ApplyDirect Limited (ASX:AD1)

Quarterly Business Update

January 2018

Delivering on key priorities

Victoria Government tender win

- ApplyDirect signed a Managed Services Agreement with the Victorian Government to redesign, build, host and maintain the Victorian Government careers portal and provide related digital marketing services.
- Key milestone payments for the implementation phase will be received in Q3 and Q4 FY2018.
- Importantly, this unlocks in excess of 300 opportunities, across the Victorian and NSW Governments, to implement ApplyDirect's unique recruitment solution ("Trickle down effect of Government").

NSW Government

- ApplyDirect engaged by the NSW Government to develop a mobile app to support its whole of government careers portal.
- The new app, available for both iOS and android devices, is expected to be launched by the end of Q3 FY2018.
- Strong pipeline expected for FY2018 and beyond as ApplyDirect continues to partner with the NSW Government to deliver its innovation roadmap.

Google for Jobs

- ApplyDirect has agreed to collaborate with Google to incorporate the Google Cloud Job Discovery search engine into its integrated talent acquisition solution.
- First-of-its-kind in Australia, ApplyDirect's customers will benefit significantly from increased discoverability in search results and therefore, attracting more quality candidates to their career sites. Job seekers will experience continuously improving search functionality through Google's machine learning technology.
- ApplyDirect will be integrated with the Cloud Job Discovery by the end of Q3 FY2018.

Delivering on key priorities (continued)

New Business / Renewals

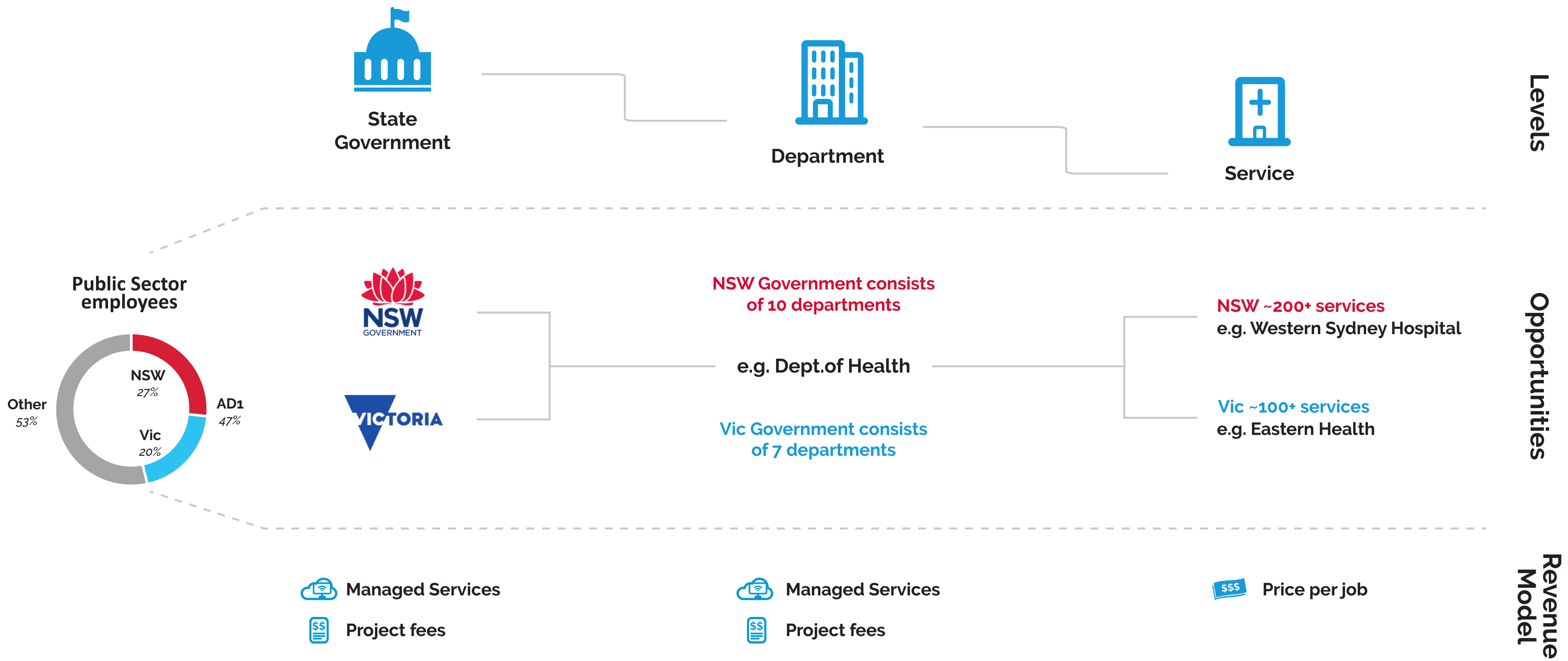
- Based on outcomes delivered by ApplyDirect media product in phase one, First State Super extended its current campaign until February 2018. Other media customer wins include Monash University, TAC and Department of Human Services.
- Strong pipeline in the Health sector and currently in late stage negotiations with several health services.
- 80% customer renewals year to date, demonstrating strong endorsement of ApplyDirect's solution.

Cash/Customer Receipts

- $3.5m placement completed. Further, the share purchase plan closed on 29 January 2018 with the participation numbers currently being finalised. This will enable further investment in sales and marketing capability to accelerate the significant growth opportunity available to the business.
- Customer receipts for the quarter were $230k, up 65% on prior year. Due to the delay in contract sign off with the NSW and Victorian Governments, approximately $200k in customer receipts that were previously expected in Q2 FY2018 will now be collected in Q3 FY2018. We note that ~$100k has since been collected, with balance expected by the end of Q3 FY2018.
- Customer receipts for 1H18 ($557k) improved by 78% on 1H17 ($313k).

Trickle down effect of Government

- The inherent structure of government requires that the direct candidate attraction solution cascades to each of the key levels: whole of government (e.g. NSW); department (e.g. Health); and service (e.g. Western Sydney Hospital).
- Owning the whole of government solution for Victoria and NSW unlocks the trickle down effect. The combined departments and services of both governments represent in excess of 300 additional opportunities for ApplyDirect to implement its unique recruitment solutions.
- We expect this will deliver substantial ongoing revenue growth opportunities for ApplyDirect in 2018 and beyond.



ApplyDirect collaborates with Google

- For many years the majority of job searches have started on Google. However, most search results connect the candidates to intermediaries.
- Google officially entered the job search market in mid-to-late 2017 with its Google for Jobs initiative. In so doing, it is leveraging its machine learning capability to make the right jobs for the right job seekers easier to discover.
- As illustrated below, this consists of:

Google for Jobs

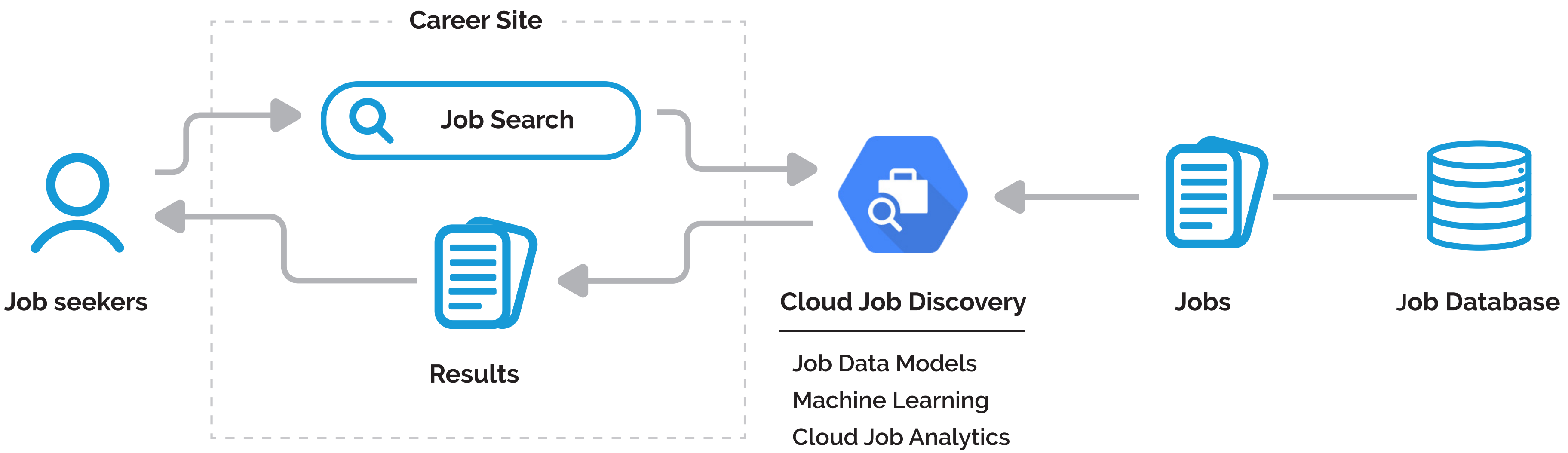
Google Search

Cloud job Discovery

- On 30 January 2018, ApplyDirect announced it has agreed to collaborate with Google to integrate the Cloud Job Discovery into ApplyDirect solutions.
- The launch of Google for Jobs is arguably the most profound change in the recruitment marketing landscape in the last 20 years and is set to change how job seekers discover jobs.
- This is the perfect complementor to the ApplyDirect strategy of connecting the job seeker directly to the employer in the most efficient and effective way.

What is Google Cloud Job Discovery

- Cloud Job Discovery is part of the Google for Jobs initiative, powering smarter job searches and recommendations to make the right jobs for the right candidates easier to discover.
- Cloud Job Discovery uses machine learning to better understand job content and the intent of job seekers, resulting in better job site engagement, higher apply rates, and increased candidate conversion.



Source: https://google.com

- As an early adopter under the Cloud Job Discovery beta program, ApplyDirect will extend this technology to its customers.

How ApplyDirect will integrate to Cloud Job Discovery

- ApplyDirect solutions will be powered by Cloud Job Discovery, the same technology that powers the Google career site.

Integrated solution

- Employer branded jobs platform
- Cloud job discovery (search engine)
- Application booster
- e-recruitment system & integrations
- Job ready checks
- Data analytics

Job seeker searches for jobs on the web

ApplyDirect powered career sites optimised for Google Search, ensuring jobs are eligible for display

Job seeker lands on the employer career site

Career sites will be powered by ApplyDirect technology and Cloud Job Discovery, improving discoverability of content

Job seeker engages and applies

Significantly improved job seeker engagement and conversion with proven results in other markets

Benefits of Google collaboration

ApplyDirect Customers

- Improved discoverability of employer jobs.
- Significantly improved job site engagement, higher apply rates, and increased candidate conversion.
- Increased efficiency with faster access to high quality applicants.
- Improved return on investment in recruitment advertising.

Job Seekers

- More job search results.
- High quality search experience through access to Google's search and machine learning capabilities.
- Continuously improving job search results based on job seekers' behaviour and intent.

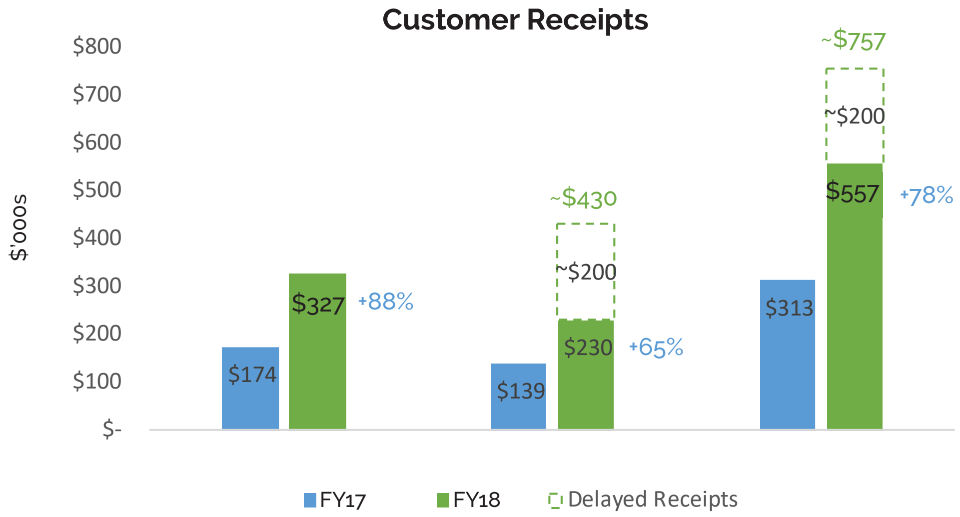
ApplyDirect

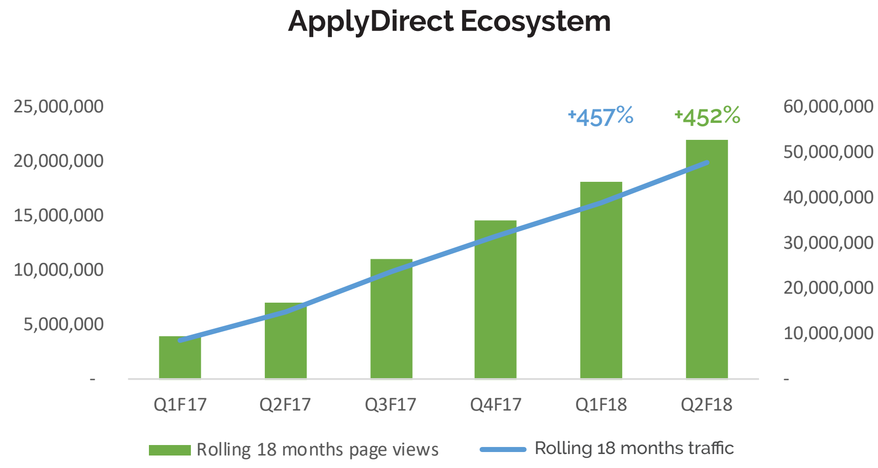
ApplyDirect

- First mover advantage, which can be extended to ApplyDirect customers.
- Enhances the capability of ApplyDirect's talent acquisition solutions.
- Significantly increases the ability to penetrate the addressable market.

FY2018 progress to date

› Key performance indicators:





*Due to the delayed signoff of the NSW and Victorian Government contracts, approximately $200k in customer receipts previously expected in Q2 FY2018 will now be collected in Q3 FY2018. We note that ~$100k has since been collected, with balance expected by the end of Q3 FY2018.

VICTORIA

› The redesign and build phase is now underway with key milestone payments expected to be received by the end of Q3 and Q4 FY2018 respectively.

I work FOR NSW

› The design phase of the next project on the iWorkforNSW innovation roadmap, to build a mobile app supporting its whole of government careers portal, is now complete. Development on the app has commenced and is expected to be launched by the end of Q3 2018.

› Commenced marketing of departmental solution as the next stage of trickle down effect.

FY2018 progress to date (continued)

- Examples of new customer wins include:

UBER

Australian Government Department of Human Services

first state super

nab

MONASH University

TAC TRANSPORT ACCIDENT COMMISSION

- 80% customer renewal rates year-to-date
- Hired Head of Corporate Solutions to accelerate growth of ApplyDirect's integrated solution

- Successfully migrated our technology to the cloud
- Ongoing product innovation across all our solutions

Outlook

Informed by both customer feedback and developing industry themes over the past 12 months, ApplyDirect has made important enhancements to its market offering, extending it from product based to solution based. This combined with our recent success in the Government vertical and the Google collaboration, positions the business for strong sustainable growth. In order to accelerate this growth, further investment will be made, particularly in solution sales capability.

Key objectives for H2 FY2018

- Implement the Victorian Government careers portal with the majority of implementation payments expected by Q3 and Q4 FY2018.
- NSW app development and further project pipeline as NSW Government continues down its innovation roadmap with ApplyDirect as a key partner.
- Commence conversion of departments and agencies across the NSW and Victorian Governments.
- Maintain existing customer renewal rate of ~80%.
- Leveraging the collaboration with Google to accelerate conversion of the pipeline.

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