



ASX Announcement

19th October 2015

Dear Shareholders

Your Company closed out the September quarter in a stronger financial position than the previous quarter and with a more streamlined and efficient operation. Due to the Company successfully reducing its exposure to the Fee for Service Division, a dramatic reduction in operational overheads was achieved for the quarter. Also pleasing was the Company achieving an increase in its cash position versus the corresponding quarter on receipt of several Government grants and divestment of some minority holdings.

The Company will continue to focus on maturing its list of strategic investments, building fee for service contracts and reviewing new opportunities in the technology sector.

Some highlights for the September 2015 quarter are:

- Reduced overall operational costs by 62% to \$265,000
- Reduced staffing costs by 65% to \$119,000
- Received revenues of \$20,301
- Closed out the quarter with an increased cash balance of \$2,112,000
- Continued to hold listed securities worth \$1,111,414
- Received an R&D Tax rebate of \$170,726.49
- Received an Export Development Market Grant (EMDG) of \$40,000
- Negotiated contractor terms to meet demand of new client enquiries

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Fee for Service Division

The Company has seen a dramatic reduction in operational overheads during the quarter since the successful part sale and settlement of the Fee for Service division in June 2015. Although revenues for the quarter reduced to \$20,301, the Company continues to receive a strong number of new client enquiries for App development work. To meet this demand the Company has engaged an independent contractor to quote and undertake these new projects. Importantly this will not provide any direct cost to the company and all new projects have been negotiated on a pure profit share arrangement. In addition to new enquiries, the Company continues to service several existing contracts which remained in place as part of the sale agreement.

Strategic Investment Division

The Strategic Investment Division continues to hold stakes in several exciting listed and unlisted technology focused companies. The Company also continues to provide on-going support to mature each company through the investment model.

- Listed Investments

The division held positions in ASX listed companies xTV Networks Ltd (XTV), Cirrus Networks Ltd (CNW), GB Energy Ltd (GBX) and Falcon Minerals Ltd (FCN). The value of securities was \$1,111,414

- Unlisted Investments

The division held positions in Roster Elf, ePat, Context Plane, Chat Centre, and Pay2Day during the quarter. The company with advice from its Auditors, BDO, took a conservative approach and determined to fair value all its unlisted investments to the net assets of each company as reflected in the 2015 financials. The carrying value has therefore been reduced to \$137,000.

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Home Open

The Company is currently undertaking a strategic review of the IP, trademarks, source code and goodwill of the portal in an effort to extract maximum shareholder value. The company believes that the portal still carries value and given the interest to date continues to advance discussions to license out or sell the technology behind the portal to third parties to develop independently.

Corporate Transactions Update

The Company continues to review numerous opportunities in the technology sector that 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 clean register, 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.



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