

29 April 2022

## March 2022 Quarterly Update

- Invoiced revenues of \$67,398 delivered in Q1 2022.
- Has successfully completed a dual listing on TSX.
- Completion of funding rounds in total amount of US\$3.25M in a premium price of USD\$0.04 (CAD \$0.05).

**AdRabbit limited (ASX: RAB)** (AdRabbit or the Company), a SaaS solutions provider for small and medium businesses, today releases its Appendix 4C for the quarter ended 31 March 2022 and provides a review of its operational highlights. 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. The AdRabbit platform provides a complete advertising cycle, from ad design and creation, budget and channel recommendations, analytics, and campaign management, to the lead funnel. The AdRabbit platform is accessible as a mobile application on iOS and Android

### **Name and Ticker change:**

In January 2022, the shareholders of the Company approved, in an extraordinary general meeting, to change the name of the Company from AppsVillage Australia Limited to AdRabbit Limited. The Ordinary Shares will continue to trade on the ASX under the ticker code RAB.

### **Summary of expenditure in the quarter**

During the first quarter of 2022, the Company successfully completed a capital raising and listing on TSXV.

The overall quarterly expenses are to A\$2,020k, compared to A\$780k in Q1, 2021. The rise in expenses is primarily attributed to non-recurring one off expenses relating to the complete fund raising, the dual listing on TSXV and paying the payments postponed from Q4, 2021.

The Company has reduced its quarterly expenditure on promotional activities from A\$125k in Q1, 2021 to A\$71k in calendar Q1 2022, focusing on improving and further developing its next generation platform, AdRabbit. Following launch of this new platform the Company anticipates increasing its spend to drive adoption of the new platform.

The Company also strengthened its staff to rollout the new platform spending A\$570k in Q1, 2022 compared to A\$447k in Q1, 2021.

The Company has also increased its administration and corporate costs to A\$1,408k in Q1, 2022 compared to A\$279k in Q1, 2021. The vast majority of this growth is attributed to expenses related to the fund raising which was completed in Q1. 2022 and dual listing on TSXV.

The payments to related parties of the entity and their associates in section 6 of the Appendix 4C includes payments such as remuneration to executive directors and non-executive directors' fees.



### **Operational and financial update**

In line with its cost reduction strategy, the Company has continued to deliver decreases in its ongoing expenditure, while focusing on profitable growth.

The payments to related parties of the entity and their associates in section 6 of the Appendix 4C includes payments such as remuneration to executive directors and non-executive directors of the Company.

The Company successfully completed its dual listing on TSX.

North America is a key growth market for AdRabbit SMB product offering and through the dual listing on the TSXV.

### **TSX listing**

On February 7, 2022 the Company's Ordinary Shares commenced trading on the TSX under the ticker symbol RAB. The Ordinary Shares will continue to trade on the ASX under the ticker RAB.

On 23 March, 2022 the Company submitted a formal application for delisting from the ASX.

### **TikTok partnership expansion**

On March 31 2022, RAB announced that as part of the expanded partnership, TikTok will now provide AdRabbit with increased access to its network of small and medium-sized business customers. TikTok will utilize a new set of algorithms to identify and acquire a larger number of long-term small and medium-sized business customers for AdRabbit, more accurately and at a lower cost. The partnerships program will also include a detailed media plan, optimization session and recurring communication and support from TikTok's performance team, creative sessions and incentives, access to new features and betas.

AdRabbit <https://ad-rabbit.com/>

### **Delisting from ASX**

On March 23, 2022 AdRabbit announced its intention to delist from the ASX and focus on the North American market. The Company will be in a stronger position to broaden its international profile not only with SMBs, but also with institutional and other new investors in that market. On 2 May 2022, an EGM will occur whereby shareholders will be requested to approve this delisting.

AdRabbit is an affordable digital advertising and marketing platform that allows SMBs to design, build and launch advertising campaigns instantly on social media platforms and top tier networks such as Facebook, directly from their mobile. AdRabbit acts as a virtual Chief Marketing Officer for those SMBs who cannot afford a human CMO. The platform will leverage AdRabbit, to ensure each campaign yields maximum customer reach, call to action and user conversion results.

AdRabbit App is free to use, however the Company charges a fee on top of the SMBs advertising expenditure.

### **Funding**

During 2021 the Company has entered into agreements to secure a funding round in total amount of US\$3.25M in a premium price of US\$0.04 (CAD \$0.05). An amount of US\$1.05M was received during 2021 and the rest was received in 2022. In February 2022 and upon the completion of the funding, conversion of US\$3,082,000 principal amount (and certain accrued interest on such amount) under the Series A and B Convertible Loan have been released to the Company and US\$168,000 principal amount (and accrued interest on such amount) remains outstanding and subject to conversion at a later date.

**-Ends-**



This announcement has been approved and authorised for release by Max Bluvband, AdRabbit CEO

For further information, please contact:

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**About AdRabbit Limited**

AdRabbit 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.

AdRabbit'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 cash flow report for entities subject to Listing Rule 4.7B

#### Name of entity

AdRabbit Limited

#### ABN

50 626 544 796

#### Quarter ended ("current quarter")

31 March 2022

Consolidated statement of cash flows	Current quarter \$AUS	Year to date (three months) \$AUS
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	67,398	67,398
1.2 Payments for		
(a) research and development	(14,322)	(14,322)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(70,792)	(70,792)
(d) leased assets	(42,518)	(42,518)
(e) staff costs	(569,956)	(569,956)
(f) administration and corporate costs	(1,407,458)	(1,407,458)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(755)	(755)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (VAT repayments)	17,925	17,925
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(2,020,478)</b>	<b>(2,020,478)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(g) entities		
(h) businesses	-	-
(i) property, plant and equipment	-	-
(j) investments	-	-
(k) intellectual property	-	-

Consolidated statement of cash flows		Current quarter \$AUS	Year to date (three months) \$AUS
	(l) other non-current assets	-	-
2.2	Proceeds from disposal of:	-	-
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) 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	<b>Net cash from / (used in) investing activities</b>	-	-

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	3,037,845	3,037,845
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	<b>Net cash from / (used in) financing activities</b>	<b>3,037,845</b>	<b>3,037,845</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	160,870	160,870
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,020,478)	(2,020,478)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-

Consolidated statement of cash flows		Current quarter \$AUS	Year to date (three months) \$AUS
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,037,845	3,037,845
4.5	Effect of movement in exchange rates on cash held	(71,765)	(71,765)
4.6	<b>Cash and cash equivalents at end of period</b>	<b>1,106,472</b>	<b>1,106,472</b>

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 \$AUS	Previous quarter \$AUS
5.1	Bank balances	1,106,472	160,870
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,106,472</b>	<b>160,870</b>

6.	Payments to related parties of the entity and their associates	Current quarter \$AUS
6.1	Aggregate amount of payments to related parties and their associates included in item 1	272,315
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

<b>7. Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$AUS</b>	<b>Amount drawn at quarter end \$AUS</b>
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 <b>Total financing facilities</b>		
7.5 <b>Unused financing facilities available at quarter end</b>		
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$AUS</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(2,020,478)
8.2 Cash and cash equivalents at quarter end (item 4.6)	1,106,472
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	1,106,472
8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	0.5
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: No it does not, the level of outflows was unusually high due to the cost of raising capital, costs associated with listing on TSXV (both non-recurring items) and payment of historical creditors.	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: The company has commenced trading on the TSXV and is looking at various funding options which remain incomplete at this stage.	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: Based on its ability to raise more funds, the entity expects to be able to continue its ongoing operations.	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

## 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.

29 April 2022

Date: .....

By the Board

Authorised by: .....  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.