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## **COMPANY UPDATE**

### **HIGHLIGHTS**

- **Fee for Service division restructure to streamline business moving forward**
- **Strategic investments continue to perform well - in-particular xTV Networks Limited (ASX Code: XTV)**
- **Company well positioned with \$2.5m in cash and over \$1.5m of tradeable listed equity investments**

The Board of Applabs Technologies Ltd (ASX:ALA) ("Applabs" the "Company") is pleased to provide shareholders with an update on the Company's divisions and strategic investments since its March 2015 update

### **Fee for Service Division**

In response to a poor quarterly performance, the Company has taken steps to significantly improve the efficiencies and competitiveness of the Fee for Service Division. The Fee for Service Division has seen impressive growth over the past twelve months, however has struggled to address the continued cost pressures associated with a large Australian workforce. The restructure currently underway will significantly reduce costs by off-shoring all design, technical and development roles with an aim to strengthen the Company's competitiveness. This will result in a significantly streamlined and responsive business with a more sustainable cost base. It is anticipated that the initial restructure will bring cost savings of approximately \$600,000 per annum from 1 June 2015.

### **Strategic Investment Division**

The Strategic Investment Division continues to perform strongly across its multiple investments made to date. The Company's investment in xTV Networks Limited has seen considerable growth over the past three months, with the xTV share price increasing to 3c from its initial IPO price of 2c. Applabs also continues to provide on-going support to mature each company through the investment model.



### Current Valuations of Investments

Strategic Investment	Valuation
Cash and receivables	~\$2,500,000
xTV Networks Ltd	~\$1,500,000
Liberty Resources Ltd	~\$360,000
RosterElf	~\$450,000
Epat	~\$250,000
Pay2Day	~\$390,000
Chat Centre	~\$65,000
Context Plane	~\$65,000
Loyalty App	~\$75,000
GB Energy Ltd	~\$75,000
Positiv Flo	~\$50,000
<b>Total</b>	<b>~\$5,780,000</b>

### Home Open

The Company continues to undertake development work on the Home Open portal. Given the increased competition in the sector over the past six months, including an industry portal and several well-funded new portals, the Company is focused on continuing its quest to integrate new initiatives, which will provide a point of difference for Home Open. The Company has undertaken steps to switch to off shore sales teams to drive the portal, which will provide a more cost effective alternative with mass volume capabilities. It's expected this will bring cost savings of \$150,000 per annum from 1<sup>st</sup> June 2015.

### Corporate Transactions Update

The Company continues to review numerous opportunities in the technology sector, which will complement the current operations of the business.

The Company is well positioned to take advantage of any opportunities, which arise given its strong cash balance and will update the market if negotiations advance to a more formal stage.

For further Information, please contact

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## **Applabs Technologies Limited**

Applabs Technologies Limited (ASX:ALA) is the first ASX listed app development and technology venture fund company. The Company offers a unique business model of both an app development and a technology financier, enabling the Company to produce apps for customers as well as the ability to fund, develop and market exciting new leading edge apps internally.

### **Disclaimer**

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- (b) current views, expectations and beliefs as at the date they are expressed and which are subject to various risks and uncertainties.

Actual results, performance or achievements of the Company could be materially different from those expressed in, or implied by, these forward-looking statements. The forward-looking statements contained within the presentations are not guarantees or assurances of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Company, which may cause the actual results, performance or achievements of the Company to differ materially from those expressed or implied by forward-looking statements. For example, the factors that are likely to affect the results of the Company include general economic conditions in Australia and globally; exchange rates; competition in the markets in which the Company does and will operate; weather and climate conditions; and the inherent regulatory risks in the businesses of the Company. The forward-looking statements contained in this announcement should not be taken as implying that the assumptions on which the projections have been prepared are correct or exhaustive. The Company disclaims any responsibility for the accuracy or completeness of any forward-looking statement. The Company disclaims any responsibility to update or revise any forward-looking to reflect any change in the Company’s financial condition, status or affairs or any change in the events, conditions or circumstances on which a statement is based, except as required by law. The projections or forecasts included in this presentation have not been audited, examined or otherwise reviewed by the independent auditors of the Company. You must not place undue reliance on these forward-looking statements.