

APPENDIX 4E PRELIMINARY FINAL REPORT

1. DETAILS OF REPORTING PERIOD

Name of entity:	AdRabbit Limited (formerly: AppsVillage Australia Limited)
ABN:	50 626 544 796
Reporting Period:	31 December 2021
Previous Corresponding Period:	31 December 2020

2. RESULTS FOR ANNOUNCEMENT TO THE MARKET

Key information	12 months ended 31 Dec 2021 US\$'000	12 months ended 31 Dec 2020 US\$'000	Increase/(decrease) %	Amount change US\$'000
Revenues from ordinary activities	407	993	(59%)	(586)
Profit/(loss) from ordinary activities after tax attributable to members	(2,890)	(3,365)	14%	475
Net profit/(loss) for the year attributable to members	(2,890)	(3,365)	14%	475

	Amount Per Security	Franked Amount Per Security
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil
Previous Corresponding Period	Nil	Nil
Record Date for Determining Entitlements	Not applicable	

Commentary on results:

Refer to commentary on pages 1 and 2 of the attached Preliminary Financial Report.

3. STATEMENT OF COMPREHENSIVE INCOME

Refer to attached consolidated financial statements.

4. STATEMENT OF FINANCIAL POSITION

Refer to attached consolidated financial statements.

5. STATEMENT OF CASH FLOWS

Refer to attached consolidated financial statements.

6. STATEMENT OF RETAINED EARNINGS/CHANGES IN EQUITY

Refer to attached consolidated financial statements.

7. DIVIDENDS/DISTRIBUTIONS

No dividends declared in current or prior year.

8. DETAILS OF DIVIDEND REINVESTMENT PLANS

Not Applicable

9. NET TANGIBLE ASSETS PER SHARE

	31 Dec 2021	31 Dec 2020
Net tangible asset backing per ordinary security	(0.02)	0.002

10. DETAILS OF ENTITIES OVER WHICH CONTROL HAS BEEN GAINED OR LOST DURING THE PERIOD
Control gained over entities

Name of entity (or group of entities)	N/A
Date control gained	N/A
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities during the period (where material)	N/A
Profit/(loss) of the controlled entity (or group of entities) whilst controlled during the whole of the previous corresponding period (where material)	N/A

Loss of control over entities

Name of entity (or group of entities)	N/A
Date control lost	N/A
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities during the period (where material)	N/A
Profit/(loss) of the controlled entity (or group of entities) whilst controlled during the whole of the previous corresponding period (where material)	N/A

11. DETAILS OF ASSOCIATES AND JOINT VENTURE ENTITIES

Name of associate or joint venture entity	N/A	
Reporting entity's percentage holding in this entity	N/A	
Contribution to net profit/(loss) (where material)	Current period	Previous period
Aggregate share profits/(losses) of the above entity (where material)	Current period	Previous period

12. ANY OTHER SIGNIFICANT INFORMATION NEEDED BY AN INVESTOR TO MAKE AN INFORMED ASSESSMENT OF THE COMPANY'S FINANCIAL PERFORMANCE AND FINANCIAL POSITION

Refer to attached consolidated financial statements.

13. FOREIGN ENTITIES

Refer to attached consolidated financial statements.

14. COMMENTARY ON RESULTS FOR PERIOD AND EXPLANATORY INFORMATION

Refer to commentary on pages 5 and 6 of the attached Preliminary Financial Report

15. AUDIT

This report is based on accounts which are in the process of being audited.

PRELIMINARY FINAL REPORT
31 DECEMBER 2021

For personal use only

**AdRabbit Limited (formerly: AppsVillage Australia Limited)
Preliminary final report 31 December 2021**

Review of operations

Unless otherwise stated, all figures in this report are in the Company's presentation currency US\$.

In 2022, the Company completed its name change from "AppsVillage Australia Limited" to "AdRabbit Limited" (herein: "AdRabbit") and changed its ticker code on the Australian Securities Exchange ("ASX") to RAB, effective February 1.

Following the COVID 19 Lockdown there has been a significant impact on the ability of Small-Medium-Businesses ("SMB") to operate their physical stores thus, the SMBs rushed to build their new digital assets and facing a new challenge of, "how to bring traffic to their new digital assets and grow their business". AdRabbit makes it easy for SMBs' to advertise on various social networks and grow their business.

During 2021 the Company kept reducing overall costs focusing on completion of R&D to enable timely rollout of the next generation product (AdRabbit).

The Company spent US\$436k on sales and marketing in 2021 compared to US\$2,172k in 2020, focusing on acquiring customers with a clear return on its investment in anticipation of the full rollout of its disruptive, next generation platform – AdRabbit.

The Company kept its full R&D staff spending US\$1,122k in 2021 compared to US\$790k in 2020 acknowledging that this is its most valued asset that shall ensure the Company's leadership as an SMBs' advertising platform.

At the same time the Company has increased its administration and corporate costs of US\$1,422k in 2021 compared to US\$1,025k in 2020. The difference was largely one- off expenditure associated with the Company's listing on TSXV.

Since listing on ASX, AdRabbit has demonstrated its ability to rapidly scale customer and revenue growth and has now pivoted to focus on executing its long-term growth strategy. This strategy specifically focuses on delivering profitable customer growth by significantly improving customer value, retention, and Return-on-Investment ("ROI"). In doing so, the Company will deliver reduced customer acquisition costs and improved customer retention rates.

AdRabbit continues execution of this strategy and is heavily focused on improving the usability and efficacy of its advertising and promotional campaign AI platform (AdRabbit). Pilot and preliminary testing has delivered positive results and the Company remains confident in its ability to add increasing value to its customers as it progresses its strategy.

The amount of SMBs subscribed to the platform as of December 31, 2021 was 1,531 compared to 3,879 in December 31, 2020.

AdRabbit had reduced its losses for the year ended 31 December 2021 to US\$2,889,983 (2020: US\$3,368,272). The 2021 loss included a non-cash share-based payment of US\$256,439 (2020: US\$249,060).

The deficit of the Group is US\$1,993,677, compared to net assets US\$163,366 at 31 December 2020.

As at 31 December 2021, the Group's cash and cash equivalents are US\$116,891 compared to US\$818,049 at 31 December 2020.

Highlights during the year and subsequent events

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

Shares Issuance

In February 2021, the company issued additional 5,454,545 shares at US\$0.086.

After the reporting date the Company has secured a funding round in total amount of US\$2.25M pursuant to convertible loan agreements entered into between the Company and lenders in a premium price of US\$0.04.

In February, conversion of US\$2,082,000 principal amount (and certain accrued interest on such amount) under the Series 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.

JARVIS

In June 2020, the Company launched JARVIS, an AI-based Facebook advertising campaign management agent for SMBs. JARVIS was developed to serve as a virtual marketing manager to enable SMBs to build and manage intelligent online advertising and promotion campaigns at a fraction of the cost of traditional human marketing managers which some SMBs may not be in a position to afford. Since its launch, the results of JARVIS have been shown to significantly improve Facebook advertising campaigns across several sectors in particular - retail, beauty and fitness. The Company has continued to work with SMBs to expand and improve the capabilities of JARVIS to deliver better results for customers, leading to a significantly improved customer ROI. JARVIS has been shown to significantly increase the number of new leads being generated for SMBs. Some Facebook campaigns have produced an increase in new leads versus leads generated through a standard approach. The strong early results and effectiveness of JARVIS increased the Company's focus on making sure that JARVIS would be available to as many SMBs as possible.

Launch of AdRabbit, AdRabbit's artificial intelligence advertising agent for SMBs on social networks

AdRabbit launched the second generation of its advertising campaign management AI platform, AdRabbit, for intelligent automation of online advertising, from you mobile.

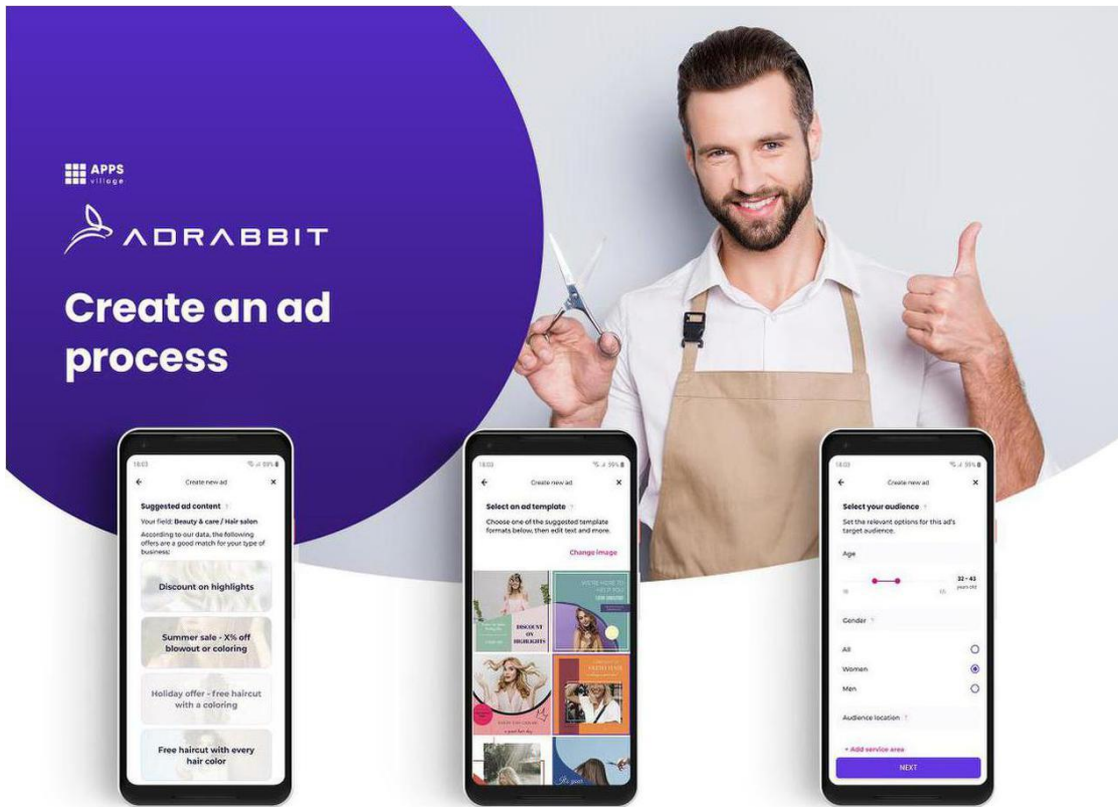
AdRabbit was launched to serve as a virtual marketing manager for SMBs, enabling intelligent management of online advertisements and promotional campaigns.

The algorithm leverages information from the SMBs existing social ads channel such as Facebook or Google and previous campaigns to construct bespoke future campaign parameters that will yield improved customer reach, call to actions and user conversion results including sales from your ecommerce site.

More specifically AdRabbit is intended to function as an automation of the full cycle of a digital advertising campaign for an SMB, from Ad creation through running the campaign and managing leads all from your mobile device. The following are the key service features of AdRabbit that are either currently available or planned for the commercial version:

- the Company has developed AdRabbit which offers an automated, tailored ad offering for the SMB category, including the type of offering, text and creatives, based on the particular vertical for each SMB (i.e., an SMB is not required to have a content marketing writer or a graphic designer with respect to ad creation, but can use AdRabbit's automated offering to suggest an appropriate design and promotion based on the applicable vertical);
- generate pre-made ad templates with dedicated content (text and images) and design or allow the user to upload its own creatives;
- template editor where the user can edit the template, text and graphics;
- campaign intent indicating the call to action in respect of the lead generation via various contact methods (Phone call, WhatsApp, Messenger & Contact forms);
- ad demographics recommendations;
- direct e-commerce integrations to user's e-commerce site, such as Shopify, WooCommerce, etc. (this feature is still in development and is subject to integration with these platforms in the future);
- budget recommendations based on the type of SMB (this feature is still in development);
- directing the SMB to the right social media and advertising platform that is most suitable for such SMB's particular vertical (still in development); and
- Easy stats and insights reports.

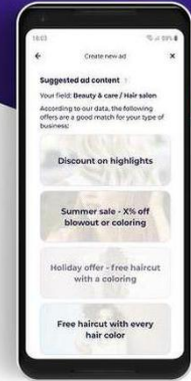
For personal use only



APPS
intelligence

ADRABBIT

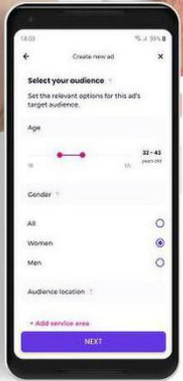
**Create an ad
process**



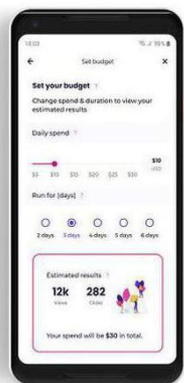
Choose tailored made offering for the specific users category



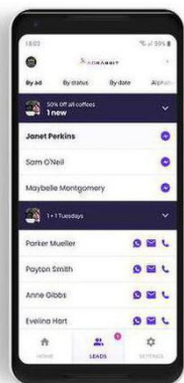
User choose premade template with ad and can edit it (both content and design) or can upload his own creatives



User choose demographics and ad contact method (Whatsapp, Phone call, Messenger or Landing page)



User gets budget recommendation for which social networks to run his ad



User receives leads directly to his mobile app



Max Bluvband
Chief Executive Officer

AdRabbit Limited (formerly: AppsVillage Australia Limited)
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 31 December 2021

	Note	2021 US\$	2020 US\$
Revenue		406,883	992,832
Operating expenses			
Cost of revenues – commissions		(35,835)	(106,086)
Research and development		(1,121,692)	(790,227)
Selling and marketing		(435,943)	(2,171,520)
General and administrative		(1,384,990)	(1,024,874)
Share-based payments		(256,439)	(249,060)
Loss before finance expenses		(2,828,016)	(3,348,935)
Finance income/(expense), net		(61,967)	(16,347)
Loss before income tax		(2,889,983)	(3,365,282)
Income tax expense		-	-
Loss for the year		(2,889,983)	(3,365,282)
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation differences		(9,394)	(2,990)
Total comprehensive loss for the year attributable to owners of the Company		(2,899,377)	(3,368,272)
Loss per share attributable to owners of the Company			
Basic/diluted loss per share (cents per share)	2	(0.03)	(0.04)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

AdRabbit Limited (formerly: AppsVillage Australia Limited)
Consolidated Statement of Financial Position
As at 31 December 2021

	Note	2021 US\$	2020 US\$
CURRENT ASSETS			
Cash and cash equivalents		116,891	818,049
Restricted cash		43,819	44,772
Trade and other receivables		71,516	116,578
TOTAL CURRENT ASSETS		232,226	979,399
NON-CURRENT ASSETS			
Plant and equipment		8,476	14,121
Usage rights		21,895	46,920
TOTAL NON-CURRENT ASSETS		30,371	61,041
TOTAL ASSETS		262,597	1,040,440
CURRENT LIABILITIES			
Trade and other payables		940,716	522,224
Employee provisions		176,389	154,116
Lease liability		20,872	27,268
Convertible liability		1,060,110	-
Contract liability		58,187	153,659
TOTAL CURRENT LIABILITIES		2,256,274	857,267
NON-CURRENT LIABILITIES			
Lease liability		-	19,807
TOTAL NON-CURRENT LIABILITIES		-	19,807
TOTAL LIABILITIES		2,256,274	877,074
NET ASSETS		(1,993,677)	163,366
SHAREHOLDERS' EQUITY			
Issued capital	3	10,073,931	9,588,036
Reserves		1,445,653	1,198,608
Accumulated losses		(13,513,261)	(10,623,278)
SHAREHOLDERS' EQUITY		(1,993,677)	163,366

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

AdRabbit Limited (formerly: AppsVillage Australia Limited)
Consolidated Statement of Changes in Equity
As at 31 December 2021

	Issued Capital	Accumulated losses	Share-based payment reserve	Foreign exchange reserve	Predecessor accounting reserve	Total
	US\$	US\$	US\$	US\$	US\$	US\$
Balance at 1 January 2020	7,967,290	(7,257,996)	951,397	160,343	(159,202)	1,661,832
Loss for the year	-	(3,365,282)	-	-	-	(3,365,282)
Other comprehensive income	-	-	-	(2,990)	-	(2,990)
Total comprehensive loss for the year	-	(3,365,282)	-	(2,990)	-	(3,368,272)
<i>Transactions with owners in their capacity as owners:</i>						
Issue of shares	1,800,159	-	-	-	-	1,800,159
Capital raising costs	(179,413)	-	-	-	-	(179,413)
Share based payments	-	-	249,060	-	-	249,060
Balance at 31 December 2020	9,588,036	(10,623,278)	1,200,457	157,353	(159,202)	163,366
Balance at 1 January 2021	9,588,036	(10,623,278)	1,200,457	157,353	(159,202)	163,366
Loss for the year	-	(2,889,983)	-	-	-	(2,889,983)
Other comprehensive income	-	-	-	(9,394)	-	(9,394)
Total comprehensive Income(loss) for the year	-	(2,889,983)	-	(9,394)	-	(2,899,377)
<i>Transactions with owners in their capacity as owners:</i>						
Issue of shares – refer to Note 3	670,277	-	-	-	-	670,277
Capital raising costs	(184,382)	-	-	-	-	(184,382)
Share based payments	-	-	256,439	-	-	256,439
Balance at 31 December 2021	10,073,931	(13,513,261)	1,456,896	147,959	(159,202)	(1,993,677)

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

AdRabbit Limited (formerly: AppsVillage Australia Limited)
Consolidated Statement of Cash Flows
For the Year Ended 31 December 2021

	Note	2021 US\$	2020 US\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		311,412	798,761
Payments to suppliers and employees		(2,511,359)	(4,170,025)
Listing and registration expenses		(30,693)	-
Interest paid		(7,897)	(5,783)
Net cash (used in) operating activities		(2,238,537)	(3,377,047)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(1,498)	(9,399)
Net cash (used in) investing activities		(1,498)	(9,399)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issue of shares	3	708,053	1,769,970
Transaction costs related to issues of shares		(184,849)	(179,413)
Investments in restricted cash		953	(16,549)
Repayment of lease liability		(27,458)	(22,578)
Proceeds from mandatorily convertible bridge loans		1,050,000	-
Net cash provided by financing activities		1,546,699	1,551,430
Net increase/(decrease) in cash and cash equivalents		(693,336)	(1,835,016)
Cash and cash equivalents at the beginning of the financial year		818,049	2,662,198
Impact of movement in foreign exchange rates		(7,822)	(9,133)
Cash and cash equivalents at the end of the financial year		116,891	818,049

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

**AdRabbit Limited (formerly: AppsVillage Australia Limited)
Consolidated Notes to the Preliminary Final Report
For Year Ended 31 December 2021**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of the financial report

The preliminary final report has been prepared in accordance with the ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E.

This report has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

a) Basis of measurement and Reporting Conventions

The financial statements, except for cash flow information, have been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets, and financial liabilities. The financial statements are presented in United states dollars (US\$) and all values are rounded to the nearest dollar unless otherwise stated.

b) Critical Accounting Judgements, estimates and assumptions

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

AdRabbit Limited (formerly: AppsVillage Australia Limited)
Consolidated Notes to the Preliminary Final Report
For Year Ended 31 December 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Key Estimates and Judgements

Share based payments

The Group initially measure the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date which they are granted. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them, as well as an assessment of the probability of achieving non-market based vesting conditions.

The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 4.

NOTE 2: LOSS PER SHARE

	2021	2020
	US\$	US\$
Loss per share (EPS)		
a) Loss used in calculation of basic EPS and diluted EPS	(2,889,983)	(3,365,282)
b) Weighted average number of ordinary shares outstanding at year end used in calculation of basic and diluted loss per share	105,470,217	85,695,992

The number of ordinary shares outstanding (the denominator of the EPS calculation) for the years ended 31 December 2021 and 31 December 2020 has been adjusted to reflect the capital reorganisation.

NOTE 3: ISSUED CAPITAL

	2021	2020	2021	2020
	Shares No.	Shares No.	US\$	US\$
a) Share Capital				
Fully paid ordinary shares	107,538,748	99,182,445	10,073,931	9,588,036

b) Movement in Ordinary Capital	Date	No.	Unit Price	Total
			US\$	US\$
Opening balance as at 1 January 2021		99,182,445	n/a	9,588,036
Issue of shares in relation to Director's investment	21 January 2021	1,785,686	0.09	155,350
Issue of shares in relation to capital raising from institutional investors	05 March 2021	5,454,545	0.08	457,881
Issue of shares to Non-Executive Directors in lieu of Directors' fee ⁽¹⁾	26 May 2021	1,116,072	0.05	57,513
Costs of capital raising		-	-	(184,849)
Closing balance at 31 December 2021		107,538,748		10,073,931

(1) The issue of shares to non-executive directors in lieu of Director's fee has been measured at their fair value on the date of issue