

ASX: LVH MARKET RELEASE

LiveHire September Quarterly Report and Appendix 4C

18 October 2018 | Melbourne, Victoria

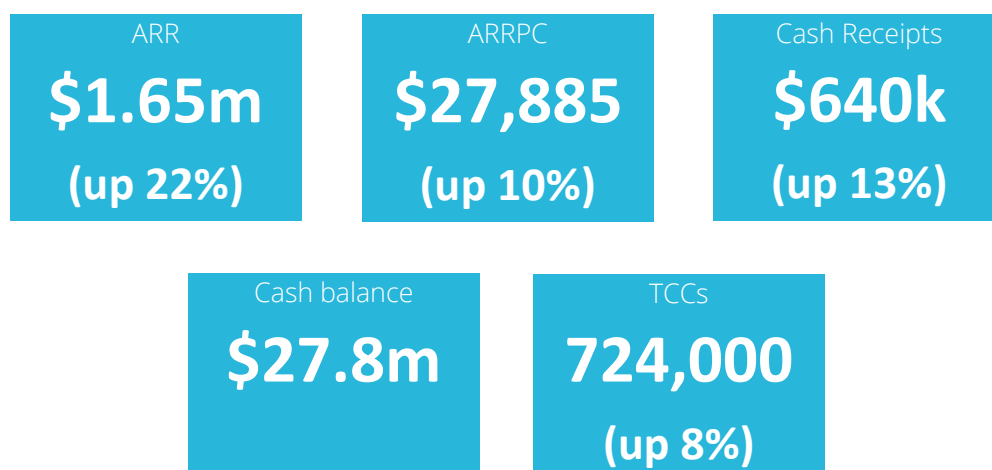
Melbourne, 18 October 2018, LiveHire Limited (ASX: LVH), the award-winning¹ talent acquisition & engagement platform that revolutionises candidate experience and enables businesses to thrive with talent on demand, is pleased to release its September Quarterly Report and Cash Flow Report for the period ending 30 September 2018.

Highlights:

- Annualised Recurring Revenue, a key business metric for LiveHire, grew \$298k QoQ (22%) to \$1.65m, driven by the success of winning 10 contracts.
- Annualised Recurring Revenue Per Client (ARRPC) increased 10% to \$27,885, as a result of the continued trend of winning larger clients. ARRPC has increased 38% YoY, demonstrating strong growth.
- LiveHire's ecosystem of networked Talent Community Connections (TCCs), increased by ~53,000 for the quarter, reaching ~724,000 TCCs, further increasing the defensibility of the ecosystem. Year-on-year TCCs have grown by ~277,000 (62%).
- Cash receipts for the quarter were \$640,000, up 13% on previous quarter, driven largely by new customers.
- New major product feature successfully delivered in Agency Management.
- The Company had \$27.8m as at 30 September with 61 full-time equivalent employees.

¹ [Reference Link 1](#) [Reference Link 2](#) [Reference Link 3](#) [Reference Link 4](#)

Key business metrics



LiveHire's purpose is to empower the flow of the world's talent into and through organisations. We do this through a platform based approach that is rapidly deployed, infinitely scalable, easily integrated with, and underpinned by a single unified profile of the candidate, aiming to provide a private and secure single source of truth of data for organisations, talent, and the economy. We believe that as the LiveHire ecosystem grows, as reported through the above metrics, the value delivered to organisations and candidates alike continues to grow, accelerating further ecosystem growth.

Annualised Recurring Revenue (ARR) grows 22%

During the September quarter, ARR grew \$298k (22%) to \$1.65m, as a result of 10 clients won with an average ARR of \$36k.

The Company churned four lower value legacy clients who no longer fit LiveHire's ideal customer profile during the quarter. Net client numbers increased by six as a result, importantly however, the overall ARR and ARR Per Client (ARRPC) increased by **22%** and **10%** respectively, highlighting the larger value (driven by FTE size) of new clients.

New Contract Wins

Demonstrating the higher value client wins, LiveHire's 10 new contracts had a record ARRPC of \$36k during the quarter. In addition, the new contract wins will contribute associated non-recurring revenue streams such as implementation fees and consulting services.

LiveHire had several contract wins across a number of key industries, some of these clients included:

- Manpower Services (Aust) Pty Ltd) (Federal Government, RPO Channel)
- AmpControl (Engineering, Direct, 800 FTEs)
- iSelect, (Technology, Direct Channel, 500 FTEs)
- The Career Insight Group (Career Management, Direct Channel, >5,000 participants)
- Xero (Technology, Direct Channel, 2,000 FTEs)
- Calibre Group (Construction/Engineering, Direct Channel, 1,200 FTEs)
- Komatsu Australia (Manufacturing, Direct Channel, 3,150 FTEs)
- Nissan Australia (Automotive Manufacturing, RPO channel, 500 FTEs)

In addition to the aforementioned clients, a contract with WA Country Health Service, the largest country health system in Australia, was signed for a pilot period to work with the Kimberley and Pilbara regions in WA on sourcing, engagement and hiring of non-permanent medical staff. Given the pilot nature of this contract, it has not been included within the reported ARR number.

LiveHire does not consider any of these contracts, individually, to be material whilst realising them clearly as valuable additions to our portfolio of clients.

Manpower Services (Aust) Pty Ltd (trading as Manpower Group) (Federal Government, RPO Channel)

The Company particularly highlights the recent contract win within the Government sector, with one of the world's largest RPO providers, ManpowerGroup.

The contract with ManpowerGroup supports a large Federal Government agency that manages over 80,000 applicants per annum. This solution is recognised as one of the world's largest and most complex RPO programs.

ManpowerGroup will be leveraging LiveHire to assist with the attraction and engagement of fresh talent, as well as the re-engagement of candidates that have previously applied for a role.

LiveHire does not consider this contract, individually, to be material whilst realising it clearly as a valuable addition to our portfolio of clients.

LiveHire CEO, Christy Forest, said: *"We are pleased with the positive momentum in new sales this quarter, resulting in a record number of wins at record contract values. I am especially encouraged by successes with our RPO partners who have collaborated with us on opportunities both realised and still to come. I am also encouraged by the refocus of our direct sales teams on clients we are well-suited to serve. In fact, all our LiveHire teams mobilised to meet the Solutions and IT/Security requirements to welcome this exceptional new list of clients."*

Cash receipts for Q2 were a record \$640,000.

Cash receipts for the quarter were \$640,000, an increase of 13% on June quarter.

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.

Operating cash outflow of \$3.55m was in line with estimated cash outflows provided in the June Quarterly 4C report. The cash balance as at end of the quarter was \$27.8m, 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 Connections² for June quarter grew to 724,000

TCCs grew by ~53,000 for the quarter to ~724,000. TCCs indicate the size of the networked ecosystem of candidates with unified profiles across private Talent Communities². Whilst TCCs are not a customer pricing mechanism, they are an important 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 a dynamic and expanded source 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 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, creating uniquely valuable live employment data.
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.

Product

In the last quarter LiveHire's products and development team continued to focus on increasing the adoption, usage and user productivity of the end-to-end Talent Acquisition and Engagement platform, with a particular focus on innovation of core functionalities and the Open API technology to enable integrations at scale with 3rd party HR recruitment tools.

Integrations

A major milestone for the integrations team was achieved with the delivery of the Open API to be consumed by any of our clients and partners. An Open API is a secure way to integrate 3rd party technology solutions with the LiveHire platform, being able to sync bidirectionally all attributes of a job vacancy in real time between multiple systems. With this feature, LiveHire has achieved a major milestone as we invest in the platform ecosystem and the marketplace of multiple 3rd party HR technology tools, who can seamlessly integrate with LiveHire. Now clients and 3rd party tools can directly integrate with LiveHire through the Open API without additional development requirements from LiveHire. The APIs can also be used by LiveHire for future product development purposes and to support white-labelling of any technology into the technology platform.

The integrations team also continued to deliver on the seamless integration with HireTual. This integration uses powerful Artificial Intelligence and Machine Learning to source candidates outside of the Talent Community and identify additional candidates to add to the talent pooling within LiveHire, especially where skill shortages are an issue and candidate volume is lacking. HireTual is a market leading technology globally in sourcing, with more than 700 million profiles³ searchable on the one platform.

² A Talent Community Connection (TCC) represents a connection between a company and an employment candidate on the Livehire platform. An individual candidate may join multiple talent communities resulting in multiple TCCs per candidate. TCCs also include unclaimed candidate profiles created by a company or its service providers or by the candidate through a job application process. TCCs may also include claimed candidate profiles that remain on the platform available to be connected with live talent communities after being archived by their only active company connection.

³ [Reference Link](#)

During the quarter, the integrations team completed the integration with video interviewing platform Vieple, which is widely used in Australia across most industries. The video interviewing solution is white-labelled within select Talent Communities and can be activated for any client who wishes to use video interviewing as part of the recruitment process.

Agency Management

In a candidate short market or for contingent (contractor) hiring, clients often engage with multiple recruitment agencies to manage complex hiring needs and rapid delivery timeframes. LiveHire has now released, in beta, the technology that enables organisations to engage directly with third party recruitment agencies, giving agencies the ability to attribute applicants to job vacancies and recommend candidates directly into clients' Talent Communities. This feature has completed the entire feature set required for sourcing new candidates, and allows each client to engage with external recruitment providers through the one unified platform and unified recruiter and candidate experience. With the addition of agencies, LiveHire now powers the recruitment collaboration between candidates, recruiters, sourcers, hiring managers and agencies, who are all the key stakeholders involved in the recruitment process. This development further positions the LiveHire platform for use in the contingent workforce market, commonly known as Managed Service Providers (MSP).

Candidate Matching in Job Vacancy

LiveHire has released algorithms to power candidate matching from the Talent Community against each job vacancy, allowing recruiters to quickly see candidates who fit the new position created. This feature leverages not only CV and vacancy matching, but also includes important unique factors such as quality ratings, relationship strength, talent pooling activity and engagement factors into the matching algorithms and boosting. This sophisticated matching allows for higher quality suggestions that lead to a faster time to hire and better recruitment outcomes.

Other functionality

- Delivered a document viewer embedded natively in the LiveHire platform to allow clients to view and manage every document in real time, analysing each document without the necessity to download it or the need to leave the platform.
- Improvements in the talent search functionality within the Talent Community, being able to search candidates directly with postcodes or suburbs, or define exact radiuses, in order to narrow searches as much as possible.

People & Culture

- Appointed Robbert Lammers as Head of Marketing to expand LiveHire's significant market opportunity and appointed Jacqui Davy as General Counsel and Data Privacy Officer.
- QoQ growth in FTE of 7, from 54 to 61. The current organisation FTE mix shows 43% of staff within Product Development and Technology roles, and 42% within customer facing and commercial roles

Quarterly Investor Webinar

The Company wishes to advise investors it will release a recorded webinar pre-market tomorrow, 19 October, which will provide an overview of the quarterly results, key contracts won, future outlook, and

more detail on the exciting deals of Manpower RPO, Career Insight Group which provides a first foray into the internal mobility and redeployment market, and the pilot deal with WA Country Health Service. Geoff Morgan (Chairman), Christy Forest (CEO), Ben Malone (CFO), Gigi Gozzi (founder) and Mike Haywood (founder) all present during the webinar.

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 September 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		640	640
1.2 Payments for			
(a) research and development			
(b) product manufacturing and operating costs			
(c) advertising and marketing		(55)	(55)
(d) leased assets			
(e) staff costs		(2,415)	(2,415)
(f) administration and corporate costs		(1,081)	(1,081)
1.3 Dividends received (see note 3)			
1.4 Interest received		183	183
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		(2,727)	(2,727)
2. Cash flows from investing activities			
2.1 Payments to acquire:			
(a) property, plant and equipment		(41)	(41)
(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	(41)	(41)
3. Cash flows from financing activities			
3.1	Proceeds from issues of shares	13	13
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		
3.10	Net cash from / (used in) financing activities	13	13
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	30,592	30,592
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,727)	(2,727)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(41)	(41)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	13	13

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	27,837	27,837

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	2,494	2,822
5.2	Call deposits	24,750	27,250
5.3	Bank overdrafts		
5.4	Other – Deposits for Bank Guarantees	593	520
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	27,837	30,592

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**

262

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.		

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	(120)
9.4 Leased assets	
9.5 Staff costs	(2,700)
9.6 Administration and corporate costs	(1,050)
9.7 Other (provide details if material)	
9.8 Total estimated cash outflows	(3,870)

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:
(Director/Company secretary)

Date: 18 October 2018

Print name: Charly Duffy

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.