



ASX: LVH MARKET RELEASE

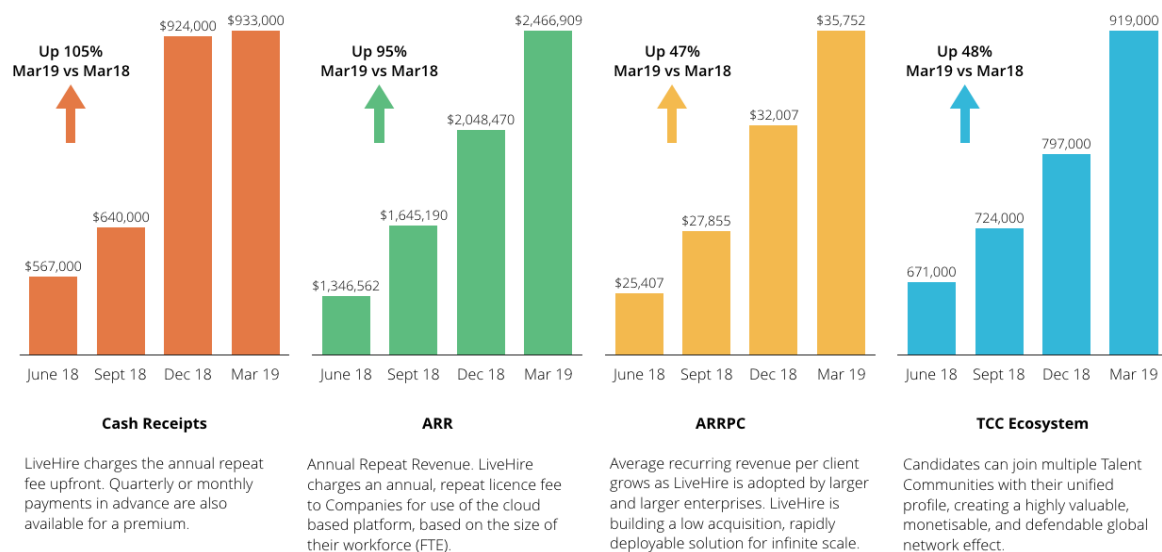
LiveHire March Quarterly Report and Appendix 4C

17 April 2019 | Melbourne, Victoria

Highlights

- Annualised Recurring Revenue (**ARR**)¹ grew 20% QoQ to \$2.47m.
- Annualised Recurring Revenue Per Client (**ARRPC**) grew to 12% QoQ to \$35,752.
- Record Cash receipts were \$933,000.
- Talent Community Connections (network), grew a record 123,000 to 919,641 (15% QoQ).
- Entered the US market, commencing with 5 client implementations through the Partner Channel.
- Entered the Outplacement market in Australia with The Careers Insight Group.
- Released the first LiveHire High-Volume-Hiring product with Vodafone and Super Retail Group.
- Raised \$15m in March to accelerate Channel Partner deployments and US market entry.
- The Company is well capitalised with \$37.8m cash at bank as at 31 March 2019.

Key business metrics



¹ Annualised Recurring Revenue or 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.

LiveHire Limited (ASX: LVH) (“LiveHire” or the “Company”), the award-winning² talent acquisition & engagement platform that revolutionises candidate experience and enables businesses to thrive with talent on demand, is pleased to provide its Quarterly Report and Cash Flow Report for the period ending 31 March 2019.

LiveHire’s purpose is to empower the flow of the world’s talent into and through organisations. LiveHire does this through a platform-based approach that is rapidly deployed, infinitely scalable, easily integrated with, and underpinned by a single federated (unified) profile of the candidate, aiming to provide a private and secure single source of truth of data for organisations, talent, and the economy. LiveHire believes that as its ecosystem grows, as reported through the above metrics, the value it can deliver to organisations and candidates alike continues to grow, accelerating further ecosystem growth.

Commercial metrics continue strong QoQ growth

LiveHire finished the March quarter with 69 clients, growing Annualised Recurring Revenue (ARR) by \$418k (20%) to \$2.47m.

ARR Per Client (ARRPC) increased by 12% to \$35,752, highlighting the continued increase in average customer size, and the growth in Channel Partners who typically serve larger enterprises.

Market penetration accelerating

LiveHire is now on a run rate of managing ~17,000³ hires a year across all deployed clients (0.74% of the net job transitions⁴ each year for a working population of 12.7 million⁵). This run rate has grown 43% on the previous quarter as implementations continue across larger clients.

LiveHire’s purpose is to empower the flow of all talent into organisations, and as such sees its Total Addressable Market (TAM) as all hires within the geographies it enters. To date LiveHire has entered the Australian market (estimated TAM: 2.18 million hires per year, 0.74% penetration) and the US (estimated TAM: 42 million hires per year⁶, commencing first implementations).

The spend on technology as a proportion of total cost of hire grew from 2% to 16% between 2015 and 2016 alone⁷ evidencing the rapid a shift from inefficient manual processes to technology driven experiences. For this reason, LiveHire believes there is a strong opportunity to realise ongoing revenue growth, growth in Total Addressable Market, and additional revenue streams from the LiveHire platform as the ecosystem continues to scale, and the product team deliver further incremental value to clients in the form of new modules, features, and benefits from the networked ecosystem.

Channels to market continue to deepen and expand

LiveHire continues to deliver accelerated growth through both Direct Sales and Channel Partners.

² https://drivenxdesign.com/SYD17/winners_list.asp

³ Internal calculation based on client’s total annual hires estimates March 2019

⁴ https://www.ahri.com.au/media/1222/turnover-and-retention-report_final.pdf

⁵ <https://www.abs.gov.au/ausstats/abs@.nsf/mf/6202.0>

⁶ <https://workinstitute.com/about-us/news-events/articleid/2259/2018%20retention%20report>

⁷ CEB Insights (now Gartner): 2017 State of the Recruiting Function (Benchmarks for Recruiting Budget, Staffing, and Workload). March 2017

As LiveHire's strategic partnerships with third-party channels to market continue to deepen and expand both nationally and internationally, for simplicity, LiveHire will begin to refer to the below mentioned collectively as *Channel Partners*:

1. RPO - Recruitment Process Outsourced providers managing permanent hires on behalf of organisations.
2. MSP - Managed Service Providers managing contingent (contractor) hires on behalf of organisations.
3. Career Management - Outsourced providers of employee redeployment and outplacement.
4. SI - System Implementers managing the implementation and configuration of enterprise management software, eg Human Resource Information Systems (HRIS).

LiveHire announced its first strategic Channel Partner in the US in the March quarter with Workforce Logiq, a managed service provider of contractor (contingent) hires for large organisations. The LiveHire platform is the exclusive technology used to enable Talent Communities for clients on behalf of Workforce Logiq. This partnership highlights the opportunity for accelerated market penetration of LiveHire through Channel Partners, who individually serve a large number of end clients and collective total annual hires. LiveHire's simplicity and ease of deployment means the ecosystem can rapidly scale through a well-supported Channel Partner network.

To support accelerated market penetration, and as part of LiveHire's commitment to serve clients and strategic partners faster, the Company successfully raised \$15m in March to accelerate the phased rollout of the platform globally, with new development focussed on ongoing localisation into new international geographies and moving towards enabling strategic Channel Partners to self-launch the LiveHire software for their client base, and expanding its third-party integrated software marketplace.

Notable client wins

LiveHire continued with prominent client wins across several key industries this quarter, some more notable include:

- An Australian top 4 bank, focussed on 1,000+ new hires in digital, through the Partner channel.
- Fuji Xerox Australia, through the Partner Channel.
- Grill'd, through the direct sales channel.
- Hitachi, through the direct sales channel.
- US expansion, commencing with an initial commitment to fund 5 client implementations, through the Partner Channel (with clients to be confirmed).

LiveHire CEO, Christy Forest, said:

"We continue to be happy with our "business as usual" growth rates nationally, as we rapidly approach the important milestone of managing 1% of all annual hires across Australia."

"Our trip to the US this quarter to expand international Channel Partners was an enlightening one for LiveHire, as there is a clear and large gap in the market for an easy to deploy, end-to-end talent acquisition and engagement platform, powered by a federated (unified) candidate profile, which is a strong differentiating factor for LiveHire."

The traditional combination of static Applicant Tracking Systems (ATS) and Candidate Relationship Management (CRM) systems means mid to large organisations are struggling to realise the benefits of talent pooling, proactive hiring, and the return on investment envisaged. The US in particular is markedly mature in recruitment team's adoption of technology and desire to achieve proactive recruitment. We feel the timing of LiveHire is perfect for addressing this enormous demand."

Second consecutive quarter of record Cash Receipts

Cash receipts for the quarter were a record \$933,000. As occurred previously, moving clients to annual subscriptions caused some QoQ cash receipt fluctuations.

Operating cash outflow of \$3.98m was under the estimated cash outflows provided in the September Quarterly 4C report. The cash balance as the end of the quarter was \$37.8m, with no debt.

Whilst LiveHire actively manages its cash burn, it has been prioritising investment in product development to enable all Channel Partner, and Direct Sales markets with its unique and end-to-end talent acquisition and engagement platform, replacing the traditional mid-tier Applicant Tracking Software (ATS) and Candidate Relationship Management Software (CRM) and integrating with top tier HR Information Systems (HRIS).

In addition, the Company invests in sales and marketing, and technology partnerships (especially in areas that are disruptive and market-leading).

Over the remainder of the financial year, the Company expects to continue to bring its Direct Sales team towards full productivity, whilst continuing to expand Channel Partners in the US. Overall, the Company continues to carefully manage spend in line with its forward sales pipeline and product roadmap.

Talent Community Connections⁸ for the March quarter grew to 919,600

TCCs grew by a record ~123,000 for the quarter to ~919,600. TCCs indicate the size of the networked ecosystem of candidates with federated (unified) profiles across private Talent Communities. TCCs are a growth focus for LiveHire as this unique networked ecosystem is designed to deliver the following benefits:

1. LiveHire sees who gets hired, who gets promoted, who leaves a business for another. This live data is not all available to Job Boards or static ATS.
2. This unified live hiring data means AI and Machine learning continues to improve over time, providing ongoing ROI and value to users.
3. New clients can grow their Talent Communities faster. Candidates can register quicker.
4. More scalable across entire industries globally. The industry standard.
5. Stickier platform and defensible from new market competitors.
6. Central source of valuable and live economic and employment data.

⁸ 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.

People & Culture

Full Time Equivalent (FTE) Employees grew to 70, driven by the recruitment of a number of Direct Sales business development managers. The Direct Sales scale up is consistent with the strategy communicated in the previous quarterly update, in order to capitalise on the significant addressable market and pipeline of prospective clients in the Direct Sales mid-market. The current organisation FTE mix consists of 45% of staff within Product Development and Technology roles, and 45% within customer facing and commercial roles.

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:

Simon Hinsley - Investor Relations

simonh@livehire.com +61 401 809 653

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 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")

31st March 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	933	2,497
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs		
(c) advertising and marketing	(150)	(257)
(d) leased assets		
(e) staff costs	(2,574)	(7,797)
(f) administration and corporate costs	(1,260)	(3,348)
1.3 Dividends received (see note 3)		
1.4 Interest received	157	504
1.5 Interest and other costs of finance paid	-	(1)
1.6 Income taxes paid		
1.7 Government grants and tax incentives	971	971
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(1,923)	(7,431)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(294)	(379)
(b) businesses (see item 10)		
(c) investments		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 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	(294)	(379)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	14,463	14,519
3.2 Proceeds from issue of convertible notes		
3.3 Proceeds from exercise of share options	500	500
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	14,963	15,019

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	25,056	30,592
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,923)	(7,431)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(294)	(379)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	14,963	15,019

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of quarter	37,802	37,802

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	4,456	2,421
5.2	Call deposits	32,700	22,000
5.3	Bank overdrafts		
5.4	Other – Deposits for Bank Guarantees	646	635
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	37,802	25,056

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**

275

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	(225)
9.4	Leased assets	
9.5	Staff costs	(2,875)
9.6	Administration and corporate costs	(1,400)
9.7	Other (provide details if material)	
9.8	Total estimated cash outflows	(4,500)

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: 17 April 2019
(Director/Company secretary)

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.