

31 October 2019

ASX Announcement

September Quarter Activity Report

Financial highlights

- Strong growth and performance across all KPIs
- 158% increase in paying SMBs to 3,957 vs. 1,536 in 2018
- 46% increase in invoiced revenues to the end of Q3 to AU\$873K vs. AU\$598K in 2018
- User satisfaction App score increased to 4.1 from 3.2
- Instagram integration of the SaaS platform to provide access to a significant pool of potential new customers
- APV selected by Facebook to participate in its *Playground Program* for fast growing Israeli companies, allowing APV to strengthen its relationship with Facebook and providing the opportunity to explore additional commercial opportunities
- Expansion of service offering allowing easy Facebook advertising for SMB's and providing a significant new potential revenue stream
- Entering new high growth emerging markets
- Strong growth expected to continue across all business segments

AppsVillage Australia Ltd (ASX: APV) (AppsVillage or the Company), an SMB SaaS solutions company, has today released its Appendix 4C for the quarter ended 30 September 2019 and provides an overview of its operational highlights.

Trading commences following oversubscribed IPO

During the quarter the Company commenced trading on the ASX following an oversubscribed IPO, raising \$5 million before costs. The Company issued 25,000,000 fully paid ordinary shares at \$0.20 per share and listed with a market capitalisation of approximately \$13.3 million.

Strong support was received from institutional, high net worth and sophisticated investors.

Instagram integration

In a significant milestone, APV strategically expanded its relationship with Facebook and integrated its SaaS solutions with Instagram. This allows users to set up a powerful mobile application using the information on their Business Instagram page.

This also provides a huge revenue growth opportunity for APV as Instagram is the world's second largest social media channel and currently boasts over 1 billion active monthly users, including 100 million businesses.



APV is selected for Facebook start up program

AppsVillage was selected by Facebook to participate in its *Playground Program* which was designed to support the growth and development of fast-growing Israeli companies.

As part of the program, APV can utilise one-on-one guidance sessions with Facebook's commercial and technical experts providing valuable insight into how it can continue to develop, upgrade and further commercialise its SaaS offering.

Participation in the program also provides APV with a fantastic opportunity to strengthen its existing relationship with Facebook and pursue further commercial opportunities.

Operational expansion into emerging markets

As a result of rapid customer growth, APV expanded its Facebook advertising offering and is now selling into a range of high-growth emerging markets including the Philippines, India and multiple countries within Africa.

The Company's Facebook advertising capability allows users to create highly engaging promotional and advertorial content that can be uploaded directly to the Facebook platform via the user's existing AppsVillage mobile application.

The expansion of this offering into new geographies provides additional revenue generation opportunities for the Company.

Outlook

The Company sees significant diversification and expansion of its revenue sources with the addition of integral financial services to SMBs via micro-lending and other initiatives. Management believes its unique approach to SMB integrated services coupled with advanced technology will become a new standard of business conduct available to the huge population of over 35 million SMBs globally.

--Ends--

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")

30 September 2019

Consolidated statement of cash flows	Current quarter \$A	Year to date (9 months) \$A
1. Cash flows from operating activities		
1.1 Receipts from customers	266,123	872,758
1.2 Payments for		
(a) research and development	(91,750)	(184,005)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(830,967)	(2,040,947)
(d) leased assets	(17,831)	(47,488)
(e) staff costs	(289,982)	(482,881)
(f) administration and corporate costs	(263,113)	(491,914)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(1,515)	(2,906)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	(1,502)
1.9 Net cash from / (used in) operating activities	(1,229,035)	(2,378,885)

Consolidated statement of cash flows		Current quarter \$A	Year to date (9 months) \$A
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	4,011,801	4,561,099

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	237,958	843,034
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,229,035)	(2,378,885)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(4,573)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	4,011,801	4,561,099
4.5	Effect of movement in exchange rates on cash held	4,688	4,737
4.6	Cash and cash equivalents at end of quarter	3,025,412	3,025,412

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 \$A	Previous quarter \$A
5.1	Bank balances	3,025,412	13,333
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)	3,025,412	13,333

6. Payments to directors of the entity and their associates

**Current quarter
\$A**

6.1 Aggregate amount of payments to these parties included in item 1.2

86,988

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
\$A**

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
Add notes as necessary for an understanding of the position

**Total facility
amount at quarter
end
\$A**

**Amount drawn at
quarter end
\$A**

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
9.1	Research and development	51,000
9.2	Product manufacturing and operating costs	-
9.3	Advertising and marketing	896,000
9.4	Leased assets	5,000
9.5	Staff costs	275,000
9.6	Administration and corporate costs	246,000
9.7	Other (provide details if material)	69,000
9.8	Total estimated cash outflows	1,542,000

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:
(Director/Company secretary)

Date: 31 October 2019

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.