

ASX RELEASE

30 January 2024

December 2023 Quarterly Activities Report

Applyflow Limited (ASX:AFW) (**Applyflow** or **Company**) is pleased to provide this quarterly activities report for Q2 FY24.

Corporate

On 6 November 2023 the Company announced that it had requested its securities be placed into voluntary suspension, effective immediately, pursuant to Listing Rule 17.2 pending an announcement to the market of a proposed transaction under Listing Rule 11.1.

In accordance with Listing Rule 17.2 the suspension must remain in place until the Company has complied with the procedures outlined in section 2.10 of Guidance Note 12 in relation to the proposed transaction.

The Company has been in discussions with ASX since that date regarding a proposed transaction, including obtaining in-principal guidance from ASX.

The Company anticipates an announcement regarding the proposal will be made in early February.

Operations

In the meantime, during Q2 FY24, the Company has continued operations on the Applyflow business including efforts to grow market share in Australia and New Zealand to build upon the strategies implemented in previous quarters.

The Company has entered into new commercial contracts with leading firms in both jurisdictions, including renewals with existing customers.

Cash receipts for the quarter were approx. \$749,000.

Net cash outflow from operating activities only for the quarter was approx. \$175,000, reflecting a 75% decrease compared to the previous quarter as costs were reduced, without materially impacting operational efficiency.

During the quarter the Company's engineering and development team launched ApplyflowX, a significant upgrade to Applyflow's proprietary technology. ApplyflowX introduces a host of new features and improvements, aligning with the evolving needs of customers.

Summary of expenditure for the quarter and related party payments

During the quarter, the Company's overall cash outflows were approx. \$929,000, comprising of marketing (\$14,000), personnel (\$658,000) and administration and corporate costs (\$257,000).

In accordance with ASX Listing Rule 4.7C.3, payments to related parties and their associates totalling \$42,000, and as outlined in Item 6 of the Company's Appendix 4C, were for salary and superannuation of Directors.

Cash balance

The Company's cash balance as at 31 December 2023 was approx. \$2.43 million.

This announcement was approved for release 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")

31 December 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	749	1,314
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs		
(c) advertising and marketing	(14)	(29)
(d) leased assets		
(e) staff costs	(658)	(1,566)
(f) administration and corporate costs	(257)	(634)
1.3 Dividends received (see note 3)		
1.4 Interest received	5	15
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)		
1.9 Net cash from / (used in) operating activities	(175)	(900)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	-	(2)
(d) investments		
(e) intellectual property		
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
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)		
2.6	Net cash from / (used in) investing activities	-	(2)

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		
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)		
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,603	3,335
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(175)	(726)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(2)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
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)
4.6	Cash and cash equivalents at end of period	2,428	2,603

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	802	1,059
5.2	Call deposits	1,626	2,276
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)	2,428	3,335

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	42
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

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. 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.	N/A	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(174)
8.2 Cash and cash equivalents at quarter end (item 4.6)	2,428
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	2,428
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	14
<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 January 2024

Authorised by: By Order of 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.