

ASX: LVH MARKET RELEASE

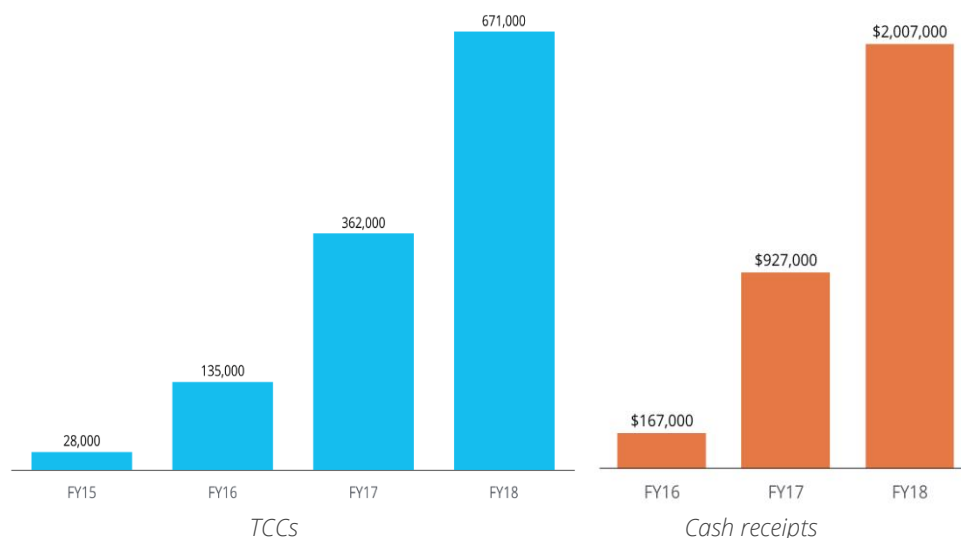
LiveHire June Quarterly Report and Appendix 4C

24 July 2018 | Melbourne, Victoria

Quarter Highlights

- LiveHire's ecosystem of networked Talent Community Connections (TCCs), increased by ~50,000 for the quarter, reaching ~671,000 TCCs and further increasing ecosystem defensibility. Year-on-year TCCs have grown by ~309,000 (85%).
- Cash receipts for the quarter were \$567,000, up 25% on previous quarter, driven largely by the renewal and growth of existing customers.
- LiveHire's FY18 annual cash receipts were up 116% on FY17, surpassing \$2 million for the financial year.

TCCs and cash receipts growth



- Appointed Christy Forest as Chief Executive Officer (CEO), with co-founder Antonluigi Gozzi appointed as Chief Products Officer (CPO). Christy, who originally joined the LiveHire Board in September 2017 as an independent non-executive Director, brings deep experience in scaling high-growth subscription businesses in Human Resources, having lead two of CEB's largest

revenue portfolios as Executive Director, Global Member Services, covering the US, Europe and Asia-Pacific, and as Managing Director, Asia-Pacific.

- Continued to invest in accelerated product development to capture the RPO and Direct Sales market, whilst carefully managing spend (6% lower than the estimated cash outflows provided in the March Quarterly 4C report).
- CPO, Antonluigi Gozzi, presented on the role of AI in recruitment technology at the Australasian Talent Conference (ATC) in Sydney in June 2018. The recording of the presentation can be found [here](#).
- As a result of the Company's investment in its product development it received an R&D rebate of \$984,000 during the quarter, in relation to the FY17 year.
- The Company is well funded with cash as at 30 June of \$30.6m, no debt, and carefully managing spend.

Melbourne, 24th July 2018, LiveHire Limited (ASX: LVH), the technology company providing talent acquisition and mobility platform, is pleased to release its June Quarterly Report and Cash Flow Report for the period ending 30 June 2018.

LiveHire CEO, Christy Forest, said: *"This quarter was defining for LiveHire in consolidating our understanding of the ideal customer profile and our best channels to go to market. We are pleased that the RPO partnerships have started to bear fruit and our direct sales teams have been redirected toward the best fit customers. With Gigi at the helm of the Product organisation, we are also expediting our delivery of new product functionality and integrations to improve ease of adoption, conversion and renewal rates. I believe this quarter caps a foundational year that has revealed the agility of our teams to bring a winning product together with a winning approach, from which we can accelerate our growth."*

June Quarterly review and 1H FY19 outlook:

The Company's sales pipeline (direct and RPO) remains healthy and growing, however during the quarter sales experienced a distinct slow-down in the velocity of deals being signed. This was combined with an increase in awareness and focus of prospective client's IT divisions around data and security reviews, in light of a recent data breach of a major vendor in the recruitment technology space. This breach impacted many of the large enterprises in Australia, where the RPO channel is focussed, extending into the mid-market, where LiveHire's direct sales team are focussed.

Whilst the Company's believes this is a short term issue, it has resulted in converting the sales pipeline to slow, though not decreasing in size. The Company believes long-term the breach has caused many organisations in Australia to accelerate reviews of their recruitment technology. LiveHire continues to pass these reviews, evidenced by wins with major tech firms such as Xero.

LiveHire maintains industry best practice data and security focus, and treats this area very seriously. Regular independent penetration testing is successfully completed, with the most recent being on the same issue that caused the vendors breach, just weeks prior to the breach.

The Company's dual focus remains upon active partnerships with RPO partners in serving the largest companies, who have the highest degree of complexity, but are extremely well-managed by RPOs

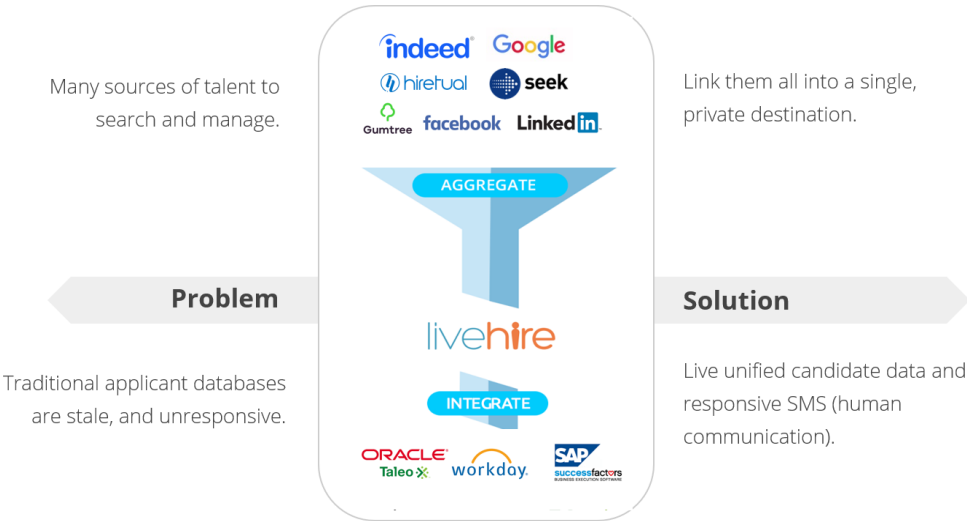
themselves; and direct sales efforts to mid-sized companies where, at their size and scale, LiveHire brings a brand new capability in sourcing and candidate experience previously unavailable to them and with exponential ROI.

LiveHire’s Market Opportunity

LiveHire’s purpose of empowering the flow of the world’s talent is achieved through the networked growth and hosting of private Live Talent Communities for organisations through its platform.

The Talent Technology Landscape

The LiveHire platform creates a new category of performance software in the Human Capital space, unifying and powering the flow of candidate data and experience to achieve critical talent outcomes.



NOTE: Graphic representation for illustrative purposes only.

It is estimated that Companies spend more than **US\$240 billion annually** on Talent Acquisition in the US alone¹. Most of this spend (~98%) has historically been on inefficient administrative tasks, with very little (~2%) on technology². This immense spend on inefficient processes is the reason LiveHire was created, to provide a productivity platform for recruitment teams. Globally, the problem and opportunity is similar, and we believe over time, recruitment technology will account for 15-20% of total recruitment spend as it drives efficiency and productivity gains in return.

Cash receipts for Q4 were a record \$567,000.

Cash receipts for the quarter were \$567,000, an increase of 25% on March quarter. Importantly, FY18 cash receipts were up 116% on FY17.

As noted previously, the timing of cash receipts from new clients due to a shift to annual subscriptions, combined with the gradual migration of existing clients to annual subscriptions, will result in cash receipts experiencing some QoQ fluctuations.

¹ <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/human-capital/us-hc-disruptions.pdf>

² CEB Gartner: 2017 State of the Recruiting Function: Benchmarks for Recruiting Budget, Staffing, and Workload.

Operating cash outflow of \$2.83m was 6% below estimated cash outflows provided in the March Quarterly 4C report. Net operating cash outflow was \$1.03m, aided from the receipt of R&D tax rebates. The cash balance as at end of the quarter was \$30.6m, with no debt.

Whilst LiveHire actively manages its cash burn, it also prioritises investment in product development to capture the RPO and Direct Sales market with its unique and differentiated product. In addition, the Company invests in sales and marketing, and technology partnerships (especially in areas that are disruptive and market-leading, such as AI and machine learning). Overall, the Company continues to carefully manage spend in line with its forward sales pipeline and product roadmap

Talent Community Connections for June quarter grew to 671,000

TCCs grew by ~50,000 for the quarter to ~671,000. TCCs indicate the size of the networked ecosystem of candidates with unified profiles across private Talent Communities. Whilst TCCs are no longer a customer pricing mechanism, they remain a critical asset from which value to customers is derived. Thus, TCCs remain a growth focus for LiveHire as LiveHire believes that the larger the networked ecosystem:

1. The more attractive the platform is, as dynamic and expanded sources of candidate profile data compared to traditional static recruitment software.
2. The more scalable it is across entire industries and regions globally.
3. The more defensible it makes the product and category from competitors looking to create a similar offering from a standing start.
4. The greater visibility we have of the entire recruitment process and candidate journey from source to hire, and the unique value of the live employment data that this creates.
5. The faster it is for new customers to grow their private Talent Communities to ideal size.
6. The faster it is for candidates to find their next career move with their unified profile.

LiveHire established the Integrations team led by Dan Harper

During the quarter, LiveHire established a team of resources fully dedicated to strategic integrations and technology infrastructure to support HRIS software integrations. LiveHire's objective is to provide clients with a *fully integrated end-to-end talent acquisition platform*, which supports best in practice third party HR tools, either via direct integration or via Open APIs.

During the quarter the team integrated with the following third party technologies:

- Vieple for video interviewing;
- HireTual for online sourcing and AI; and
- HRonboard for onboarding.

In the area of integration with major HRIS systems, LiveHire continued to expand the integration capabilities with SAP SuccessFactors for its existing clients. This included 'bi-directional syncing of candidate statuses' to keep candidate data up-to-date in real time, as well as advanced monitoring and management systems to support each integration and manage future scalability requirements.

Finally, the integrations team has been developing an Open API for Job Requisitions with the primary objective to let third party technologies integrate directly into the LiveHire Talent Community platform.

LiveHire continues to expand 'Recruiter Productivity' functionalities

LiveHire continues to develop its functionality with a view to optimise recruitment teams' productivity. During the quarter the technology development team has developed or significantly advanced the following Talent Community functionalities:

- Candidate Matching and Job Applicant suggestions;
- Google Jobs Discovery;
- Roll out of advanced client's Career Pages;
- Candidate Interview stages management;
- Recruitment documents attachments in CRM messaging; and
- Scoring of applications screening questions.

Note to market

None of the information included in this announcement should be considered individually material, unless specifically stated. All figures in this announcement are provided on an unaudited basis.

For more information:

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Subscribe to LiveHire's newsletter at: <http://eepurl.com/b2EMFL>

www.livehire.com/investor

About LiveHire

LiveHire is a Human Capital performance platform that delivers a proactive sourcing and talent mobility solution called Live Talent Communities. The platform makes managing the flow of talent into and through businesses seamless, delivering value through detailed visibility of talent, shifting recruitment from reactive to proactive, improving fit, reducing time and cost to hire, with an unrivalled candidate experience.

Founded in 2011, LiveHire is an Australian company headquartered in Melbourne, with offices also in Sydney, Brisbane and Perth.

www.livehire.com

Disclaimer

This announcement contains "forward-looking statements." These can be identified by words such as "may", "should", "anticipate", "believe", "intend", "estimate", and "expect". Statements which are not based on historic or current facts may be forward-looking statements. Forward-looking statements are based on:

- assumptions regarding the Company's financial position, business strategies, plans and objectives of management for future operations and development and the environment in which the Company will operate; and

- current views, expectations and beliefs as at the date they are expressed and which are subject to various risks and uncertainties.

Actual results, performance or achievements of the Company could be materially different from those expressed in, or implied by, these forward-looking statements. The forward-looking statements contained within the presentations are not guarantees or assurances of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Company, which may cause the actual results, performance or achievements of the Company to differ materially from those expressed or implied by forward-looking statements. For example, the factors that are likely to affect the results of the Company include general economic conditions in Australia and globally; exchange rates; competition in the markets in which the Company does and will operate; weather and climate conditions; and the inherent regulatory risks in the businesses of the Company. The forward-looking statements contained in this announcement should not be taken as implying that the assumptions on which the projections have been prepared are correct or exhaustive. The Company disclaims any responsibility for the accuracy or completeness of any forward-looking statement. The Company disclaims any responsibility to update or revise any forward-looking statements to reflect any change in the Company's financial condition, status or affairs or any change in the events, conditions or circumstances on which a statement is based, except as required by law. The projections or forecasts included in this presentation have not been audited, examined or otherwise reviewed by the independent auditors of the Company.

You must not place undue reliance on these forward-looking statements.

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

LiveHire Limited

ABN

59 153 266 605

Quarter ended ("current quarter")

30th June 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	567	2,007
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs		
(c) advertising and marketing	(78)	(242)
(d) leased assets		
(e) staff costs	(2,044)	(7,001)
(f) administration and corporate costs	(705)	(2,721)
1.3 Dividends received (see note 3)		
1.4 Interest received	246	566
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives	984	984
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(1,030)	(6,408)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(25)	(118)
(b) businesses (see item 10)		
(c) investments		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
(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	(25)	(118)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	123	20,242
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 - IPO / Capital Raising Transaction Costs	0	(872)
3.10 Net cash from / (used in) financing activities	123	19,370

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	31,524	17,748
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,030)	(6,408)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(25)	(128)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	123	19,370

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of quarter	30,592	30,592

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	2,822	949
5.2	Call deposits	27,250	30,505
5.3	Bank overdrafts		
5.4	Other – Deposits for Bank Guarantees	520	70
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	30,592	31,524

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 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

**Current quarter
\$A'000**

259

Payment of Directors salaries, superannuation and fees.

7. Payments to related entities of the entity and their associates

- 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

**Current quarter
\$A'000**

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.		

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	
9.2 Product manufacturing and operating costs	
9.3 Advertising and marketing	(119)
9.4 Leased assets	
9.5 Staff costs	(2,422)
9.6 Administration and corporate costs	(1,044)
9.7 Other (provide details if material)	
9.8 Total estimated cash outflows	(3,585)

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: Date: 24 July 2018
(~~Director~~/Company secretary)

Print name: Charly Duffy
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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.