

ApplyDirect Limited Business Update and Appendix 4C

Melbourne, Australia, 31 October 2019: ApplyDirect Limited (ASX: AD1) (**ApplyDirect** or the **Company**), the provider of customer branded recruitment technology platforms, utilities software billing services and management platforms and related services, today released its business update and the Appendix 4C for the September 2019 quarter.

Key September 2019 Quarter Highlights & Business Update

- Cash receipts from customers for the September 2019 quarter were \$631,000. Approximately \$125,000 in cash receipts for the quarter were delayed and subsequently collected in Q2 FY20
- Net operating cash outflow for the quarter was approximately \$1,326,000. The outflows included one-off costs directly in support of contracted annuity revenues that commenced in October 2019
- Successfully launched MyPharmacyCareer web and app solutions for the Pharmacy Guild of Australia (Guild) in October 2019
- Client wins for the quarter across the ApplyDirect and Utility Software Services (USS) divisions included
 - Environment Protection Authority Victoria (EPA) for the integration of their HRMS with the Careers.Vic platform;
 - iGeno Pty Ltd (iGeno) – an embedded networks operator – to provide them with a comprehensive managed services solution for its customer service operations including the use of USS’ SaaS platform; and
 - 3P Energy Pty Ltd (3P Energy) to provide strategic services for the establishment and ongoing operations of 3P Energy as a national retailer
- Continuing to expand new project work across both parts of the business with existing customers
- Successfully raised approximately \$833,000 under the Share Purchase Plan and \$1,000,000 in a private placement to the cornerstone investor, Smedley Family Office (Cornerstone Investor)

FY20 Outlook & Operating Breakeven

The ApplyDirect Board is committed to achieving operating breakeven for the Company in the second half of FY20. In addition to the approximately \$3 million per annum cost savings realised through acquisition synergies, the Company continues to rationalise its cost base to better align with the current revenues whilst ensuring the essential bandwidth to deliver the Company’s organic growth strategy.

The recently launched MyPharmacyCareer portal for the Pharmacy Guild of Australia is another milestone for the Company. The ApplyDirect powered talent platform for the Guild, which includes mobile applications for iOS and Android, now enables its member pharmacies and the talent in the pharmacy sector to connect seamlessly without the need for intermediaries. The revenue under this contract, with an initial term of three years, has commenced effective October 2019.

In addition to the wins during the September quarter, the Company has a strong pipeline of high yielding opportunities across both ApplyDirect and USS divisions.

Share Purchase Plan and Placement

The Company raised approximately \$833,000 under a Share Purchase Plan. The strong participation under the Share Purchase Plan is pleasing and demonstrates the continued shareholder endorsement of the ApplyDirect strategy.

The Company raised \$1,000,000 under a private placement to the Cornerstone Investor. The Cornerstone Investor will be entitled to a seat on the ApplyDirect Board and will assist in driving the Company's M&A strategy to further shareholder value through selective and aligned acquisition targets.

END

Andrew Henderson

Chairman
ApplyDirect
03 8199 0455

Prashant Chandra

CEO
ApplyDirect
03 8199 0455

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")

30 September 2019

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	631	631
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(579)	(579)
(c) advertising and marketing	(66)	(66)
(d) leased assets	-	-
(e) staff costs	(981)	(981)
(f) administration and corporate costs	(331)	(331)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,326)	(1,326)

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	-	-
	(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.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	1,833	1,833
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	-	-
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	1,833	1,833

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	839	839
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,326)	(1,326)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,833	1,833
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	1,346	1,346

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	1,346	839
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)	1,346	839

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	102
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	418
9.3 Advertising and marketing	35
9.4 Leased assets	-
9.5 Staff costs	991
9.6 Administration and corporate costs	514
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	1,958

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 (\$A'000)	-	-
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: 31 October 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.