



23 March 2022

Removal from Official List of ASX

AdRabbit Limited (ASX:RAB) (TSXV:RABI) (**AdRabbit** or **Company**) has today submitted a formal application for the removal of its fully paid ordinary shares (**Shares**) from the Official List of Australian Securities Exchange (**ASX**), under ASX Listing Rule 17.11 (**De-Listing**).

The Company has sought and received in-principle advice from ASX that it will agree to the request for removal upon the satisfaction of certain conditions. The Company intends to satisfy ASX's conditions.

ASX has provided the Company with in-principle advice regarding an application for the removal of the Company from the Official List, which advised that, based solely on the information provided, on receipt of an application for the removal of AdRabbit Limited from the Official List of ASX pursuant to Listing Rule 17.11, ASX would be likely to remove the Company from the Official List of ASX, on a date to be decided by ASX, subject to compliance with the following conditions:

- (a) the request for removal of the Company from the Official List of ASX is approved by a special resolution of shareholders of the Company;
- (b) the notice of meeting seeking shareholder approval for the Company's removal from the Official List of ASX must include:
 - (i) a timetable of key dates, including the time and date at which the Company will be removed from ASX if that approval is given;
 - (ii) details that if holders wish to sell their securities on ASX, they will need to do so before the Company is removed from the Official List and, if they don't, thereafter they will only be able to sell their securities on market on the exchange where the Company is to be listed;
 - (iii) details of the processes that will exist after the Company is removed from the Official List to allow security holders to dispose of their holdings and how they can access those processes; and
 - (iv) the information prescribed in section 2.11 of ASX Guidance Note 33, to ASX's satisfaction,
- (c) the removal of the Company from the Official List must not take place any earlier than one month after security holder approval has been obtained so that security holders have at least that period to sell their securities on ASX should they wish to do so;
- (d) the Company's securities are suspended from quotation at least two (2) Business Days before its proposed delisting date; and
- (e) the Company releases the full terms of the ASX decision to the market upon making a formal application to ASX for its removal from the Official List of ASX, (the **ASX Confirmation**).

In accordance with paragraph (a) of the ASX Confirmation, the Company will hold an Extraordinary General Meeting on 2 May 2022 (**EGM**) to seek Shareholder



approval, as a Special Resolution, to remove the Company from the Official List of ASX.

In accordance with paragraph (b) of the ASX Confirmation, the statements required to be made in the Notice of Meeting will be set out in the Explanatory Statement.

In accordance with condition (e) of the ASX Confirmation, the Company has released the full terms of the ASX Confirmation at (a)-(e) above.

The Board considers that it is in the best interests of the Company and its Shareholders for the Company to be removed from the Official List of ASX for the reasons set out herein.

Removal of the Company from the Official List of ASX may be perceived to have some advantages for Shareholders. Potential disadvantages are set out below.

Shareholders who are uncertain as to what action to take should seek guidance from their professional advisers. In particular, Shareholders should seek appropriate legal, financial and tax advice about the potential impacts of holding shares in a company that is not listed on ASX.

Summary of key reasons for seeking removal from ASX and related advantages

The Board's key reasons for seeking removal are as follows:

1.1 Limited Operations in Australia

The Company's corporate headquarters and principal executive, research and development, marketing, design, business development, finance, IT, and customer support activities are located in Israel under the Company's operating subsidiary, AppsVillage Israel.

In addition, many of the Company's key employees and directors and officers are residents of Israel.

1.2 Listing Costs

There are significant costs involved in maintaining a dual-listing, including the additional burden of regulatory compliance across more than one jurisdiction. The Board is of the view that these costs are better invested back into the business.

The Board considers that the financial, administrative, and compliance costs of maintaining a dual-listing on TSXV and ASX are no longer justified or in the best interests of shareholders given that a number of key benefits associated with being a listed company and quotation of its securities on a public market are received by the Company on the TSXV listing alone. Furthermore, the savings arising from delisting could be better directed elsewhere for the benefit of Shareholders.

The Company estimates that its direct costs in remaining listed on ASX, including payment of ASX's prescribed annual listing fee, registry fees and costs of compliance with other formal requirements, is approximately US\$200,000 per annum. This does not include the indirect costs incurred by the Company in maintaining its ASX listing, including the need to devote significant management time to listing-related compliance and administrative matters and the retention from time to time of external legal counsel in relation to such matters.

1.3 Primary Listing on TSXV



Following the successful completion of the unsecured convertible loan financing as announced by the Company on 3 February 2022, which was a condition to listing on the TSXV, the Directors now consider that it is in the best interests of the Company and Shareholders that TSXV be its primary listing and therefore trading on the ASX is no longer required.

As at the date of this announcement, the Company confirms that 56,089,385 fully paid ordinary shares have been moved by shareholders to the co-transfer agent, Odyssey Trust Company, allowing them to trade on the TSXV. This represents approximately 30% of all voting shares currently on issue. The Company anticipates that these numbers will continue to increase up to and following the date of the Extraordinary General Meeting on 2 May 2022.

1.4 Lack of Australian Investor Interest

Interest from Australian institutional and retail investors has over time reduced and maintaining interest from these investors has proved difficult. However, the recent unsecured convertible loan financing undertaken by the Company was completed on the basis that the investors recognised the benefits of listing on the TSXV for an "AdTech" business like AdRabbit.

In addition, the Company has not had local advisers or brokers engaged for over 12 months and instead is working with advisers in Canada and Israel.

1.5 Valuation

The Company operates in the "AdTech" sector which is valued at higher multiples on the TSXV as opposed to the ASX. A higher valuation will benefit both the Company and Shareholders.

Potential disadvantages of seeking removal from the official list of ASX

The Board recognises the following potential disadvantages of removal from the Official List:

2.1 Shareholders will no longer have the ability to sell their Shares and realise their investment in the Company via ASX trading

After the Company is removed from the Official List of ASX, as the Shares will no longer be traded on ASX, Shareholders will only be capable of sale by an on-market transaction on TSXV.

After the Company's delisting on 2 June 2022, Australian-based Shareholders who wish to sell their Shares will need to make arrangements with a broker that is registered with the TSXV. TSXV publishes a directory of TSX Venture Exchange Members, who can assist security holders in the disposal of their securities. This directory can be found on its website: <https://www.tsx.com/trading/accessing-our-markets/member-firm-directory?l=A>.

2.2 Various requirements of the ASX Listing Rules will no longer apply

The reduction of obligations associated with a listing on ASX may include relief from some reporting and disclosure requirements, removal of certain restrictions on the issue of Shares and certain restrictions on transactions with related parties (although these will still be governed by the Corporations Act), requirements concerning significant changes to the Company's activities and relief from requirements to



address ASX Corporate Governance Principles and Recommendations. However, the Company will be required to comply with the listing requirements of TSXV and applicable securities law requirements of a reporting issuer in the applicable provinces of Canada.

The absence of continued restrictions in these areas may be perceived to be a disadvantage by some Shareholders, particularly minority Shareholders. However, the Company will be an 'unlisted disclosing entity' if it has more than 100 Shareholders, meaning that it will continue to have continuous disclosure obligations under the Corporations Act.

The Directors believe the removal from the Official List of ASX of the Company will not result in any substantial diminution of the protection for minority shareholders afforded by the Corporations Act, TSXV policies, and securities law applicable to a reporting issuer in the applicable provinces of Canada. Shareholders will still have the broad protections of the Corporations Act in relation to related party transactions, takeovers restrictions, financial reporting obligations and holding annual general meetings and an ability to bring an action under Chapter 2F.1. The Directors will still be subject to directors' duties under the Corporations Act, including to act in good faith in the best interests of the Company and for a proper purpose.

Consequences of removal from the official list of ASX

If Shareholder approval is received at the EGM, the Company will be able to proceed with the delisting and will be removed from the Official List on a date to be decided by the ASX (**Delisting Date**). The consequences of the delisting are set out below.

The proposed timetable for the removal of the Company from the Official List (and assuming the special resolution is passed by Shareholders at the EGM) is:

Event	Date*
Notice of Meeting released	28 March 2022
Extraordinary General Meeting	2 May 2022
Suspension Date	31 May 2022
Delisting Date	2 June 2022

*Dates and times are indicative only and subject to change by the Company or ASX.

The Delisting Date of 2 June 2022 is not earlier than one month after the date Shareholder approval would be given.

Shares may continue to be traded on ASX up until the Suspension Date, after which trading will be suspended until the Delisting Date. This will give Shareholders who wish to sell their Shares more than 2 months to seek to trade their Shares on ASX to exit the Company prior to the Delisting Date, if they do not wish to remain Shareholders.

Upon the delisting taking effect, Shares in the Company will no longer be quoted or traded on ASX and Shareholders will only be able to sell their Shares via on-market sales on TSXV or off-market private transactions (subject to compliance with the Corporations Act).

If the Company is removed from the Official List, and while the Company continues to have in excess of 100 Shareholders, the Company will remain subject to the continuous disclosure regime under section 675 of the Corporations Act. The Company will post the required information on the Company's profile on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com as required by applicable securities laws in Canada and the policies of the TSXV or on the Company's website: <https://ad-rabbit.com/>.

While the Company continues to have in excess of 100 Shareholders, the Company will also continue to be subject to obligations to prepare audited annual and half-yearly financial statements under Part 2M.3 of the Corporations Act (in addition to the requirements under applicable Canadian securities laws, such as the requirement to file quarterly interim financial statements and annual audited financial statements) and will be required to hold an annual general meeting of shareholders at least once each calendar year and within five months after the end of its financial year in accordance with section 250N of the Corporations Act.

Moreover, Shareholders will continue to receive the benefit of the protections under:

- (a) Chapter 6 of the Corporations Act (for so long as the Company has 50 Shareholders or more); and
- (b) the related party provisions in Chapter 2E of the Corporations Act with respect to any financial benefits provided to any related parties by the Company.

An additional consequence of the delisting is that, in Canada, the Company will no longer qualify as a foreign designated issuer, which means that it will be required to comply with all applicable Canadian continuous disclosure requirements applicable to a reporting issuer in the applicable provinces of Canada.

Shareholder remedies available

The Corporations Act provides for protections and remedies that shareholders may pursue in the event that the De-Listing occurs and they consider it to have been contrary to the interests of the shareholders as a whole or oppressive, unfairly prejudicial or discriminatory to a member or members. Further, the Takeovers Panel may prevent the removal if it considers it to involve "unacceptable circumstances". These remedies are described in more detail below:

Part 2F.1 Members' rights and remedies

Sections 232 to 235 of the Corporations Act provide that a court may make a number of orders that can affect the conduct of the Company upon application from a shareholder or previous shareholder. The application must allege that the conduct of the Company is contrary to the interests of the shareholders as a whole or oppressive, unfairly prejudicial or discriminatory to a member or members. Should the court determine that the conduct is oppressive, it may make any order it considers appropriate to remedy or eliminate the oppression.

Relief under these sections is not available merely because the shareholder disagrees with the decision of the Company or is dissatisfied with their own position. Oppression in this circumstance has been previously considered by courts to connote a lack of probity and fair dealing, something that is burdensome, harsh or wrongful, or is inequitable or unjust, or exhibits commercial unfairness.



Part 6.10 Division 2 Subdivision B – Unacceptable circumstances

Section 657A of the Corporations Act gives the Takeovers Panel the power to declare circumstances in relation to the affairs of a company to be unacceptable. Shareholders may make an application to the Panel for a declaration of unacceptable circumstances under section 657C(2)(d) of the Act.

Where circumstances are declared unacceptable, the Panel has broad powers to make orders to correct the unacceptable circumstances as quickly and as cost effectively as possible.

A recent Takeovers Panel decision has indicated that the Panel is willing to consider whether a delisting gives rise to unacceptable circumstances where the process of delisting has or is likely to have an effect on the control or the acquisition of a substantial interest in a listed company, and appears inconsistent with the purposes set out in section 602 of the Corporations Act.

Those purposes are to ensure that conduct with respect to the Company occurs in an efficient, competitive and informed market.

What happens Shareholder approval is not received

If Shareholder approval is not received, unless a subsequent proposed delisting is approved by Shareholders or ASX determines that the Company's securities should no longer be listed, the Shares would remain dual-listed on ASX and TSXV.

-Ends-

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

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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 shareholder approval for the proposed delisting, the Company satisfying all of the ASX's conditions and receipt of final approval from the ASX for the delisting, completion of the delisting, the indicative timetable and timing of the delisting steps, and the proposed benefits and anticipated consequences of delisting. . 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.