

ApplyDirect Limited December 2018 Quarterly Report and Appendix 4C

Melbourne, Australia, 30 January 2019: ApplyDirect Limited (ASX: AD1) (**ApplyDirect** or the **Company**), the provider of customer branded recruitment marketing platforms and related digital services, today released its Quarterly Report and Appendix 4C for the December 2018 quarter.

Key December 2018 Quarter Business Highlights

- Transaction documents signed for the proposed acquisition of Utility Software Services Pty Ltd (USS), which is subject to shareholder approval
- Announcement of a further placement of shares to raise approximately \$1.0 million, which is also subject to shareholder approval
- Completed placement of shares in December 2018 to raise just over \$1.0 million, with the proceeds to be used for general working capital requirements
- Cash receipts from customers for the December 2018 quarter were approximately \$210,000 (down 9% on the December 2017 quarter)
- Lower cash receipts were offset by lower operating costs as well as the receipt of a government R&D rebate. Specifically, net cash outlays from operating activities in the quarter were approximately \$834,000 (down 39% on the December 2017 quarter)
- Won significant managed services contract with APM, which is expected to be launched in the fourth quarter of FY19. APM is Australia's largest provider of Disability Employment Services, as well as a key provider under the Federal Government's jobactive program
- Won three individual Victorian Government contracts with: Development Victoria; the Department of Health & Human Services (DHHS); and the Department of Environment, Land, Water and Planning (DELWP)

ApplyDirect CEO, Lorcan Barden, said: "The December 2018 quarter saw some critical developments that are fundamental to the long-term success of ApplyDirect. The proposed acquisition of USS and share placement provide the clearest and most viable path for ApplyDirect to ultimately become successful and profitable. In addition, the new partnership with APM represents an exciting milestone as we extend the application of our platform technology and digital services to larger ecosystems.

"The proposed acquisition of USS is expected to provide a number of important benefits for ApplyDirect including a diversified revenue stream, the opportunity to access cost synergies and important technical capability that should accelerate our pathway to breakeven.

"The acquisition will also see the opportunity to direct our resources towards higher yielding revenue sources and customers, with a focus on providing ApplyDirect powered employment ecosystems to our target market segments.

"In part, the lower receipts for the December 2018 quarter reflected execution of the capital management plan and the associated reduced focus on lower yielding revenue. In addition, some cash receipts expected in the quarter were received in January 2019, whilst activity within the Government sector experienced a

slowdown due to the Victorian State election. Importantly, the reduced revenue was largely offset by a corresponding reduction in operating costs.

“March and June 2019 quarters are expected to rebound on the back of an increase in Government activity across both NSW and Victoria (post the election slowdown), and the commencement of revenue contributions from recent customer wins, including APM, Development Victoria, DHHS and DELWP.

“Further detail on the first half of the 2019 financial year for ApplyDirect will be provided with the financial reports for the six months to 31 December 2018. As previously advised, ApplyDirect is targeting an extraordinary general meeting of shareholders to approve the proposed USS acquisition and share placement in March, with the Notice of Meeting and Independent Expert’s Report expected to be released in early February.”

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Lorcan Barden

CEO

ApplyDirect

03 8199 0455

Bryan Petereit

CTO

ApplyDirect

03 8199 0455

About ApplyDirect

ApplyDirect is a provider of customer branded recruitment marketing platforms and related digital services. Its cloud-based solutions solve the problems created by disjointed HR technology that frustrates the candidate experience and misinforms the marketing strategy selected by 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.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

ApplyDirect Limited

ABN

29 123 129 162

Quarter ended ("current quarter")

31 December 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	210	841
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(324)	(830)
(c) advertising and marketing	(180)	(357)
(d) leased assets	-	-
(e) staff costs	(694)	(1,429)
(f) administration and corporate costs	(271)	(663)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(1)	(2)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	425	425
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(834)	(2,015)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(3)
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	-	(3)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	378	1,020
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(44)	(44)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	334	976

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	2,187	2,729
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(834)	(2,015)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	(3)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	334	976
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of quarter	1,687	1,687

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	1,687	2,187
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,687	2,187

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	104
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

The amount at 6.1 includes payment of directors' fees and payments to a director related entity excluding superannuation and reimbursement for administrative expenses and travel expenses.

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	
N/A	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		
N/A		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	309
9.3 Advertising and marketing	202
9.4 Leased assets	-
9.5 Staff costs	852
9.6 Administration and corporate costs	578
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	1,941

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
Company secretary

Date: 30 January 2019

Print name: Prashant Chandra

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.