

ASX RELEASE

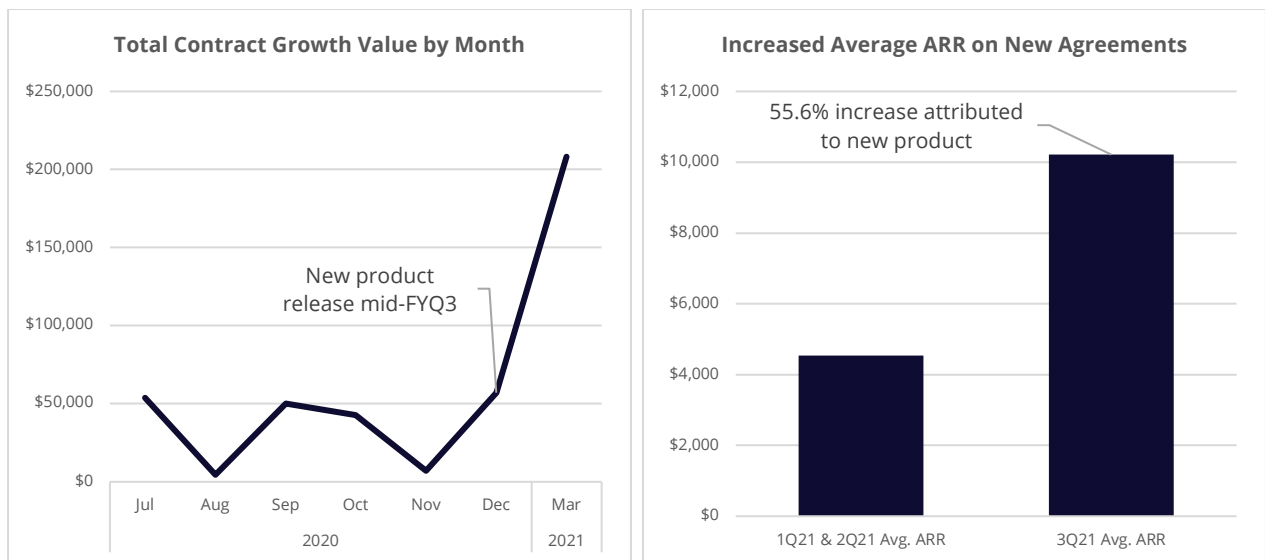
30 April 2021

March 2021 Quarterly Update

Highlights:

- \$208,000 in total contract value for SMB SaaS agreements, up 51% QoQ
- \$2,354,000 in cash receipts YTD, up from \$39,515 in the prior comparative period
- 55.6% increase in average annual recurring revenue (ARR) on new agreements attributed to enhanced product
- New sales and upsell opportunities to drive growth of SaaS ARR
- Additional functionality expands market to corporate clients
- Operating expenses down \$232,000 (18%) QoQ, and down \$707,000 (41%) when compared with 1Q21

3Q21 Growth



* Q3 Growth data is representative of Applyflow clients in the SMB segment.

Applyflow Ltd (ASX:AFW) (Applyflow or Company) has released its Appendix 4C Quarterly Report for the three month period ending 31 March 2021 and is pleased to provide the following update on its activities.

Applyflow posted a record quarter for new agreements, augmented by a major product development milestone completed in late February 2021. The milestone yielded immediate returns with the number of signed agreements in the March quarter exceeding the prior two quarters combined.

Applyflow's newly developed technology provides recruitment agencies, staffing firms and corporate recruiters a market-leading solution for recruitment websites and job boards – already attracting new and existing clients from around the globe.

New sales have seen an increase in average annual recurring revenue (ARR) attributed to product enhancements, up 55.6%.

Applyflow CEO Steve Butler said, "FY21 to date has been a transformational year for Applyflow. The product market fit is encouraging and we see traction continuing to build."

"It's fantastic to see major global, and SMB recruitment agencies switching to Applyflow with the pipeline growing weekly."

Transitioning to a pure play SaaS model

Investment in new technology and frameworks has allowed the company to shift to a scalable SaaS model. In addition to the major product release, Applyflow launched a batch of professionally designed recruitment 'website templates', pre-built to accelerate new client onboarding.

The 'website templates' are structured to easily inherit client brand guidelines and deliver an 'on brand', professional recruitment website with Applyflow's CMS, job and candidate technology built-in. The updates remove substantial friction, time, and costs in new client onboarding.

The strategy was successfully launched at an industry event with the Recruitment, Consulting and Staffing Association of Australia & NZ (RCSA) with positive feedback on the designs and with clients selecting one of Applyflow's pre-built solutions for all new agreements in the quarter.

Mr Butler said, “We continue to innovate and deliver new features and products to our customers to drive growth and market share.”

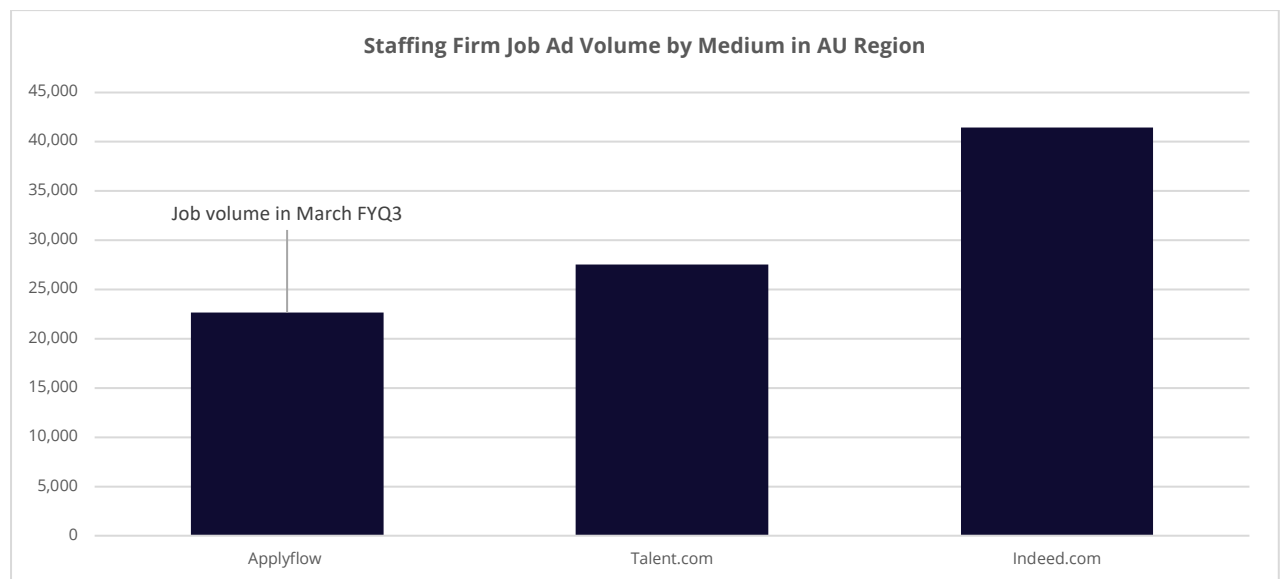
Market expansion to corporate clients

Completion of key structural and technical changes to the company and product shifts focus to growth and strategic market expansion.

The company has invested in functionality that modifies its new recruitment agency solution with a version adapted for corporate clients.

The solution offers corporates an enhanced career site, an employer branded experience, Applyflow’s job board technology and candidate management tools and supplements Applyflow’s existing presence within the recruitment agency industry and its staffing firm job data across its global network of recruitment websites and job boards.

Mr Butler said, “Applyflow’s expansion to corporates increases the revenue opportunity and allows the company to expand its presence across the industry.”



* Job volume advertised on Talent.com and Indeed.com in Australia as at 22 April 2021.

Product and technology update

Following the successful launch of the Applyflow platform in 2020, the company released a major update to its product in late February that included a new web application for job and candidate management to supplement its CMS, job board and recruitment website offering.

The new web app delivers a new 'look and feel' and key additional functionality that will continue to expand features over time.

The product has received positive reviews from Applyflow clients and a surge in new contracts. In addition, the release saw several new features to enhance recruitment management functionality such as:

- Candidate search and match technology
- Improved job posting and job management
- Candidate database management
- Job and candidate analytics

During the June quarter, additional functionality and new features will be released onto the Applyflow platform to improve the client experience, drive growth and market share.

Summary of expenditure for the quarter and related party payments

During the quarter, the group's total operating expenses (excluding depreciation, amortisation and share based payments) were approximately \$1.0 million, down 18% from the December 2020 quarter. These expenses were comprised of advertising and marketing (\$26,000), personnel and restructuring costs (\$645,000), and other administration and corporate costs (\$357,000).

There were no share based payments during the March 2021 quarter. Depreciation and amortisation during the March 2021 quarter was (\$111,000).

Product development of the Applyflow Platform has been reclassified from operating expenses and is being capitalised to intangible assets. Spending during the March 2021 quarter was \$200,000, bringing the total YTD spend to \$775,000.

In accordance with ASX Listing Rule 4.7C.3, payments to related parties and their associates outlined in the Company's Appendix 4C for the quarter related to salary and superannuation payments to Directors (\$96,000), and legal fees paid to Milcor Legal (a company associated with Mr Papadopoulos) for legal services (\$2,000).

The Company's cash balance as at 31 March 2021 was approximately \$2.665 million.

EVENTS SUBSEQUENT TO THE END OF THE QUARTER

Subsequent to the end of the quarter Applyflow entered into a new 12-month contract with Hudson, a leading provider of talent solutions for over 35 years, and the largest privately-owned talent solutions company in Asia Pacific.

Mr Butler said, "sales momentum has continued into 4Q21 with a clear demand for the new Applyflow platform and a strong pipeline of new and renewing contracts from both recruitment agencies and corporate clients."

This announcement was approved for release to ASX by Applyflow's Board of Directors.

Contact

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About Applyflow

Applyflow is on a mission to make the recruitment experience better for everyone by giving recruiters an easy to use yet powerful tech solution to manage their entire business flow. A fresh take on what the recruitment process should be and the tools your team needs to make it a reality.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

APPLYFLOW LIMITED

ABN

29 107 371 497

Quarter ended ("current quarter")

31 March 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	593	2,354
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(18)	(63)
(c) advertising and marketing	(26)	(152)
(d) leased assets		
(e) staff costs	(655)	(2,363)
(f) administration and corporate costs	(315)	(1,625)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	9
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives (<i>ATO overpayment returned to ATO</i>)	-	54
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(420)	(1,786)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses (<i>deferred from JXT purchase</i>)	-	(25)
(c) property, plant and equipment	(1)	(4)
(d) investments		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(e) intellectual property (<i>development of Applyflow platform, reclassified from Operating activity in previous quarter</i>)	(200)	(775)
	(f) other non-current assets		
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets	-	(4)
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	(201)	(808)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options	-	30
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(2)	(4)
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	(2)	26

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,297	5,241
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(420)	(1,786)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(201)	(808)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(2)	26
4.5	Effect of movement in exchange rates on cash held	(9)	(8)
4.6	Cash and cash equivalents at end of period	2,665	2,665

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	1,156	1,289
5.2 Call deposits	1,509	2,008
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)	2,665	3,297

6. Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	98
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>	

Quarterly cash flow report for entities subject to Listing Rule 4.7B

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(420)
8.2 Cash and cash equivalents at quarter end (item 4.6)	2,665
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	2,665
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	6.3
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: n/a	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: n/a	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: n/a	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

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.

Date: 30 April 2021

Authorised by: By the board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.