

ApplyDirect Limited Half-Year Results Announcement

For the six months to 31 December 2017

Melbourne, Australia, 27 February 2018: ApplyDirect Limited (ASX: AD1) (**ApplyDirect** or the **Company**) today released its financial results for half year to 31 December 2017 (HY2018), demonstrating strong revenue growth and significant progress on key priorities.

Year to date highlights:

- Operating revenue of \$0.59 million, up 104% from the prior period (HY2017 \$0.29 million)
- Successful share placement to institutional and sophisticated investors and share purchase plan raised \$4.5 million
- Victorian Government tender win to design, build, host and maintain its careers portal
- Engaged by the NSW Government to develop a mobile app for the iworkfor.nsw.gov.au careers portal
- Collaboration with Google to incorporate the Google Cloud Job Discovery search engine into ApplyDirect's integrated talent acquisition solution
- Further penetration of the health services sector with new customers signed up to the talent acquisition solution
- Strong growth in media sales with increasing market penetration

Commenting on the Company's performance in the 2018 financial year (FY2018) to date, ApplyDirect CEO, Lorcan Barden said: "The year to date has been highlighted by delivery on our key priorities. New client wins in the government and health services sectors have assisted us to further penetrate those key industry verticals and will be a core contributor to accelerating revenue growth into the second half of FY2018.

"Our recently announced collaboration with Google is one of the first of its kind in Australia and perfectly complements ApplyDirect's solution suite and further strengthens our capability to provide tailored recruitment solutions that assist employers to unlock significant financial benefits.

"ApplyDirect's recruitment solutions simplify the connection between employers and job seekers, bringing them together directly, without the need for recruiters and other intermediaries. In doing this, we create significant financial benefits for the employer, improved employer brand, and an enhanced candidate experience. The integration of Google Cloud Job Discovery into the ApplyDirect talent acquisition solution is important because it will significantly enhance an employer's discoverability, effectively turbo-charging the ApplyDirect solution and increasing the return on investment for employers.

"As one of the first companies in Australia to have access to Google Cloud Job Discovery we have a unique opportunity to leverage this new capability and significantly accelerate the penetration of our target markets."

HY2018 Financial Results

1H18 Summary

| | 31 December 2017 \$ | 31 December 2016 \$ | % Change |
|------------------------------------|---------------------------|---------------------------|-------------|
| Operating revenue | 591,579 | 289,884 | 104.07% |
| Other income | 543 | 30,070 | (98.19%) |
| Revenue from continuing operations | 592,122 | 319,954 | 85.06% |
| Employee benefits expense | (1,499,398) | (1,085,551) | 38.12% |
| Total expenses | (3,350,328) | (2,403,521) | 39.39% |
| Loss for the period | (2,758,206) | (2,083,567) | 32.38% |

Total operating revenue increased 104.07% over 1H17 driven primarily by the Company's increased traction within the Government sector and the continued growth of its Media revenue stream. Total expenses increased by 39.39%, which is consistent with business growth and investment in building capability.

The closing cash position as at 31 December 2017 was \$3.46 million compared to \$3.21 million as at 31 December 2016. The cash balance at the end of 1H18 includes proceeds of the recent share placement totaling approximately \$2.6 million.

Developing business momentum

Cash receipts from customers



Cash receipts from customers has grown 78% on the same time in the prior year. Approximately \$200k in cash receipts were delayed to 2H18 due to the delay in contract sign off with NSW and Victorian Governments.

ApplyDirect Ecosystem



The Company is continuing to attract over 1 million visitors on a monthly basis across the ApplyDirect ecosystem.

Government

In January, ApplyDirect announced that it has signed a managed services agreement with the Victorian Government relating to its whole of Government careers portal. Under the agreement, ApplyDirect has been engaged to redesign, build, host and maintain the Victorian Government careers portal and provide related digital marketing services.

The new partnership with the Victorian Government, along with ApplyDirect's existing partnership with the NSW Government, means that the careers platforms of the two largest employers in Australia will be powered by ApplyDirect. The Victorian and NSW governments represent over 800,000 employees, or almost 50% of all Australian public sector jobs (excluding local government).

Similar to the engagement with the NSW Government, ApplyDirect expects that the partnership with the Victorian Government will lead to a significant pipeline of additional opportunities. The combined departments and services of the Victorian and NSW Governments represent in excess of 300 opportunities for ApplyDirect to implement its unique recruitment solutions and it is expected that this will deliver substantial ongoing revenue growth opportunities for the Company in FY2019 and beyond.

Google Collaboration

ApplyDirect announced in January that it would participate in Google's Cloud Job Discovery beta program as it introduces its job search and machine learning technology to the Australian market. ApplyDirect's adoption of Cloud Job Discovery is one of the first of its kind in Australia. 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 job seekers easier to discover.

ApplyDirect's collaboration with Google is a win-win. Customers will benefit from more traffic and applications from qualified, motivated candidates to their career sites, which will have an optimised recruitment experience developed by ApplyDirect. Additionally, job seekers will experience continuously improving search functionality delivered by Google's machine learning technology.

The integration with Google Cloud Job Discovery is expected to be completed by the end of the March 2018 quarter.

New Business / Media

ApplyDirect's integrated talent acquisition solution continues to develop momentum and recent new customer signings further consolidate the Company's position in the health sector.

Importantly, one of the recent agreements is with a customer who was previously a subscriber to our HealthBuzz jobs platform. Our talent acquisition solution will provide such customers with significant incremental value and ultimately, drive a higher return on investment. For ApplyDirect, it will provide higher revenue per job, as well as the benefits of a longer term and deeper relationship with our customers. Further, it highlights the potential to upsell existing customers the end-to-end solution.

As traffic to the Company's platforms increases, our media product continues to gain traction. Based on the success of the campaign, First State Super has engaged ApplyDirect to run further campaigns to 30 June 2018. Other media customer wins have included campaigns with Monash University, TAC in Victoria, the Department of Human Services and Department of Justice in Victoria.

Capital Raising

Through December 2017 and January 2018 ApplyDirect completed a share placement to institutional and sophisticated investors raising \$3.5 million at \$0.09 per share. A share purchase plan for existing shareholders was completed in January 2018 raising just over \$1 million at \$0.09 per share.

Outlook

Mr Barden said: "Our key priorities for the remainder of FY2018 include implementation of the Victorian Government's job portal, integration with Google's Cloud Job Discovery and accelerating conversion of the new customer pipeline.

"As such, we expect strong uplift in new customers in the second half of the financial year."

END

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About ApplyDirect

ApplyDirect is a recruitment technology and digital marketing business that brings employers and candidates together without the need for intermediaries, such as external recruiters and job boards.

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.