

15 January 2020

Beating the Guidance - 4th Quarter Report

Financial highlights

- AppsVillage significantly **exceeds its guidance** for Q4
 - **323%** increase in paying businesses reaching **6,418** SMBs vs. 2018 and **~57%** increase in Q4 vs. Q3
 - **212%** increase in annual recurring revenues reaching **\$1,342,776** in 2019 vs. 2018 and **58%** growth in Q4 vs. Q3
 - **212%** increase in monthly recurring revenues reaching **\$111,898** in 2019 vs. 2018 and **58%** growth in Q4 vs. Q3
- Completed \$2.5 million private placement to strategic funds to deliver strong commercial growth in 2020
- Signed agreements for its newly launched micro-finance services with Seek Capital and Fundomate in the US, and Lumi in Australia

AppsVillage Australia Ltd (ASX: APV) (AppsVillage or the Company), a SaaS solutions provider for small and medium businesses, has today released its Appendix 4C for the quarter ended 31 December 2019 and provides a review of its operational highlights.

AppsVillage beats revenue guidance with strong commercial growth

In a significant achievement, AppsVillage delivered 6,418 paying SMBs during the quarter, representing a 323% increase YoY and higher than outlined in its revenue guidance announcement, released 5 December 2019.

Additionally, AppsVillage generated invoiced revenues of \$370,374 during December quarter, 40% higher than the September quarter. AppsVillage also generated \$1,342,776 in annual recurring revenues and \$111,898 in monthly recurring revenues, each representing a 58% increase in comparable figures for the prior quarter.

This represents a significant achievement for the Company and demonstrates its ability to deliver on its core growth strategy.

\$2.5 million raised in strategic institutional placement

During the quarter, AppsVillage successfully completed a private placement to key strategic funds and sophisticated investors in both Australia and Asia. The placement raised approximately \$2.5 million from the issue of approximately 10 million fully paid ordinary shares.

Merchant Corporate Advisory acted a lead manager to the transaction and AppsVillage will use the funds to continue its operational expansion into the US and implement an aggressive customer acquisition strategy to deliver strong commercial growth in the coming quarters.

The placement followed a strong acceleration in operational and commercial performance since the Company's IPO on 23 August 2019 and the funds raised will ensure AppsVillage remains in a strong cash position to deliver revenue growth in 2020.

Operational expansion and introduction of microfinance offering

As part of its long-term growth strategy, during the quarter AppsVillage expanded its service offering and introduced micro-finance services to its SMBs clients. As part of this offering AppsVillage will offer one-click credit and loans of between \$5,000 and \$50,000 to existing customers within Australia and the US before it is rolled out more widely.

Subsequent to the introduction of its microfinance offering, the Company partnered with Seek Capital, LLC and Fundomate, Inc in the US and Lumi Financial Management Pty Ltd in Australia to offer white labelled microfinance products to its existing SMBs customers as well as its extended database of over 500,000 SMBs globally.

Board appointment

During the quarter, Mr Shahar Hajdu joined the AppsVillage Board as a Non-Executive Director. Prior to joining AppsVillage, Mr Hajdu was a captain in the IDF elite technology unit, Mamram, and he brings more than 25 years' experience in mobile and full stack software development.

Mr Hajdu has a Bachelor's Cam Laude in Computer Science from The Technion – Israel Institute of Technology and has extensive experience managing and growing technology companies.

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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 report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

AppsVillage Australia Limited

ABN

626544796

Quarter ended ("current quarter")

31 December 2019

Consolidated statement of cash flows	Current quarter \$AUD	Year to date (12 months) \$AUD
1. Cash flows from operating activities		
1.1 Receipts from customers	370,374	1,225,824
1.2 Payments for		
(a) research and development	(68,632)	(218,776)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(1,081,690)	(2,771,091)
(d) leased assets	(26,379)	(77,536)
(e) staff costs	(331,510)	(873,949)
(f) administration and corporate costs	(359,425)	(1,148,735)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(913)	(7,653)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	(39)	(206)
1.9 Net cash from / (used in) operating activities	(1,498,214)	(3,872,122)

Consolidated statement of cash flows	Current quarter \$AUD	Year to date (12 months) \$AUD
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(8,610)	(12,914)
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) 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	(8,610)	(12,914)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	2,499,742	7,499,742
3.2 Proceeds from issue of convertible notes	-	549,298
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(162,983)	(1,151,182)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-

Consolidated statement of cash flows		Current quarter \$AUD	Year to date (12 months) \$AUD
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	2,336,759	6,897,858

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	3,025,214	843,035
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,498,214)	(3,872,122)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(8,610)	(12,914)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,336,759	6,897,858
4.5	Effect of movement in exchange rates on cash held	(18,037)	(18,745)
4.6	Cash and cash equivalents at end of quarter	3,837,112	3,837,112

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 \$AUD	Previous quarter \$AUD
5.1	Bank balances	3,837,112	3,025,412
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)	3,837,112	3,025,412

6. Payments to directors of the entity and their associates	Current quarter \$AUD
6.1 Aggregate amount of payments to these parties included in item 1.2	26,500
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

7. Payments to related entities of the entity and their associates	Current quarter \$AUD
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$AUD	Amount drawn at quarter end \$AUD
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	85,000
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	799,000
9.4 Leased assets	26,000
9.5 Staff costs	285,000
9.6 Administration and corporate costs	320,000
9.7 Other (provide details if material)	25,000
9.8 Total estimated cash outflows	1,540,000

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

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.

Sign here: Date: 15 January 2020
(Director/Company secretary)

Print name:Max Bluvband.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.