

## ASX RELEASE

31 October 2023

### September 2023 Quarterly Activities Report

#### Highlights Q1 FY24:

- **Quarterly cash receipts of \$565k**
- **Cost-out completed following staff reductions and one-off termination payments**
- **Cash and cash equivalents at quarter-end: ~\$2.60m**

Applyflow Limited (ASX:AFW) (**Applyflow** or **Company**) is pleased to provide its quarterly activities report for the September 2023 quarter and Appendix 4C.

#### Business Update

During the quarter, Applyflow continued to receive orders from its Software as a Service (SaaS) and direct B2B sales channels for its product offerings, generating \$565,000 in customer receipts.

The Company completed its review and cost-out strategy, reducing staff costs significantly after one-off termination payments. This process is now largely complete.

Applyflow initiated a transition project to migrate customers off legacy systems onto its proprietary Applyflow system. The migration, which is due to complete in late FY24 will provide a better solution to customers, while reducing annual infrastructure costs in the region of 40%.

Marketing activities during the quarter focussed on building brand awareness as an innovative leader in the recruitment industry. This included:

- conducting and publishing the first testimonial video with Frontline Recruitment
- launching a live blog page on the Applyflow website
- rolling out a monthly newsletter 'In the Flow' that includes tips, updates and calls-to-action, and
- implementing Applyflow's weekly social marketing strategy

Acting CEO Richard Swanton, attended the Recruitment, Consulting and Staffing Association (RCSA) annual conference, SHAPE 2023. The conference was for recruitment and staffing where leaders and decision makers to come together for two and half days to share industry insights, thought provoking presentations, and conversations around shaping tomorrow's talent landscape.

## **Subsequent to the end of the quarter**

Subsequent to the end of the quarter, the Company agreed a 12 month extension of its framework agreement with Adecco Group. The original agreement was first announced to ASX in October 2020.

The Company also conducted its first live webinar 'Marketing in Recruitment 101', which saw over 90 recruitment Marketing Managers attend, of which 60% were new customer prospects. Going forward these webinars will become a part of a marketing in recruitment series.

## **Summary of expenditure for the quarter and related party payments**

During the quarter, the Group's total cash outflows from operating expenses were approximately \$1.3 million, comprised of marketing (\$15K), staff costs and a number of one-off termination payments (\$908K) and administration and corporate costs (\$378K).

In accordance with ASX Listing Rule 4.7C.3, payments to related parties and their associates totalling \$60K, and as outlined in Item 6 of the Company's Appendix 4C, was for director remuneration.

The Company's cash balance as at 30 September 2023 was approximately \$2.6 million.

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

## **Contact**

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## **About Applyflow**

Applyflow is an innovative web and tech agency, on a mission to revolutionise recruitment by empowering businesses with innovative recruitment technology, captivating design, and impactful messaging.

## 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")**

30 September 2023

| <b>Consolidated statement of cash flows</b>               | <b>Current quarter<br/>\$A'000</b> | <b>Year to date<br/>(3 months)<br/>\$A'000</b> |
|---|------------------------------------|--|
| <b>1. Cash flows from operating activities</b>            |                                    |  |
| 1.1 Receipts from customers                               | 565                                | 565  |
| 1.2 Payments for  |                                    |  |
| (a) research and development                              |                                    |  |
| (b) product manufacturing and operating costs             |                                    |  |
| (c) advertising and marketing                             | (15)                               | (15)   |
| (d) leased assets   |                                    |  |
| (e) staff costs   | (908)                              | (908)  |
| (f) administration and corporate costs                    | (378)                              | (378)  |
| 1.3 Dividends received (see note 3)                       |                                    |  |
| 1.4 Interest received                                     | 10                                 | 10   |
| 1.5 Interest and other costs of finance paid              |                                    |  |
| 1.6 Income taxes paid                                     |                                    |  |
| 1.7 Government grants and tax incentives                  |                                    |  |
| 1.8 Other (provide details if material)                   |                                    |  |
| <b>1.9 Net cash from / (used in) operating activities</b> | <b>(726)</b>                       | <b>(726)</b>                                   |
| <b>2. Cash flows from investing activities</b>            |                                    |  |
| 2.1 Payments to acquire or for:                           |                                    |  |
| (a) entities  |                                    |  |
| (b) businesses  |                                    |  |
| (c) property, plant and equipment                         | (2)                                | (2)  |
| (d) investments   |                                    |  |
| (e) intellectual property                                 |                                    |  |
| (f) other non-current assets                              |                                    |  |

| <b>Consolidated statement of cash flows</b> |   | <b>Current quarter<br/>\$A'000</b> | <b>Year to date<br/>(3 months)<br/>\$A'000</b> |
|---|---|------------------------------------|--|
| 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  |                                    |  |
| 2.3   | Cash flows from loans to other entities   |                                    |  |
| 2.4   | Dividends received (see note 3)   |                                    |  |
| 2.5   | Other (provide details if material)   |                                    |  |
| <b>2.6</b>                                  | <b>Net cash from / (used in) investing activities</b>                                   | <b>(2)</b>                         | <b>(2)</b>                                     |
| <b>3.</b>                                   | <b>Cash flows from financing activities</b>   |                                    |  |
| 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   |                                    |  |
| 3.4   | Transaction costs related to issues of equity securities or convertible debt securities |                                    |  |
| 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)   |                                    |  |
| <b>3.10</b>                                 | <b>Net cash from / (used in) financing activities</b>                                   | <b>-</b>                           | <b>-</b>                                       |
| <b>4.</b>                                   | <b>Net increase / (decrease) in cash and cash equivalents for the period</b>            |                                    |  |
| 4.1   | Cash and cash equivalents at beginning of period  | 3,335                              | 3,335  |
| 4.2   | Net cash from / (used in) operating activities (item 1.9 above)                         | (726)                              | (726)  |
| 4.3   | Net cash from / (used in) investing activities (item 2.6 above)                         | (2)                                | (2)  |

| <b>Consolidated statement of cash flows</b> |  | <b>Current quarter<br/>\$A'000</b> | <b>Year to date<br/>(3 months)<br/>\$A'000</b> |
|---|--|------------------------------------|--|
| 4.4   | Net cash from / (used in) financing activities (item 3.10 above) | -                                  | -  |
| 4.5   | Effect of movement in exchange rates on cash held                | (4)                                | (4)  |
| <b>4.6</b>                                  | <b>Cash and cash equivalents at end of period</b>                | <b>2,603</b>                       | <b>2,603</b>                                   |

| <b>5.</b>  | <b>Reconciliation of cash and cash equivalents</b><br>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | <b>Current quarter<br/>\$A'000</b> | <b>Previous quarter<br/>\$A'000</b> |
|------------|---|------------------------------------|-------------------------------------|
| 5.1        | Bank balances   | 982                                | 1,059                               |
| 5.2        | Call deposits   | 1,621                              | 2,276                               |
| 5.3        | Bank overdrafts   | -                                  | -                                   |
| 5.4        | Other (provide details)   | -                                  | -                                   |
| <b>5.5</b> | <b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>  | <b>2,603</b>                       | <b>3,335</b>                        |

| <b>6.</b>  | <b>Payments to related parties of the entity and their associates</b>                   | <b>Current quarter<br/>\$A'000</b> |
|--|---|------------------------------------|
| 6.1  | Aggregate amount of payments to related parties and their associates included in item 1 | 60                                 |
| 6.2  | Aggregate amount of payments to related parties and their associates included in item 2 | -                                  |
| <p><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></p> <p><i>In accordance with ASX Listing Rule 4.7C.3, payments to related parties and their associates outlined in Item 6 are for salary and superannuation of Directors.</i></p> |   |                                    |

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

| <b>7. Financing facilities</b>  | <b>Total facility amount at quarter end \$A'000</b>                                       | <b>Amount drawn at quarter end \$A'000</b> |
|---|---|--|
| <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 <b>Total financing facilities</b>   | -   | -  |
| 7.5 <b>Unused financing facilities available at quarter end</b>   |   | -  |
| 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. | <div style="border: 1px solid black; padding: 5px; min-height: 100px;"> <p>N/A</p> </div> |  |

| <b>8. Estimated cash available for future operating activities</b>   | <b>\$A'000</b> |
|--|----------------|
| 8.1 Net cash from / (used in) operating activities (item 1.9)  | (726)          |
| 8.2 Cash and cash equivalents at quarter end (item 4.6)  | 2,603          |
| 8.3 Unused finance facilities available at quarter end (item 7.5)  | -              |
| 8.4 Total available funding (item 8.2 + item 8.3)  | 2,603          |
| 8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>  | 3.58           |
| <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?  |                |
| <p>Answer: n/a</p>   |                |
| 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? |                |
| <p>Answer: n/a</p>   |                |
| 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?  |                |
| <p>Answer: n/a</p>   |                |
| <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: 31 October 2023

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.