

## **2017 AGM Chairman's Address to Shareholders**

When I stood before you at last year's AGM, the company had recently floated, we had just appointed a new CEO and executive team and we had also announced a strategic alliance with the Mercury Group. We felt we were ready to increase the pace of customer acquisition and revenue generation.

So what has happened over the last 12 months?

Well, like the curates egg, the last year has been good in parts. I will start with new customer acquisition and revenue: clearly the rate of acquisition and revenue generation has been less than what we had hoped. That said, revenue increased 19% in FY17 to \$1.1m and importantly, momentum started to build materially in the final quarter.

Additionally, we have made a pleasing start to FY18 with a number of important customer contracts having been won and a continuing and increasing workflow from NSW government. We also have some significant contracts which are in the final stages of negotiation. In the event terms are agreed and contracts signed before Christmas, we would expect to record customer receipts for the half of around \$700,000. This is an increase of over 100% on PCP.

So why did it take time to build momentum and why are we now starting to see the rubber hit the road? Well, the answer is there have been some important developments in the market and this together with feedback from our sales team, saw us tweak our offering and come to market strategy. We believe we have done this successfully as the past couple of quarters suggest.

Lorcan will provide further details of these changes in his presentation, but in essence it is a combination of customers desiring a more integrated solution together with the advent of google for Jobs changing the recruitment landscape and the capabilities needed to compete effectively. The latter has worked to our advantage and in June we launched what we call the "integrated talent acquisition solution" to assist employers take advantage of google's investment into job search. This product has been well received by customers and has generated excellent results. Again, Lorcan will provide further details. This new customer solution has been a key driver in the build up of momentum since June and with this in our armoury, we are targeting material sales and revenue gains over the next 12 months and beyond.

The Healthbuzz platform developed well through the year and by June 2017 we carried 95% of all health jobs in Australia and generated 1.5m candidate visits and 17m job searches in just 6 months. Having built this big community in the health sector, the key now is to monetise it. This process has started through media advertising sales and of course, the size of the Healthbuzz community has already created sales opportunities for our new integrated solution. This will be a focus over the next year.

To assist us navigate the world of health, we appointed George Savvides as a special adviser. As the former CEO of Medibank, George is very well connected and understands the industry and its key players. His advice and counsel has already been of great assistance. We look forward to continuing to work with George in developing our place in the fastest growing sector in employment in Australia.

It goes without saying the Board and management are acutely aware that the current cash burn materially exceeds the current revenue generation. Steps have been taken to balance our increasing revenue with sensible reductions in expenses. We will continue to monitor closely our cash position and take the steps necessary to ensure the company remains in a strong financial position as it matures and realises its potential.

As I said at the beginning of my address, FY17 was not the year we were hoping for but there have been some very promising developments, particularly over the past 6 to 9 months. If you have been involved with early stage companies as I have, you will know the road to success is never linear.

I do think we are well placed for FY18 and I look forward to having the opportunity to report to you on a significantly improved performance this time next year.

## **About ApplyDirect**

ApplyDirect is a marketplace where employers and candidates can discover each other directly. We give control back to candidates and employers.

We aim to provide employers with fast, direct access to high quality talent at a lower cost, with less hassle and in a way which cuts out the middle man.

Jobseekers discover the job they've always wanted but could never find, or access. We connect them with companies actually looking for candidates – organisations for which they want to work. We give candidates the platform and tools to develop their careers and secure the job that is right for them. We aim to end the inefficiencies that exist in the market today, providing candidates and employers with a better experience. Our search engine assesses, consolidates and catalogues job listings and makes them easily available to the right candidates. Our platform takes the stress out of looking for the right job, and brings strong talent straight to an employer's door.

In October 2016, ApplyDirect entered into a strategic alliance with Mercury Group of Companies Pty Ltd (Mercury), the largest supplier of workforce management software to the healthcare sector.

The alliance connects ApplyDirect's industry first platform, HealthBuzz, with Mercury's workforce management software, bringing together employers and candidates directly – without the need for recruitment agents and job boards.