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Lodgement of Market Briefing

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Market Briefing

ApplyDirect CEO on company strategy and how ApplyDirect is disrupting the traditional online recruitment market

Interview with Lorcan Barden (CEO)

In this Market Briefing interview, ApplyDirect CEO, Lorcan Barden, answers some of the key questions he's frequently asked when he meets with investors as the company approaches the end of its first year as a listed company, including:

- *How ApplyDirect's digital recruitment solutions are disrupting traditional jobs boards and recruitment agencies*
- *Rationale for its initial focus on two industry verticals*
- *Opportunities for ApplyDirect in the government sector*
- *Major drivers of future revenue growth*

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ApplyDirect is much more than just a jobs board, what are the key features and services that differentiate ApplyDirect from its competitors?

Lorcan Barden

ApplyDirect is not a jobs board. Rather, it is a provider of end-to-end digital recruitment solutions that solve the problems created by traditional job boards and recruitment agencies.

Our purpose at ApplyDirect is to give control of the recruiting process back to both employers and candidates, effectively disrupting traditional job boards and recruitment agencies in the process. We achieve this by combining our technology and digital marketing capability to deliver end-to-end recruitment solutions.

We both recognise and appreciate the increasing expectation of direct digital service delivery, which from a recruitment perspective means employers and candidates engaging principal-to-principal and in a more satisfying way.

The ApplyDirect and HealthBuzz platforms do just this. Specifically, they empower a direct connection between the employer and candidate. No recruitment agencies or other intermediaries

are permitted on our platforms so we can guarantee 100% real jobs, no harvesting of CVs, and employers are identified so candidates always know who they're applying for a job with.

Importantly, this direct connection enables employers to reclaim some of the circa \$11.5 billion spent on recruiting agencies each year, and enhances the candidate experience by increasing transparency and confidentiality in the process.

This concept is extended even further for those employers that are large enough to be destinations for job seekers e.g. governments and institutional corporates. Our tailored software, systems integration, and digital marketing capability offers these employers a controlled digital environment from which to attract and engage job seekers, whilst also ensuring a superior user experience. Furthermore, such solutions create substantial cost savings, employer brand promotion opportunities and enhanced governance and compliance.

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What are the advantages for ApplyDirect in focusing primarily on the government and healthcare sectors at the moment? How has the relationship with the Mercury Group assisted in penetrating the healthcare sector?

Lorcan Barden

Our strategy has been developed to ensure that we optimise the allocation of our resources to deliver the greatest impact as we continue to develop scale and relevance in the market. Adopting a focused industry strategy centring on healthcare and government is key to achieving this.

Healthcare and government were very carefully chosen because of the unique characteristics of employment in those sectors, combined with our capability to deliver tailored and vertical specific solutions.

In relation to healthcare, the scale of the sector is attractive because not only does it have the largest number of employees, it is also forecast to have higher jobs growth than other sectors. Importantly, the health sector also has specialist credentialing requirements that enable us to leverage Mercury's unique candidate pre-qualification products as part of the application process.

Candidates in the sector also identify very strongly as health workers and we recognised that a specialist health industry jobs platform will be more successful in attracting candidates in that industry than generic job boards. Understanding the value of this we launched the HealthBuzz platform in January this year and the early response from the health sector has been very encouraging.

The Mercury alliance has brought significant benefits. Its scale and reputation delivers instant credibility to HealthBuzz, positioning it to quickly penetrate the healthcare sector. It also leverages the complementary offerings with ApplyDirect's candidate attraction capabilities and Mercury's candidate management capabilities that allow us to provide an end-to-end recruitment solution to employers in the health sector.

In terms of government, we have an impressive case study resulting from our work with the NSW Government. It convinces us that our product offering can have an enormous impact in that marketplace. In fact, the NSW experience is receiving much broader attention, as reflected in a

recent article published on the website [‘The Mandarin’](#), which suggests it is a compelling solution for all governments to use as a benchmark.

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HealthBuzz now has approximately 90 per cent of all health industry jobs listed on its site, however, only some of those employers are currently paying you for that service. How does that work, and what additional benefits does a subscribing employer receive that other employers don’t?

Lorcan Barden

Our promise to job seekers is that we provide access to 100 per cent of job vacancies in the health sector via HealthBuzz. We are getting very close now as we work through a long tail of smaller employers and we expect to have ostensibly 100 per cent of all online employer health jobs on the platform by the end of June this year.

The key differentiator between jobs from employers who subscribe to HealthBuzz compared to those who don’t is the way in which the jobs are featured on our platform. Paid jobs are prominently featured, receiving premium positioning and clear employer branding on the platform. Consequently, we estimate that the underlying employers achieve at least a 5-times better outcome in terms of candidate engagement in the form of job views and applications, thus providing a very compelling reason to become a subscriber.

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The work ApplyDirect has been doing with the NSW Government has been very successful and created significant cost savings in recent years. Do the same potential benefits exist for other governments, and what is ApplyDirect doing to realise those opportunities?

Lorcan Barden

ApplyDirect has been partnering with the NSW Government for over two years. What started as a systems integration project, from a whole of government perspective, has evolved into a fundamental reset of its employer brand positioning and candidate engagement strategy.

The ‘I work for NSW’ branded technology platform, which is powered by ApplyDirect’s IP, has delivered significant efficiency gains and cost savings, largely as a result of dramatically improved candidate engagement and therefore reduced dependency on recruitment agencies.

The success in NSW has been a great case study for ApplyDirect, which hasn’t gone unnoticed by other governments across Australia. Naturally, this has strongly positioned ApplyDirect with other governments and public sector departments to deliver similar solutions. Importantly, we are also expanding our offering beyond just the platform solution already adopted in NSW to include candidate attraction via our digital marketing services.

Earlier this week we also announced that NSW Health had engaged us to upgrade the integration of its e-recruitment system with the iworkfor.nsw.gov.au platform. Such projects continue to reinforce ApplyDirect’s offering as a provider of end-to-end digital recruitment solutions and reflect a broadening of the relationship with the NSW Government. Importantly they also reflect a logical extension of our range of services and sources of revenue.

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ApplyDirect has recently launched its on-site advertising product. What type of advertisers does this product appeal to and how important can this offering be for the business over time?

Lorcan Barden

It's an opportunity for large employers to market their employment brand, and for service providers to market to potential customers. Typically, the advertisers will be large institutional customers such as superannuation funds, insurers and very large employers. Recent examples on ApplyDirect's platforms include institutions such as Defence Force Recruiting, Australia Post and First State Superannuation.

The on-site advertising product enriches ApplyDirect's proposition to each customer and creates opportunities for cross-selling of our other offerings. Whilst we believe it will drive good revenue in its own right, it will also play a very important role in complementing the other solutions that ApplyDirect provides.

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ApplyDirect has a wide range of revenue sources across private sector and government customers including job ads, on-site advertising, website hosting and maintenance, managed services and IT development. Which of those do you expect to drive most of ApplyDirect's revenue growth over the next 6-12 months?

Lorcan Barden

With the investments made over the past six months, we expect all our products and services to make a meaningful contribution to revenue growth. This expectation is underpinned by the positive customer feedback to our innovative approach and flexibility in solving their pain points, which in turn has translated into a very strong pipeline.

In particular, we are very excited about the pipeline of customers seeking a broader range of end-to-end solutions from the jobs platform, onsite advertising, digital marketing and managed services. The provision of these combined services gives ApplyDirect a distinct competitive advantage, whilst also increasing the stickiness of the customer base.

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What are the key developments, new features and products that we should expect to see from ApplyDirect in the coming months?

Lorcan Barden

Our key focus right now is to continue building our customer base establishing further scale and relevance in the healthcare and government sectors.

However, we will continue to roll out new features and product upgrades in the coming months. In June, we will officially launch an updated ApplyDirect platform that will include a more contemporary look and upgraded functionality featured on the HealthBuzz platform.

We continue to focus on achieving greater levels of integration between our platforms and our customer e-recruitment systems, and simplification of the application process to further enhance the candidate experience.

We have a strong pipeline of opportunities that we're pursuing in both the private and government sectors and are confident that the momentum we've built in the marketplace this calendar year will convert to revenue in the second half of the year.

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Thank you, Lorcan.

For further information, please contact ApplyDirect on +61 3 8199 0455, or visit <http://www.applydirect.com.au>

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