



Appendix 4D

For the half year ended 31 December 2018

LiveHire Limited

ABN 59 153 266 605

RESULTS FOR ANNOUNCEMENT TO THE MARKET

For the half year ended 31 December 2018 ("current reporting period")

	31-Dec-18	31-Dec-17	% Change from 6 months ended 31 Dec 2017	
	A\$	A\$		
Revenue from ordinary activities	1,187,645	844,901	Up	41%
Profit / (Loss) from ordinary activities after tax attributable to members	(5,717,812)	(4,971,506)	Up	15%
Net Profit / (Loss) for the period attributable to members	(5,717,812)	(4,971,506)	Up	15%

Dividend information

	Amount per security	Franked amount per security
Interim Dividend	N/A	N/A
Final Dividend	N/A	N/A
Payment Date	N/A	N/A

	31-Dec-18 Cents	30-Jun-18 Cents
Net tangible assets per security	0.0928	0.1144

Other information requiring disclosure to comply with Listing Rule 4.2A.3 is contained in, and should be read in conjunction with, the notes to the Interim Financial Report and the Director's Report for the half-year ended 31 December 2018. Information should be read in conjunction with LiveHire Limited's 2018 Annual Report and the attached Interim Financial Report.

The Interim Financial Report has been reviewed by Ernst & Young, with the Independent Auditor's Review Report included in the Interim Financial Report.

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LIVEHIRE LIMITED

(ASX:LVH)

ABN: 59 153 266 605

Interim Financial Report

For the half-year ended 31 December 2018

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Corporate Directory

Directors and Officers

Geoffrey Morgan AM	- Non-Executive Director and Chairman
Christy Forest	- Chief Executive Officer and Executive Director
Antonluigi Gozzi	- Executive Director
Michael Haywood	- Executive Director
Grant Galvin	- Executive Director (<i>resigned as Executive Director 31 July 2018</i>)
Adam Zorzi	- Independent Non-Executive Director
Michael Rennie	- Independent Non-Executive Director

Ben Malone	- Chief Financial Officer
Charly Duffy	- Company Secretary

Principal Registered Office

Level 10, 461 Bourke Street
Melbourne VIC 3000

T: +61 (03) 9021 0657

Website: www.livehire.com

Domicile and Country of Incorporation

Australia

Australian Business Number

ABN 59 153 266 605

Auditors

Ernst & Young
8 Exhibition Street
Melbourne VIC 3000
Website: www.ey.com.au

Share Registry

Boardroom Limited
Level 12, 7225 George Street
Sydney NSW 2000
Website: www.boardroomlimited.com.au

Securities Exchange

Australian Securities Exchange Limited (ASX)
ASX Code - LVH (Ordinary Shares)

Corporate Directory

The Directors submit their half year report of LiveHire Limited ('LiveHire' or 'Company') for the half year ended 31 December 2018 ('Period').

1. BOARD OF DIRECTORS

The Directors of the Company at any time during or since the end of the Period are as follows.

Directors	Position
Geoffrey Morgan AM	Non-Executive Director & Chairman
Christy Forest	Chief Executive Officer & Executive Director
Antonluigi Gozzi	Executive Director
Michael Haywood	Executive Director
Grant Galvin	Executive Director (<i>resigned as Executive Director 31 July 2018</i>)
Adam Zorzi	Independent Non-Executive Director
Michael Rennie	Independent Non-Executive Director

2. PRINCIPAL ACTIVITIES

During the period, the principal continuing activities of the Company consisted of:

- Expansion of the Company's sales and marketing capabilities in Australia;
- Support of mid-sized clients' (direct sales channel) and large clients' (channel partners, RPOs) implementations and successful adoption of the LiveHire technology;
- Establishment and growth of the Talent Acquisition Platform distribution channel through RPO global companies;
- Ongoing development of the Talent Acquisition Platform, an innovative cloud-based platform for sourcing and recruitment teams that delivers talent-on-demand for companies of all sizes;
- Expansion and development of the Company's technology integrations with upstream and downstream technology software; and
- Development of advanced algorithms for human capital analytics, reporting and automation.

3. REVIEW OF OPERATIONS

LiveHire's mission is to empower the flow of the world's talent.

LiveHire is a talent acquisition and engagement platform that makes managing the flow of talent, into and through a business, seamless. The Platform delivers a proactive sourcing and candidate engagement solution, enabling ongoing cultivation of interested, available, and quality talent on-demand, reducing time and cost to hire for a company, and mobilising their existing talent with an unrivalled user experience.

For candidates and employees, LiveHire is their private career profile, connecting them directly with the recruiters and hiring managers of Live Talent Communities for the best employment brands, helping them navigate their best lifelong career journey, into and through the jobs and companies they'll love.

The highlights and significant changes in state of affairs during the half year included:

- **Annualised Recurring Revenue (ARR¹)** grew **77% to \$2.05m** at 31 December 2018 compared to \$1.16m at 31 December 2017 (52% growth compared to \$1.35m at 30 June 2018).
- **Annualised Recurring Revenue Per Client (ARRPC)** grew **38% to \$32,007** at 31 December 2018 compared to \$23,128 at 31 December 2017 (26% growth compared to \$25,407 at 30 June 2018).

¹ ARR represents Monthly Recurring Revenue at any point in time, multiplied by 12. It provides a 12 month forward view of recurring revenue at a point in time. We believe this common SaaS metric, which is a Non-GAAP measure, provides useful information for readers to assist in understanding the Company's financial performance. These measures have not been independently audited or reviewed.

Directors' Report

- **Cash receipts for the period increased 59% to \$1,563,915** compared to the same period in FY18.
- **Talent Community Connections (TCCs)** grew by 48% compared to the previous financial year, with 797,483 connections amongst existing clients and new clients at 31 December 2018 compared to 538,035 at 31 December 2017.
- **Revenue from contracts with customers for the period of \$1,187,645. Recurring revenue for the period increased 72% to \$838,895** compared to the same period in FY18.
- Strong financial position at the end of the period, **debt free with \$24.4m cash at bank.**
- **Signed 18 new agreements** through both the Direct Sales and RPO Channels, including Xero, Calibre Group, Komatsu Australia, Nissan Australia, iSelect, Amp Control
- Signed agreement with **Vodafone Australia**, representing ARR of over 3 times the average at the point of signing.
- Continued **growth of the RPO channel** through signing two new enterprise agreements with **Korn Ferry** with an industrial/natural/financial group of businesses, and a diversified real estate group.
- Signed a **significant contract with one of the world's largest RPO providers, Manpower Services (Aust) Pty Ltd**, supporting a large Federal Government agency that manages over 80,000 applicants per annum.
- Signed agreement with **DuluxGroup**, representing ARR of over 3 times the average at the point of signing.
- Signed agreement with **Jemena**, representing ARR of over 2 times the average at the point of signing.
- New major product feature successfully delivered in **Agency Management**, additional product features developed to service RPO specific requirements, volume recruitment feature developed, and various technology integrations delivered.
- Appointed Robbert Lammers on 18 July 2018 to its senior leadership team as **Director of Marketing**.
- Appointed Jacqueline Davy on 14 August 2018 to its senior leadership team as **General Counsel**.
- Appointed Chris Cooper on 3 December 2018 to its senior leadership team as **Commercial Director**.
- Appointed Chris Tithof on 3 December 2018 to its senior leadership team as **Head of Channel Development**.

4. FINANCIAL PERFORMANCE

The financial results of the Company for the half year ended 31 December 2018 are:

	31-Dec-18	31-Dec-17	% Change
Revenue from contracts with customers (\$)	1,187,645	844,901	41%
Net loss after tax (\$)	(5,717,812)	(4,971,506)	15%
Loss per share (\$)	(0.022)	(0.021)	5%

Directors' Report

5. LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

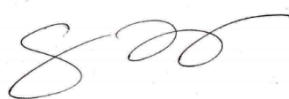
LiveHire will continue to focus on driving significant growth and market share via:

- Dual focus 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 strong ROI.
- Continue to launch Talent Communities to clusters of companies in the same industry to drive further growth and network effect.
- Implement with RPO partners globally to drive international scale.
- Continue to build out the Technology Partner Ecosystem to increase the functionality and offering to clients globally.
- Integrate with major global Human Capital Management System vendors to service the largest companies.
- Continually develop and evolve the Talent Acquisition Platform to maintain first mover advantage and client advocacy.
- Investing in Client Success to help LiveHire clients implement and grow their Talent Communities fast to realise productivity gains and ROI.

6. AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Independence Declaration by the lead auditor under Section 307C is included on the following page to these half year financial statements.

Signed in accordance with a resolution of the Board of Directors.



Christy Forest
Chief Executive Officer & Executive Director
Melbourne, 26th February 2019

Auditor's Independence Declaration



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Auditor's Independence Declaration to the Directors of LiveHire Limited

As lead auditor for the review of LiveHire Limited for the half-year ended 31 December 2018, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

Ernst & Young

David Petersen
Partner
26 February 2019

Statement of Profit or Loss and Other Comprehensive Income

	Notes	31-Dec-18 \$	31-Dec-17 \$
Revenue from continuing operations			
Revenue from contracts with customers	6	1,187,645	844,901
Other Income	6	42,623	301,513
Total revenue and other income		1,230,268	1,146,414
Expenses			
Employee benefits expense	7	(3,983,294)	(2,587,769)
Operating expenses	7	(1,868,895)	(1,505,715)
Share based payment expense	13	(1,082,041)	(1,930,820)
Earnings (Loss) before interest, tax, depreciation and amortisation		(5,703,962)	(4,877,890)
Depreciation and amortisation expense	7	(359,875)	(281,150)
Earnings (Loss) before interest and tax (EBIT)		(6,063,837)	(5,159,040)
Net finance income / (expense)	7	346,025	187,534
Loss before income tax		(5,717,812)	(4,971,506)
Income tax expense		-	-
Loss after income tax		(5,717,812)	(4,971,506)
Other comprehensive income for the period, net of tax		-	-
Total comprehensive loss for the period		(5,717,812)	(4,971,506)
		\$	\$
Loss per share attributable to ordinary equity holders			
- Basic loss per share		(0.022)	(0.021)
- Diluted loss per share		(0.022)	(0.021)

The Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes.

Balance Sheet

	Notes	31-Dec-18 \$	30-Jun-18 \$
ASSETS			
Current assets			
Cash and cash equivalents		24,421,422	30,073,106
Trade and other receivables	8	1,591,461	1,094,511
Total current assets		26,012,883	31,167,617
Non-current assets			
Plant and equipment		163,544	105,861
Intangible assets	9	2,880,207	2,423,066
Other non-current assets		56,299	-
Other non-current financial assets		634,872	519,591
Total non-current assets		3,734,922	3,048,518
Total assets		29,747,805	34,216,135
LIABILITIES			
Current liabilities			
Trade and other payables	10	694,185	1,056,951
Provisions		417,369	396,833
Deferred revenue		837,876	406,764
Total current liabilities		1,949,430	1,860,548
Non-current liabilities			
Provisions		87,245	64,547
Total non-current liabilities		87,245	64,547
Total liabilities		2,036,675	1,925,095
Net assets		27,711,130	32,291,040
EQUITY			
Issued capital	11	46,736,205	46,680,344
Reserves	12	8,083,278	7,001,237
Accumulated losses		(27,108,353)	(21,390,541)
Total equity		27,711,130	32,291,040

The Balance Sheet is to be read in conjunction with the accompanying notes.

Statement of Changes in Equity

	Issued Capital \$	Share-based Payment Reserve \$	Accumulated Losses \$	Total Equity \$
At 1 July 2018	46,680,344	7,001,237	(21,390,541)	32,291,040
Comprehensive income:				
Loss for the period	-	-	(5,717,812)	(5,717,812)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(5,717,812)	(5,717,812)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	55,861	-	-	55,861
Share option expense	-	1,082,041	-	1,082,041
At 31 December 2018	46,736,205	8,083,278	(27,108,353)	27,711,130
	Issued Capital \$	Share-based Payment Reserve \$	Accumulated Losses \$	Total Equity \$
At 1 July 2017	27,247,225	4,122,480	(11,294,319)	20,075,386
Comprehensive income:				
Loss for the period	-	-	(4,971,506)	(4,971,506)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(4,971,506)	(4,971,506)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	19,287,296	-	-	19,287,296
Share option expense	-	1,930,820	-	1,930,820
At 31 December 2017	46,534,521	6,053,300	(16,265,825)	36,321,996

The statement of changes in equity is to be read in conjunction with the accompanying notes.

Statement of Cash Flows

	Notes	31-Dec-18	31-Dec-17
		\$	\$
Cash flows from operating activities			
Receipts from customers		1,563,915	984,980
Payment to suppliers and employees		(6,432,526)	(3,754,345)
Interest Income		347,202	184,522
Interest Expense		(629)	-
Net cash outflow from operating activities		(4,522,038)	(2,584,843)
Cash flows from investing activities			
Payment for intangible assets		(989,615)	(791,758)
Payment for plant and equipment		(80,611)	(52,045)
Payment for other non-current financial assets		(115,281)	(31,667)
Net cash outflow from investing activities		(1,185,507)	(875,470)
Cash flows from financing activities			
Proceeds from the issue of shares		55,861	20,137,137
Related transaction costs		-	(871,698)
Net cash inflow / (outflow) from financing activities		55,861	19,265,439
Net increase / (decrease) in cash and cash equivalents		(5,651,684)	15,805,126
Cash and cash equivalents at the beginning of the period		30,073,106	17,748,476
Cash and cash equivalents at the end of the period		24,421,422	33,553,600

The statement of cash flows is to be read in conjunction with the accompanying notes.

Notes to the Financial Statements

1. CORPORATE INFORMATION

The financial statements of LiveHire Limited (referred to as '**LiveHire**' or the '**Company**') for the half year ended 31 December 2018 (the '**Period**') were authorised for issue in accordance with a resolution of the directors on 26 February 2019 and covers LiveHire as an entity as required by the *Corporations Act 2001*. LiveHire is a for-profit entity for the purpose of preparing these financial statements.

The financial statements are presented in Australian dollars.

LiveHire is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange (listed on ASX on 8 June 2016).

The address of the registered office and principal place of business is Level 10, 461 Bourke Street, Melbourne VIC 3000.

2. BASIS OF PREPARATION

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Basis of Preparation

These interim financial statements for the half-year reporting period ended 31 December 2018 are a general purpose financial statements, prepared by a 'for profit' entity, in accordance with Australian Accounting Standard 134 *Interim Financial Reporting* and the Australian Corporations Act 2001. They also comply with International Financial Reporting Standards (IFRS) and Interpretations published by the International Accounting Standards Board (IASB).

These half-year financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the entity as the full financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2018 and any public announcements made by LiveHire Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the *Australian Corporations Act 2001*.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

The accounts have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

Notes to the Financial Statements

3. KEY JUDGEMENTS AND ESTIMATES

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events that management believes to be reasonable under the circumstances. The judgements and estimates used in preparing the financial statements for the period ended 31 December 2018 are consistent with those disclosed in our previous year end report, dated 30 June 2018.

4. CHANGES IN ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these financial statements for the Period under review are consistent with those followed in the preparation of the company's annual consolidated financial statements for the year ended 30 June 2018, except for the adoption of new standards effective for the company as of 1 July 2018. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The Australian Accounting Standards Board (AASB) has issued a number of new standards which became effective from 1 January 2018 (financial year ending 30 June 2019 for the company). The company assessed the impact of each new standard, as detailed in the 30 June 2018 financial report. There has been no material impact from the adoption of new standards.

The company applies, for the first time, AASB 15 *Revenue from Contracts with Customers* and AASB 9 *Financial Instruments*. As required by AASB 34 *Interim Reporting*, the nature and effect of these changes are disclosed below.

AASB 15 Revenue from Contracts with Customers

AASB 15 supersedes AASB 111 *Construction Contracts*, AASB 118 *Revenue* and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under AASB 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The company adopted AASB 15 using the full retrospective method of adoption to those contracts that were not completed at the date of initial application. The adoption of AASB 15 did not have a material impact.

LiveHire's core product offering is its Talent Community Platform (the Platform) that is sold under a software-as-a-service (SaaS) arrangement that has several distinct revenue streams as noted below.

Notes to the Financial Statements

(a) Hosting fees

Access to, and use of, the Platform is granted to customers via a subscription hosting fee. Hosting fees are considered by management as a single performance obligation.

Hosting fee revenue is recognised on a straight-line basis over the period the SaaS arrangement is based on the output method as the customer simultaneously receives and consumes the benefit as LiveHire performs the services.

(b) Implementation Fees and Integration Fees

Most of LiveHire's customers pay an upfront fee at contract inception which relates to the implementation of the Platform for that customer and may also pay a separate fee that relates to the integration of the Platform with other software systems that the customer uses.

In order for the implementation and integration services to be considered separately identifiable from the hosting fees under AASB 15, the Platform would need to remain functional without the implementation and integration services and the company's promise to provide the implementation and integration services must be separately identifiable from other promises within the contract. Management determined that both of these requirements were satisfied for all implementation and integration services and therefore each of these services are separate performance obligations.

Implementation and integration fee revenue is recognised in the period the services are provided, as the customers benefit from the service.

(c) Post Contract Support Services (PCS) - People Service (Consulting) fees and Support and Maintenance fees

Occasionally LiveHire offers customers a service whereby a LiveHire employee spends significant time on site with the customer to train its employees and assist in running the Platform, as well as broader recruitment services. It is effectively a 'secondment' of a LiveHire employee onto the customers site. This service is charged separately and is distinct from customer support services that are inherently included as part of hosting fees. This service is considered by management to be a separate performance obligation.

People Service (Consulting) fees and Support and Maintenance fees revenue is recognised on a straight-line basis over the period the services are provided as the services are transferred over time.

(d) Contract commissions costs

Contract commissions represent incremental costs of obtaining a contract with a customer and are recognised as an asset when the entity expects to recover these costs either directly through reimbursement or indirectly through margin inherent in the contract and as these costs would not have been incurred if the contract had not been obtained. These contract commissions costs are capitalised as an asset and amortised over the average expected duration of the customer.

(e) Contract liabilities

AASB 15 requires presentation of the following items separately in the statement of financial position: (i) 'contract liability' for the obligation to transfer goods and services to a customer for which the entity has received consideration (or an amount of consideration is due) from the customer; and (ii) 'receivable' for the right to consideration that is unconditional (only the passage of time is required before payment of that consideration is due). The company presented these separately in the Balance Sheet. The standard allows an

Notes to the Financial Statements

entity to use alternative descriptions and therefore the company has used the description 'Deferred revenue' to refer to contract liabilities.

AASB 9 *Financial Instruments*

AASB 9 *Financial Instruments* replaces AASB 139 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The company has applied AASB 9 using the retrospective approach. The application of AASB 9 did not have a material effect on the company's opening balance of retained earnings in the period and therefore no adjustment was made to retained earnings.

(a) Classification and measurement

Under AASB 9, the classification of debt instruments is based on two criteria: the company's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion').

The new classification and measurement of the company's debt financial assets are, as follows:

- Debt instruments at amortised cost for financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI criterion. This category includes the company's Trade and other receivables under Current assets and bank guarantees and term deposits under Non-current financial assets.

The assessment of the company's business models was made as of the date of initial application, 1 July 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The accounting for the company's financial liabilities remains largely the same as it was under AASB 139. Similar to the requirements of AASB 139, AASB 9 requires contingent consideration liabilities to be treated as financial instruments measured at fair value, with the changes in fair value recognised in the statement of profit or loss.

(b) Impairment

The adoption of AASB 9 has changed the company's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the company to record an allowance for ECLs for all loans and other debt financial assets held at amortised cost.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

For Contract assets and Trade and other receivables, the company has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The company has established a provision matrix that is based on the company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The company considers a financial asset in default when contractual payment are 90 days past due, unless there is external information indicating that the company is likely to receive the outstanding contractual amounts in full. However, in certain cases, the company may also consider a financial asset to be in default

Notes to the Financial Statements

when internal or external information indicates that the company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the company. The adoption of the ECL requirements of AASB 9 did not result in a material impact.

Significant and other accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements.

5. SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer.

Activities in the operating segments are identified by management based on the manner in which resources are allocated, the nature of the resources provided and the identity of service line manager and area of income and expenditure. Discrete financial information about each of these areas is reported to the executive management team on a monthly basis.

Management has determined that the Company has one operating segment being the provision of online Talent Acquisition software, and operates in one geographical segment, being Australia. This internal reporting framework is the most relevant to assist the Board with making decisions regarding the Company and its ongoing activities.

Notes to the Financial Statements

6. REVENUE FROM CONTRACTS WITH CUSTOMERS AND OTHER INCOME

	31-Dec-18	31-Dec-17
	\$	\$
Revenue from contracts with customers		
Recurring Revenue		
- Hosting fees	827,690	485,280
- Support and Maintenance fees	11,205	-
	<u>838,895</u>	<u>485,280</u>
Non-Recurring Revenue		
- Implementation fees	210,050	243,000
- Integration fees	107,500	81,998
- People Service (Consulting) fees	29,200	29,950
- Other operating revenue	2,000	4,673
	<u>348,750</u>	<u>359,621</u>
Total Revenue from contracts with customers	<u>1,187,645</u>	<u>844,901</u>
Other income		
- Research & Development Tax Incentive	42,623	301,513
	<u>42,623</u>	<u>301,513</u>
Total revenue and other income	<u>1,230,268</u>	<u>1,146,414</u>

Notes to the Financial Statements

7. EXPENSES

	31-Dec-18	31-Dec-17
	\$	\$
Loss before income tax includes the following specific expenses		
Employee benefits expense		
- Salaries and wages	3,247,112	2,019,498
- Superannuation contributions	385,922	251,270
- Payroll tax	307,025	215,401
- Employee entitlement accrual	43,235	101,600
	3,983,294	2,587,769
Operating expenses		
- Advertising and marketing expenses	96,643	131,621
- Consultants and contractor fees	333,332	174,396
- Legal, audit, insurance and capital markets expenses	298,318	327,832
- Rent and utilities expenses	217,707	127,184
- Technology related expenses	485,076	315,311
- Travel and entertainment expenses	265,965	250,737
- Other expenses	171,854	178,634
	1,868,895	1,505,715
Depreciation and amortisation expenses		
- Depreciation of fixed assets	22,928	5,755
- Amortisation of software development asset	336,947	275,395
	359,875	281,150
Finance (income) / expense		
- Interest (Income)	(346,654)	(187,534)
- Interest expense	629	-
	(346,025)	(187,534)

Notes to the Financial Statements

8. TRADE AND OTHER RECEIVABLES

	31-Dec-18	30-Jun-18
	\$	\$
Trade receivables	427,912	175,995
GST receivable	(12,574)	45,736
Accrued interest	52,569	53,117
Other receivables	152,162	86,421
R&D tax incentive receivable	971,392	733,242
Total trade and other receivables	1,591,461	1,094,511

The carrying amount of trade and other receivables is a reasonable approximation of fair value.

The R&D tax incentive receivable incorporates an estimate for the full financial year ended 30 June 2018.

9. INTANGIBLE ASSETS

	31-Dec-18	30-Jun-18
	\$	\$
<u>Software development</u>		
Cost	6,447,022	5,457,407
R&D Tax Incentive	(2,030,381)	(1,834,854)
Accumulated amortisation	(1,536,434)	(1,199,487)
Total intangibles	2,880,207	2,423,066

Software consists of capitalised developments costs being an internally generated intangible asset, refer to the 30 June 2018 financial report for additional detail.

10. TRADE AND OTHER PAYABLES

	31-Dec-18	30-Jun-18
	\$	\$
CURRENT		
<u>Unsecured liabilities</u>		
Trade payables	249,478	256,254
Sundry payables and accrued expenses	151,530	426,556
Employment related liabilities	293,174	374,141
	694,182	1,056,951

Terms and conditions relating to trade and other payables:

- (i) trade creditors are non-interest bearing and are normally settled within agreed trading terms;
- (ii) sundry payables are non-interest bearing and are normally settled within agreed trading terms.

The carrying amount of trade and other payables is a reasonable approximation of fair value.

Notes to the Financial Statements

11. ISSUED CAPITAL

a) Issued and fully paid

	31-Dec-18		30-Jun-18	
	\$	No.	\$	No.
Ordinary shares	46,736,205	267,643,576	46,680,344	261,403,947
	46,736,205	267,643,576	46,680,344	261,403,947

b) Movement Reconciliation

ORDINARY SHARES	Date	Quantity	Issue price	\$
Balance 30 June 2018		261,403,947		46,680,344
- Exercise of performance rights	2/07/2018	56,801	-	-
- Issue of shares to employees under loan purchases (Note 13(ii))	2/07/2018	800,000	-	-
- Issue of shares to employees under loan purchases (Note 13(ii))	1/08/2019	980,000	-	-
- Issue of shares to employees under loan purchases (Note 13(ii))	11/09/2018	1,422,828	-	-
- Issue of shares to employees under loan purchases (Note 13(ii))	2/10/2018	1,960,000	-	-
- Issue of shares to employees under loan purchases (Note 13(ii))	17/12/2018	1,000,000	-	-
- Exercise of performance rights	17/12/2018	20,000	-	-
- Loan back shares repayments	-	-	-	55,861
Balance 31 December 2018		267,643,576		46,736,205

12. RESERVES

The share-based payment reserve is used to accumulate amounts received on the issue of options and records items recognised as expenses on valuation of incentive-based shares.

	31-Dec-18	30-Jun-18
	\$	\$
Movement reconciliation		
Share-based payment reserve		
Balance at the beginning of the period	7,001,237	4,122,480
Equity issued (Note 13)	1,082,041	2,878,757
Balance at the end of the period	8,083,278	7,001,237

13. SHARE-BASED PAYMENTS

	31-Dec-18	31-Dec-17
	\$	\$
Share-based payment expense recognised during the period		
Options issued to employees and consultants (i)	24,096	473,370
Shares issued under employee share scheme (ii)	514,494	1,231,358
	538,590	1,704,728
Performance rights issued to employees and contractors (iii)	543,451	226,092
	1,082,041	1,930,820

Notes to the Financial Statements

(i) Options issued to employees and consultants

The negative expense for the half year ended 31 December 2018 is due to options that were previously expensed being forfeited during the period and the previous expense having to be reversed.

Details of options outstanding during the period are as follows:

Grant Date	Expiry Date	Exercise Price	Balance at beginning	Granted during	Exercised during	Forfeited during	Balance at end	Exercisable at end
8-Apr-16	1-Jun-20	0.25	6,300,000	-	-	-	6,300,000	6,300,000
8-Apr-16	1-Jun-20	0.25	6,300,000	-	-	-	6,300,000	6,300,000
8-Apr-16	1-Jun-20	0.25	4,000,000	-	-	-	4,000,000	4,000,000
14-Oct-16	14-Oct-20	0.1884	2,500,000	-	-	(1,500,000)	1,000,000	1,000,000
12-Jan-17	12-Jan-21	0.3814	1,000,000	-	-	-	1,000,000	750,000
16-Jun-17	31-Jul-21	0.6036	2,500,000	-	-	(2,500,000)	-	-
8-Aug-17	9-Aug-21	0.6927	1,000,000	-	-	-	1,000,000	235,100
Total:			23,600,000	-	-	(4,000,000)	19,600,000	18,585,100

(ii) Shares issued under employee share scheme:

Summary of key loan terms:

Interest rate: 0%

Term of loan: 4 years

The loans are non-recourse except against the Shares held by the participant to which the loan relates.

- (a) On 12 June 2018 the Company issued 1,500,000 Loan Back Shares to the Chief Executive Officer that were subject to approval by shareholders. These were subsequently granted after shareholder approval at the EGM on 2 October 2018 with a strike price of \$0.6002/share. The shares vest based on achieving performance hurdles. The fair value at grant date was determined using Black-Scholes option pricing model using the following inputs:

Fair Value of Employee Share Scheme

Date of Grant	2-Oct-18
Number of Loan Back Shares	1,500,000
Date of Expiry	1-Oct-22
Exercise Price	\$0.6002
Share Price at Grant Date	\$0.590
Volatility	75%
Expected dividend yield rate	0%
Risk free rate	2.28%
Fair Value of each Loan Back Share	\$0.332
Total Fair Value as at 31 December 2018:	\$498,667

Value recognised during the current period:	\$128,612
Value to be recognised in future periods*:	\$370,055

* Value subject to vesting and performance hurdles

Notes to the Financial Statements

(b) On 2 July 2018 the Company issued 800,000 Loan Back Shares to two Senior Managers (400,000 each employee) with a strike price of \$0.5638/share. The shares vest as follows:

- on 30 June 2019, 400,000; and
- on 30 June 2020, 400,000.

The fair value at grant date was determined using Black-Scholes option pricing model using the following inputs:

Fair Value of Employee Share Scheme	
Date of Grant	2-Jul-18
Number of Loan Back Shares	800,000
Date of Expiry	1-Jul-22
Exercise Price	\$0.5638
Share Price at Grant Date	\$0.560
Volatility	75%
Expected dividend yield rate	0%
Risk free rate	2.25%
Fair Value of each Loan Back Share	\$0.317
Total Fair Value as at 31 December 2018:	\$253,350

Value recognised during the current period:	\$88,812
Value to be recognised in future periods*:	\$164,538

* Value subject to vesting and performance hurdles

(c) On 1 August 2018 the Company issued 980,000 Loan Back Shares to two Senior Managers (180,000 to one and 800,000 to the other) with a strike price of \$0.4583/share. The shares vest as follows:

- on 1 August 2019, 90,000;
- on 1 August 2020, 90,000; and
- 800,000 based on achieving performance hurdles.

The fair value at grant date was determined using Black-Scholes option pricing model using the following inputs:

Fair Value of Employee Share Scheme	
Date of Grant	1-Aug-18
Number of Loan Back Shares	980,000
Date of Expiry	31-Jul-22
Exercise Price	\$0.4583
Share Price at Grant Date	\$0.480
Volatility	75%
Expected dividend yield rate	0%
Risk free rate	2.32%
Fair Value of each Loan Back Share	\$0.278
Total Fair Value as at 31 December 2018:	\$271,983

Value recognised during the current period:	\$57,644
Value to be recognised in future periods*:	\$214,339

* Value subject to vesting and performance hurdles

Notes to the Financial Statements

- (d) On 11 September 2018 the Company issued 1,422,828 Loan Back Shares, which are ordinary shares subject to loan arrangements under the Employee Incentive Plan, with a strike price of \$0.5368 (5-day VWAP). The loans relating to the Loan Back Shares must be repaid in accordance with the terms of the Employee Incentive Plan and in any event, within 4 years of the date of issue. The table below represents the total fair value for the Loan Back Shares issued during the period. The fair value at grant date was determined using Black-Scholes option pricing model using the following inputs:

Fair Value of Employee Share Scheme

Date of Grant	11-Sep-18
Number of Loan Back Shares	1,422,828
Date of Expiry	10-Sep-22
Exercise Price	\$0.5368
Share Price at Grant Date	\$0.520
Volatility	75%
Expected dividend yield rate	0%
Risk free rate	2.20%
Fair Value of each Loan Back Share	\$0.292
Total Fair Value as at 31 December 2018:	\$414,912

Value recognised during the current period: \$414,912

Value to be recognised in future periods: -

- (e) On 2 October 2018 the Company issued 460,000 Loan Back Shares to a Senior Manager with a strike price of \$0.6002/share. The shares vest based on achieving performance hurdles. The fair value at grant date was determined using Black-Scholes option pricing model using the following inputs:

Fair Value of Employee Share Scheme

Date of Grant	2-Oct-18
Number of Loan Back Shares	460,000
Date of Expiry	1-Oct-22
Exercise Price	\$0.6002
Share Price at Grant Date	\$0.590
Volatility	75%
Expected dividend yield rate	0%
Risk free rate	2.28%
Fair Value of each Loan Back Share	\$0.333
Total Fair Value as at 31 December 2018:	\$152,924

Value recognised during the current period: \$17,573

Value to be recognised in future periods*: \$135,352

* Value subject to vesting and performance hurdles

Notes to the Financial Statements

- (f) On 17 December 2018 the Company issued 1,000,000 Loan Back Shares to two Senior Managers (500,000 each employee) with a strike price of \$0.4729/share. The shares vest based on achieving performance hurdles. The fair value at grant date was determined using Black-Scholes option pricing model using the following inputs:

Fair Value of Employee Share Scheme	
Date of Grant	17-Dec-18
Number of Loan Back Shares	1,000,000
Date of Expiry	16-Dec-22
Exercise Price	\$0.4729
Share Price at Grant Date	\$0.535
Volatility	75%
Expected dividend yield rate	0%
Risk free rate	2.12%
Fair Value of each Loan Back Share	\$0.318
Total Fair Value as at 31 December 2018:	\$317,397

Value recognised during the current period:	\$5,673
Value to be recognised in future periods*:	\$311,723

* Value subject to vesting and performance hurdles

(iii) Performance rights issued to employees and contractors:

- (a) On 12 June 2018 the Company issued 1,499,580 Performance Rights to the Chief Executive Officer that were subject to approval by shareholders. These were subsequently granted after shareholder approval at the EGM on 2 October 2018. 749,790 rights will be convertible into one ordinary share 12 months after the date of issue and 749,790 rights will be convertible into one ordinary share 24 months after the date of issue. The fair value at grant date was determined using Black-Scholes option pricing model using the following inputs:

Fair Value of Performance Rights	
Date of Grant	2-Oct-18
Number of Rights	1,499,580
Date of Expiry	1-Oct-22
Exercise Price	-
Share Price at Grant Date	\$0.590
Volatility	75%
Expected dividend yield rate	0%
Risk free rate	2.28%
Fair Value of each Performance Right	\$0.590
Total Fair Value as at 31 December 2018:	\$884,752

Value recognised during the current period:	\$342,617
Value to be recognised in future periods*:	\$542,136

* Value subject to vesting and performance hurdles

Notes to the Financial Statements

- (b) On 2 July 2018 the Company issued 510,000 Performance Rights to two Senior Managers (240,000 to one and 270,000 to the other). 255,000 rights will be convertible into one ordinary share 12 months after the date of issue and 255,000 rights will be convertible into one ordinary share 24 months after the date of issue. The fair value at grant date was determined using Black-Scholes option pricing model using the following inputs:

Fair Value of Performance Rights

Date of Grant	2-Jul-18
Number of Rights	510,000
Date of Expiry	1-Jul-22
Exercise Price	-
Share Price at Grant Date	\$0.560
Volatility	75%
Expected dividend yield rate	0%
Risk free rate	2.25%
Fair Value of each Performance Right	\$0.560
Total Fair Value as at 31 December 2018:	\$285,600

Value recognised during the current period:	\$99,647
Value to be recognised in future periods*:	\$185,953

* Value subject to vesting and performance hurdles

- (c) On 1 August 2018 the Company issued 240,000 Performance Rights to a Senior Manager. 120,000 rights will be convertible into one ordinary share 12 months after the date of issue and 120,000 rights will be convertible into one ordinary share 24 months after the date of issue. The fair value at grant date was determined using Black-Scholes option pricing model using the following inputs:

Fair Value of Performance Rights

Date of Grant	1-Aug-18
Number of Rights	240,000
Date of Expiry	31-Jul-22
Exercise Price	-
Share Price at Grant Date	\$0.480
Volatility	75%
Expected dividend yield rate	0%
Risk free rate	2.32%
Fair Value of each Performance Right	\$0.480
Total Fair Value as at 31 December 2018:	\$115,200

Value recognised during the current period:	\$33,568
Value to be recognised in future periods*:	\$81,632

* Value subject to vesting and performance hurdles

Notes to the Financial Statements

- (d) On 18 September 2018 the Company issued 175,000 Performance Rights to a Senior Manager. Each right will be convertible into one ordinary share 12 months after the date of issue. The fair value at grant date was determined using Black-Scholes option pricing model using the following inputs:

Fair Value of Performance Rights	
Date of Grant	18-Sep-18
Number of Rights	175,000
Date of Expiry	17-Sep-22
Exercise Price	-
Share Price at Grant Date	\$0.600
Volatility	75%
Expected dividend yield rate	0%
Risk free rate	2.27%
Fair Value of each Performance Right	\$0.600
Total Fair Value as at 31 December 2018:	\$105,000

Value recognised during the current period:	\$29,918
Value to be recognised in future periods*:	\$75,082

* Value subject to vesting and performance hurdles

- (e) On 2 October 2018 the Company issued 123,299 Performance Rights to a Senior Manager. 61,649 rights will be convertible into one ordinary share 12 months after the date of issue and 61,650 rights will be convertible into one ordinary share 24 months after the date of issue. The fair value at grant date was determined using Black-Scholes option pricing model using the following inputs:

Fair Value of Performance Rights	
Date of Grant	2-Oct-18
Number of Rights	123,299
Date of Expiry	1-Oct-22
Exercise Price	-
Share Price at Grant Date	\$0.590
Volatility	75%
Expected dividend yield rate	0%
Risk free rate	2.28%
Fair Value of each Performance Right	\$0.590
Total Fair Value as at 31 December 2018:	\$72,746

Value recognised during the current period:	\$12,551
Value to be recognised in future periods*:	\$60,195

* Value subject to vesting and performance hurdles

Notes to the Financial Statements

- (f) On 17 October 2018 the Company issued 338,352 Performance Rights to a Senior Manager. 169,176 rights will be convertible into one ordinary share 12 months after the date of issue and 169,176 rights will be convertible into one ordinary share 24 months after the date of issue. The fair value at grant date was determined using Black-Scholes option pricing model using the following inputs:

Fair Value of Performance Rights

Date of Grant	17-Dec-18
Number of Loan Back Shares	338,352
Date of Expiry	16-Dec-22
Exercise Price	\$0.0000
Share Price at Grant Date	\$0.535
Volatility	75%
Expected dividend yield rate	0%
Risk free rate	2.12%
Fair Value of each Loan Back Share	\$0.318
Total Fair Value as at 31 December 2018:	\$181,018

Value recognised during the current period:	\$5,012
Value to be recognised in future periods*:	\$176,007

* Value subject to vesting and performance hurdles

Details of performance rights outstanding during the period are as follows:

Grant Date	Expiry Date	Exercise Price	Balance at beginning	Granted during	Exercised during	Forfeited during	Balance at end	Exercisable at end
14-Oct-16	13-Oct-20	0	328,535	-	(20,000)	-	308,535	308,535
20-Sep-17	19-Sep-21	0	1,107,760	-	(13,281)	-	1,094,479	194,479
2-Jul-18	1-Jul-22	0	-	510,000	0	-	510,000	-
1-Aug-18	31-Jul-22	0	-	240,000	0	-	240,000	-
18-Sep-18	17-Sep-22	0	-	175,000	0	-	175,000	-
2-Oct-18	1-Oct-22	0	-	1,622,879	0	-	1,622,879	-
17-Dec-18	16-Dec-22	0	-	338,352	0	-	338,352	-
Total:			1,436,295	2,886,231	(33,281)	-	4,289,245	503,014

Notes to the Financial Statements

14. DIVIDENDS

No dividends have been paid or declared since the start of the financial period, and none are recommended.

15. COMMITMENTS

	31-Dec-18	30-Jun-18
	\$	\$
Committed at the reporting date but not recognised as liabilities, payable:		
- not later than 12 months	544,829	80,955
- between 12 months and 5 years	822,870	211,646
- later than 5 years	-	-
	1,367,699	292,601

16. CONTINGENCIES

There have been no material changes in contingent liabilities or contingent assets since the last annual reporting date.

17. SUBSEQUENT EVENTS

There have not been any significant events that have arisen since 31 December 2018 and up to the date of this report that has significantly affected, or may significantly affect, the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

18. RELATED PARTY DISCLOSURES

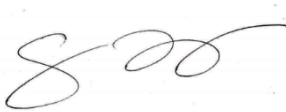
During the period there were no transactions with related parties.

Directors' Declaration

The Directors of the Company declare that:

- (a) The financial statements and notes of the Company are in accordance with the *Corporations Act 2001*, and:
 - (i) give a true and fair view of the Company's financial position as at 31 December 2018 and its performance for the half year ended on that date.
 - (ii) comply with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.
- (b) In the Director's opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed on behalf of the Directors by:



Christy Forest
Chief Executive Officer & Executive Director
Melbourne, 26th February 2019

Independent Auditor's Report



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Independent Auditor's Review Report to the Members of LiveHire Ltd

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of LiveHire Ltd (the Company), which comprises the condensed statement of financial position as at 31 December 2018, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Company is not in accordance with the Corporations Act 2001, including:

- a) giving a true and fair view of the Company's financial position as at 31 December 2018 and of its financial performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Company's financial position as at 31 December 2018 and its financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of the Company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independent Auditor's Report



Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

A handwritten signature in black ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in black ink that appears to read 'David Petersen'.

David Petersen
Partner
Melbourne
26 February 2019