they can be issued as Cleansed; and during the period from the Deadline until they are issued as Cleansed, the Company will pay the relevant lender a bonus amount equal to 10% of the aggregate exercise price payable for the Subject Shares for each month during such period until they are issued as Cleansed. Any such bonus amount payable by the Company may be paid in cash or, with the relevant lender's approval, in Ordinary Shares at a price per share that is equal to a 30 day VWAP of the Ordinary Shares on the stock exchange on which the majority of trading occurs, subject to compliance with applicable laws, including the approval of the applicable stock exchange.



Unconverted Amounts under the Convertible Loan Financings

After the foregoing conversion, an aggregate principal amount of US\$168,000 (plus accrued interest) remains outstanding under the Series B Convertible Loan applicable to two lenders. Such balance has not been converted due to certain shareholding limitation requests by the relevant lenders. Such balance continues to bear interest at 2% per annum and, unless earlier converted or accelerated due to default, matures on December 20, 2022, provided that the relevant lender may extend the maturity date by up to an additional six (6) months in the lender's discretion. The principal amount may not be prepaid by the Company prior to conversion or maturity.

Pursuant to the terms of the relevant Series B Convertible Loan, the balance of such principal amount (plus accrued and unpaid interest) can be converted into Units at the Conversion Price in certain events, including (i) at the lender's option, or (ii) at the Company's option at such time or times as the issuance of such additional Units to such lender, when aggregated with the lender's existing Ordinary Shareholdings prior to such issuance, would not result in the lender holding Ordinary Shares that is greater than 4.99% of the issued and outstanding Ordinary Shares of the Company on a non-diluted basis. Since the loan amounts are denominated in USD, for the purposes of determining the number of Units to be issued at the C\$0.05 Conversion Price at a future conversion date, the parties will use the Canadian dollar equivalent of USD amounts at the prevailing exchange rate on the date that is three business days prior to the relevant conversion date. The issuance of additional securities pursuant to the conversion of the outstanding amounts is subject to the Cleansing requirement noted above and may be subject to receipt by the Company of further shareholder approval in accordance with the ASX Listing Rules.

Shareholders Meeting Held on January 24, 2022

On January 24, 2022, the Company held its Extraordinary Shareholder Meeting (the "**Meeting**") and received approval for all matters. Please refer to the Notice of Meeting dated December 23, 2021 (the "**Notice of Meeting**") and Polling Results available on the Company's website.

At the Meeting, the Company's shareholders approved, among other things, the name change to AdRabbit Limited and the amendment to the Company's Constitution to, among other things, remove the staggered re-election of directors and certain other matters in anticipation of the TSXV listing.

At the Meeting, the Company's shareholders also approved the election of Noah Herscovici and Konstantin Lichtenwald as directors to the board. The current directors and officers of the Company are: Max Bluvband (CEO and Executive Director), Gidi Krupnik (Chief Financial Officer); Shahar Hajdu (Chief Technology Officer and Executive Director); Andrew Whitten (Non-Executive Director); David Hwang (Corporate Secretary); Noah Herscovici (Non-Executive Director); and Konstantin Lichtenwald (Non-Executive Director).



The Company's Amended Performance Rights and Option Plan (the "**Option Plan**"), as approved at the Meeting, is now adopted, which reserves a maximum of 37,160,291 options for grant, being 20% of the Ordinary Shares issued and outstanding on the date hereof. The details of the amended Option Plan can be found in the Notice of Meeting. On February 3, 2022, the Company granted an aggregate of 19,828,155 options to directors of the Company. Each such Option will be exercisable into one Ordinary Share at A\$0.06 per share until 5 years from the date of vesting. Subject to the Option Plan, the Options will vest monthly on a pro rata basis over a three-year period.

Listing Application Disclosure Update

In connection with the Company's application to list its ordinary shares on the TSXV, the Company filed a Listing Application dated November 15, 2021 (the "**Listing Application**") with the TSXV, which is available on the Company's SEDAR profile at www.sedar.com. The Company has also issued certain news releases regarding the anticipated securities issuances in connection with the CLA Financings and related matters. The following disclosure is provided to update or correct such prior disclosure.

The Listing Application contemplated that the proposed US\$2,250,000 unsecured convertible loan financing (referred to in this news release and in the Listing Application as the Series B Convertible Loan) - which at the date of the Listing Application had not been finalized - would carry a conversion price per unit of C\$0.06 resulting in the issuance of 47,169,811 Ordinary Shares and 47,169,811 Ordinary Share purchase warrants (with each such warrant carrying an exercise price of C\$0.09 for an exercise term of 24 months). Instead, among other things, the final terms of the Series B Convertible Loan provided for a Conversion Price of C\$0.05 and a CLA Warrant exercise price of C\$0.05, together with such other material terms as described elsewhere in this news release. As such, the anticipated number of securities expected to be issued on conversion of the Series B Convertible Loan set out in the Listing Application was incorrect. Since the Series B Convertible Loan carried an adjustment provision to match the conversion terms of the Series A Convertible Loan, the disclosure in the Listing Application regarding the expected conversion price and underlying warrant terms for the Series A Convertible Loan were also incorrect, along with the anticipated number of securities to be issued in connection with such conversion.

In connection with the CLA Financings and the listing on the TSXV, A-Labs Finance and Advisory Ltd. (the "**Advisor**") provided consulting services and received or is entitled to receive, among other things, a cash fee equal to US\$150,000 and 3,792,000 warrants ("**Advisor Warrants**") as compensation for such services. The Listing Application and the news release of the Company dated November 5, 2021 anticipated the incorrect number of Advisor Warrants pursuant to the Advisor's services agreement to be issued in connection with the completion of the CLA Financings and related matters. In connection with the services and in accordance with the Advisor's services agreement, the Advisor has been issued an aggregate of 3,792,000 Advisor Warrants, of which 2,097,902 Advisor Warrants have been issued pursuant to shareholder approval obtained at the Meeting, and 1,694,098 Advisor Warrants have been issued using the Company's capacity under ASX Listing Rule 7.1.



The Listing Application, and the proposed amended Option Plan attached to the Listing Application, had anticipated a maximum of 35,134,584 options to be available for grant under the amended Option Plan, based on the then expected 20% of issued and outstanding Ordinary Shares at completion of the TSXV Listing. The amended Option Plan, as approved at the Meeting, is now adopted and reserves a maximum of 37,160,291 options for grant, as noted above.

Following the conversion of amounts under the CLA Financings and other transactions described in this news release as of the date hereof, the below table sets out disclosure of the fully-diluted share capital of the Company as of the date hereof, which updates the disclosure in the Listing Application and prior news releases regarding the expected fully-diluted capitalization of the Company upon the completion of the TSXV Listing (contained under the heading "Disclosure of Outstanding Security Data on a Fully Diluted Basis" in the Listing Application and similar disclosure contained elsewhere in the Listing Application).

Designation of Security	Number of Securities Outstanding on the date hereof	Percentage (%) of Securities on fully-diluted basis
Ordinary Shares	185,801,457	56.69%
Options under Option Plan ⁽¹⁾	37,160,291	11.34%
IPO Options ⁽²⁾	5,000,000	1.53%
Investor Options ⁽³⁾	2,727,274	0.83%
Prior Advisor Options ⁽⁴⁾	4,500,000	1.37%
IPO Warrants ⁽⁵⁾	2,000,000	0.61%
CLA Warrants ⁽⁶⁾	78,262,709	23.88%
Ordinary Shares underlying unconverted Series B Convertible Loan ⁽⁷⁾	4,247,040	1.30%
CLA Warrants underlying unconverted Series B Convertible Loan ⁽⁷⁾	4,247,040	1.30%
Advisor Warrants ⁽⁸⁾	3,792,000	1.16%

Notes:

- (1) See Listing Application for exercise terms relating to prior Option grants under the Option Plan. The aggregate Options in this table include the new Option grants of 19,828,155 set out in this news release.
- (2) The IPO Options are exercisable into one Ordinary Share at A\$0.30 per share until August 27, 2022.
- (3) Each Investor Option is exercisable into one Ordinary Share at A\$0.135 per share until February 25, 2024.
- (4) Each Prior Advisor Option is exercisable into one Ordinary Share at A\$0.42 per share until June 26, 2023.
- (5) Each IPO Warrant is exercisable into one Ordinary Share at A\$0.30 per share until February 27, 2022.
- (6) Each CLA Warrant entitles the holder to acquire one Ordinary Share at an exercise price of C\$0.05 per share until February 3, 2027.
- (7) Assuming the entire principal balance of US\$168,000 (using, for illustration purposes, an exchange rate of US\$1.00:CDN\$1.264) is converted at the Conversion Price, but without taking into account the possible conversion of any accrued interest, which may be paid in securities or cash at the option of the Company.
- (8) 2,097,902 Advisor Warrants have been issued pursuant to shareholder approval obtained at the Meeting, and 1,694,098 Advisor Warrants have been issued using the Company's capacity under ASX Listing Rule 7.1. Each Advisor Warrant is exercisable into one Ordinary Share at US\$0.01 per share until the date that is 24 months from the date of issue. See "Listing Application Disclosure Update".



Additional Information for Shareholders:

Further details are set out in the Company's Listing Application dated November 15, 2021, which is available under the Company's SEDAR profile at www.sedar.com.

Canadian dollar equivalent amounts set out in this news release are based on an US\$1.00:CDN\$1.264 exchange rate, as agreed between the Company and the relevant lenders relating to the conversion of the CLA Financing amounts.

-Ends-

This announcement has been approved and authorised for release by Max Bluvband, AdRabbit's CEO.

For further information, please contact:

David Hwang
Company Secretary
Ph: +61 433 292 290

Max Bluvband
E: max@appv.io

About AdRabbit Limited (formerly, AppsVillage Australia Limited)

AdRabbit develops an AI-based advertising and marketing platform for small and medium companies that enables them to run automated large-scale advertising and marketing campaigns both online and on social media, including top-tier networks such as Facebook, Google, and TikTok.

The AdRabbit platform provides the complete advertising cycle, from ad design and creation, budget and channel recommendations, analytics, and campaign management, to the lead funnel.

The AdRabbit platform integrates directly with e-commerce sites such as Shopify and WooCommerce and is accessible as a mobile application on iOS and Android.

TSX Venture Exchange

Neither the Exchange nor its Regulation Services Provider (as such term is defined in the policies of the Exchange) accepts responsibility for the adequacy or accuracy of this news release.



Caution Regarding Forward Looking Statements

The information in this news release includes certain information and statements about management's view of future events, expectations, plans and prospects that constitute forward looking statements. These statements are based upon assumptions that are subject to significant risks and uncertainties, including those "Risk Factors" contained in the Listing Application of the Company dated November 15, 2021 and available at www.sedar.com. Forward looking statements in this news release include, but are not limited to, the receipt of final approval from the TSXV and completion of the TSXV listing and the expected trading date of the Company's Ordinary Shares on the TSXV and expected post-listing matters, including future conversion of the outstanding balances under the Series B Convertible Loan and anticipated benefits of the transactions noted in this news release, and receipt of further shareholder approval for the Cleansing requirement in accordance with ASX Listing Rules. Because of these risks and uncertainties, the actual results, expectations, achievements or performance may differ materially from those anticipated and indicated by these forward-looking statements. Although the Company believes that the expectations reflected in forward looking statements are reasonable, it can give no assurances that the expectations of any forward-looking statement will prove to be correct. Except as required by law, the Company disclaims any intention and assumes no obligation to update or revise any forward-looking statements to reflect actual results, whether as a result of new information, future events, changes in assumptions, changes in factors affecting such forward looking statements or otherwise.