16 December 2019

Dear Sir/Madam

NOTICE UNDER SECTION 708A(5)(e) OF THE CORPORATIONS ACT 2001 (CTH)

AppsVillage Australia Limited (ASX:ASX) (the **Company**) refers to its announcement dated 10 December 2019 in relation to the Company completing a placement raising of approximately $2.5 million at $0.25 per share led by Merchant Corporate Advisory.

NOTIFICATION PURSUANT TO PARAGRAPH 708A(5)(e) OF THE CORPORATIONS ACT 2001

This notice is given by AppsVillage Australia Limited (ACN 626 544 796) ("**APV**" or "**Company**") (ASX:APV) pursuant to section 708A(5)e of the Corporations Action 2001 (Cth) (**Corporations Act**).

On 16 December 2019, the Company issued 9,998,968 ordinary shares to sophisticated investors under the placement announced to the market on 10 December 2019.

The Company hereby gives notice that:

(a)   The Shares are part of the class of ordinary shares quoted on the ASX;

(b)   The Company issued the Securities without disclosure to investors under Part 6D.2 of the Corporations Act, in reliance on section 708 and that notification is being given under Section 708A(5)(e) of the Act;

(c)   As at the date of this notice, the Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company, and section 674 of the Act; and

(d)   As at the date of this notice, there is no information:

   (i)   that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and

   (ii)   That investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:

      A.   the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or

      B.   the rights and liabilities attaching to the Shares.

An Appendix 3B reflecting the revised capital structure following the issue of the shares under the placement has been lodged in conjunction with this announcement.

Yours faithfully
Jonathan Hart
AppsVillage Australia Limited

--Ends—

For further information, please contact:

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About AppsVillage Australia Limited
AppsVillage provides an easy and inexpensive SaaS Fintech 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 having any code writing or digital marketing knowledge.

Appendix 3B

New issue announcement,
application for quotation of additional securities
and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

APPSVILLAGE AUSTRALIA LIMITED

ACN

626 544 796

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1   +Class of +securities issued or to be issued

> Fully paid ordinary shares (**Shares**).

2   Number of +securities issued or to be issued (if known) or maximum number which may be issued

> 9,998,968 Shares.

+ See chapter 19 for defined terms.

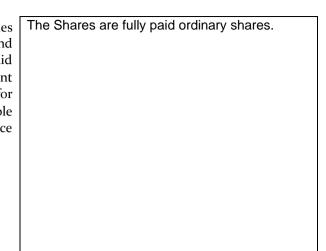| 3	Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	The Shares are fully paid ordinary shares.
4	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	The Shares will rank equally in all respects with the existing fully paid ordinary shares in the Company from their date of issue.
5	Issue price or consideration	$0.25 per Share.
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	As announced by the Company on 10 December 2019, the proceeds from the issue of the Shares will be used to continue its operational expansion into the US by establishing an office and initiating an aggressive customer acquisition strategy to increase its footprint and deliver material customer and revenue growth in H1 2020.

6a	Is the entity an ⁺eligible entity that has obtained security holder approval under rule 7.1A?	No.
	If Yes, complete sections 6b – 6h *in relation to the ⁺securities the subject of this Appendix 3B*, and comply with section 6i	

6b	The date the security holder resolution under rule 7.1A was passed	N/A

6c	Number of ⁺securities issued without security holder approval under rule 7.1	9,998,968 Shares

6d	Number of ⁺securities issued with security holder approval under rule 7.1A	N/A

6e	Number of ⁺securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A

6f	Number of securities issued under an exception in rule 7.2	N/A

6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	N/A

6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A

+ See chapter 19 for defined terms.

6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	See Annexure 1
7	Dates of entering ⁺securities into uncertificated holdings or despatch of certificates	16 December 2019

		Number	⁺Class
8	Number and ⁺class of all ⁺securities quoted on ASX (*including* the securities in section 2 if applicable)	49,998,344	Fully Paid Ordinary Shares
		5,367,521	Fully Paid Ordinary Shares – Voluntary Escrowed to 14 August 2020
		706,169	Fully Paid Ordinary Shares – Voluntary Escrowed to 14 September 2020

Number	⁺Class
5,309,176	Fully Paid Ordinary Shares – ASX restricted 12 months from date of issue
15,277,548	Fully Paid Ordinary Shares –ASX restricted 24 months from date of quotation.
2,639,248	Unlisted Options – ASX restricted 24 months from date of issue (Exercise Price of NIS0.01 expiring five years from quotation)
5,750,000	Unlisted Options – ASX restricted 24 months from date of quotation (Exercise Price of $0.30 expiring three years from date of issue)
26,250,000	Performance Options – restricted 24 months from quotation
2,000,000	Warrants – restricted 24 months from quotation (exercise price of $0.30 expiring 30 months from date of issue)
410,066	Unlisted Options – restricted 12 months from date of issue (exercise price of NIS0.01 expiring five years from quotation)

9   Number and ⁺class of all ⁺securities not quoted on ASX (*including* the securities in section 2 if applicable)

10   Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

N/A

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the +securities will be offered	N/A
14	+Class of +securities to which the offer relates	N/A
15	+Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A

24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/A
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do +security holders sell their entitlements *in full* through a broker?	N/A
31	How do +security holders sell *part* of their entitlements through a broker and accept for the balance?	N/A
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	+Despatch date	N/A

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34   Type of securities
(*tick one*)

(a)   ☒   Securities described in Part 1

(b)   ☐   All other securities

> Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders

36 ☐ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 ☐ A copy of any trust deed for the additional ⁺securities

Entities that have ticked box 34(b)

38	Number of securities for which ⁺quotation is sought	N/A
39	Class of ⁺securities for which quotation is sought	N/A
40	Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	N/A

41	Reason for request for quotation now	N/A
	Example: In the case of restricted securities, end of restriction period	
	(if issued upon conversion of another security, clearly identify that other security)	

		Number	+Class
42	Number and +class of all +securities quoted on ASX (*including* the securities in clause 38)	N/A	

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.

- There is no reason why those +securities should not be granted +quotation.

- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

  Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.

- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

+ See chapter 19 for defined terms.

4   We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before ⁺quotation of the ⁺securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: Jonathan Hart   Date: 16 December 2019
                 (Company Secretary)

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Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for ⁺eligible entities

Introduced 01/08/12

Part 1

Rule 7.1 – Issues exceeding 15% of capital
Step 1: Calculate "A", the base figure from which the placement capacity is calculated

Insert number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	66,659,790
Add the following: • Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid ordinary securities that became fully paid in that 12 month period *Note:* • *Include only ordinary securities here – other classes of equity securities cannot be added* • *Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed* • *It may be useful to set out issues of securities on different dates as separate line items*	Nil
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	N/A
"A"	66,659,790

Step 2: Calculate 15% of "A"	
"B"	0.15 *[Note: this value cannot be changed]*

Multiply "A" by 0.15	9,998,968

Step 3: Calculate "C", the amount of placement capacity under rule 7.1 that has already been used

Insert number of equity securities issued or agreed to be issued in that 12 month period *not counting* those issued: • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 *Note:* • *This applies to equity securities, unless specifically excluded – not just ordinary securities* • *Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed* • *It may be useful to set out issues of securities on different dates as separate line items*	9,998,968 pursuant to the Placement – 16 December 2019
"C"	**9,998,968**

Step 4: Subtract "C" from ["A" x "B"] to calculate remaining placement capacity under rule 7.1

"A" x 0.15 *Note: number must be same as shown in Step 2*	9,998,968
***Subtract* "C"** *Note: number must be same as shown in Step 3*	9,998,968
***Total* ["A" x 0.15] – "C"**	Nil *[Note: this is the remaining placement capacity under rule 7.1]*

Part 2

Rule 7.1A – Additional placement capacity for eligible entities
Step 1: Calculate "A", the base figure from which the placement capacity is calculated

"A"	N/A

Note: number must be same as shown in Step 1 of Part 1	

Step 2: Calculate 10% of "A"	
"D"	0.10 *Note: this value cannot be changed*
Multiply "A" by 0.10	N/A

Step 3: Calculate "E", the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A *Notes:* • *This applies to equity securities – not just ordinary securities* • *Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed* • *Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained* • *It may be useful to set out issues of securities on different dates as separate line items*	N/A
"E"	N/A

Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A	
"A" x 0.10 *Note: number must be same as shown in Step 2*	N/A
Subtract "E" *Note: number must be same as shown in Step 3*	N/A
Total ["A" x 0.10] – "E"	N/A *Note: this is the remaining placement capacity under rule 7.1A*