



hiremii

Quarterly Q2
Activities 20
REPORT 24

For the quarter ended 31 December 2023
Appendix 4C Quarterly Cash Flow Report

Q2 FY24 Quarterly Activities Report & Appendix 4C**\$500k raised to expand Technology, Recruitment delivers record revenue**

Hiremii Limited (ASX:HMI) (“Hiremii” or “the Company”) an AI technology company with near term technology opportunities and growth in recruitment subsidiary, Inverse Group, is pleased to provide an overview of its activities to accompany the Appendix 4C cashflow statement for the Quarter ended 31 December 2023 (“Q2 FY24”, “Reporting Period”, “Quarter”).

Note - these results are unaudited. All figures A\$ unless otherwise stated.

Q1 FY24 Highlights

- Q2 FY24 revenue of \$7.4m, a significant increase of 62% from the prior comparative period ("PcP") (Q2 FY23 revenue: \$4.6m) and up 7.3% quarter-on-quarter ("q-o-q") versus Q1 FY24 revenue of \$6.9m. November 2023 revenue for the month of \$2.7m was a new record.
- Gross Profit of \$0.718m for the Quarter, up 16% on PcP (Q2 FY23: \$0.620m) and in line with prior quarter (Q1 FY24 \$0.742m).
- Record quarterly cash receipts of \$7.842m, up 4.4% on Q1 FY24 of \$7.511m. Further receipts from customers on outstanding amounts of \$966,174 were received in the first 16 days of January 2024 bringing accounts receivable in line with normal levels at \$1.8m.
- \$500,000 share capital raised in December 2023 to expand technology development and marketing of recruitment automation.
- A \$2m revolving financing facility was announced on 17 October 2023. The facility will provide working capital as required to grow the revenue and profitability in the recruiting division.
- Net cash used in operating activities was \$(236k) excluding other items and was negatively affected by delayed receipts from customers of \$966,174 due to the Christmas shutdown period, which was subsequently received in early January 2024.
- Net cash used in operating activities was impacted by \$636k payments to the ATO over and above regular payments, which related to the change of PAYG withholding cycles, GST method and payment plans.

Commenting on the achievements over the quarter, Managing Director, Andrew Hornby, said:

“We are delighted with the ongoing positive trajectory of the Inverse Group recruitment business successfully delivering on our strategy to enhance our existing contracts in the Energy & Resources industries. The achievement of a record \$7.4 million in quarterly revenue is a testament to the

dedicated efforts of our team, especially noteworthy during the traditionally slower end of the calendar year.

Our strategic approach of targeting contractor growth to establish a solid earnings foundation through the recruitment team continues to progress well. In the near term, our emphasis is on expanding our permanent placement specialists to drive improved margins in the upcoming year.

The recent completion of a well-supported \$500,000 capital raise, coupled with the \$2m Octet facility, positions us for continued expansion in the year ahead by enabling us to concentrate on sustained growth in recruitment, and sales and engagement in our Technology division."

Sourcd co-pilot product launched with Videofy, our unique, industry-first product, available online to select customers

Hiremii's Sourcd Co-Pilot product was successfully launched in early November, and has since received positive feedback regarding its functionality and value to end-users. The primary focus remains on capitalizing on connections to drive user growth and facilitate customer-led product development. This approach aligns with the broader goal of creating an integrated AI-driven recruitment product that can either compete with, or complement existing offerings in the industry.

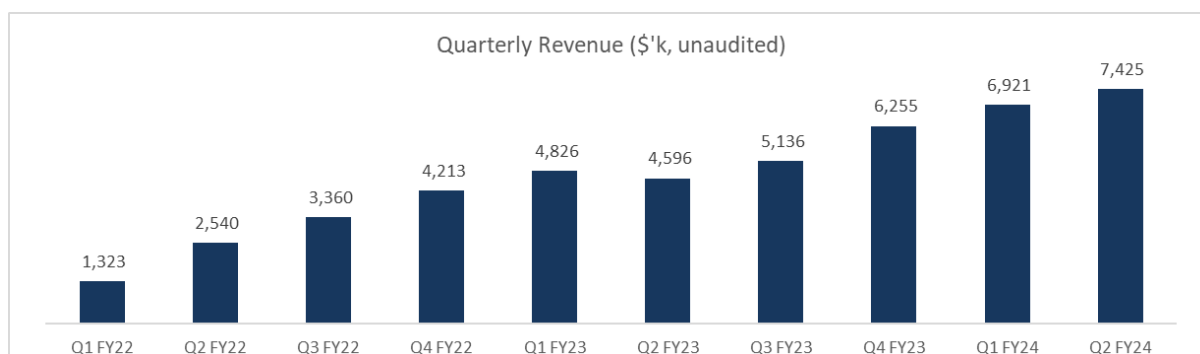
The field of AI is rapidly evolving within our industry, presenting numerous potential opportunities. To leverage these developments, we are working with Inverse customers to develop insights through conversations with influential HR/Tech leaders in large resource and energy companies. Inverse Group offers a significance advantage for the Group of leveraging strong industry relationships to better position our technology effectively in the market.

Financial Update

(Note - all financials for FY24 are unaudited)

Revenue in Q2 FY24 of \$7.4m was an increase of 62% on the PcP (Q2 FY23 revenue: \$4.6m), driven by organic growth in candidate placements focused in future industry white collar roles. Revenue in Q2 FY24 also increased q-o-q by 7.3% from Q1 FY24 revenues of \$6.9m.

Revenue improved due to an increase in the number of contractors in place, with the segment continuing to show strong demand which is being addressed by Inverse Group's growing team of seasoned recruiters. **November 2023 monthly revenue of \$2.7m was a new record**, built on a growing contractor book of long term contractors resulting from strong service levels provided by experienced recruiters.



The gross profit of \$0.718m for the Quarter improved 16% on PcP (Q2 FY23: \$0.620m) and reduced by 3.2% q-o-q (Q1 FY24: \$0.742m), with permanent placement business not as strong as the record level of the previous quarter due to the seasonal slow down in December. The gross margin percentage for the Quarter dropped marginally to 9.7%, down by 1.0% q-o-q (Q1 FY24: 10.7%) resulting from stronger growth in contractors versus permanent placements.

The receipts from customers grew to a record \$7.842m, an improvement of \$0.330m or 4.4% q-o-q on Q1 FY24 of \$7.512m. Staff costs were higher due to payment of annual bonuses and quarterly commissions. Administrative and corporate costs were kept in line q-o-q.

The Company's net cash outflow used in operating activities was (\$236k) before other outflows to the ATO of (\$636k). The other outflows to the ATO were a reduction in the PAYG withholding cycle of \$253k, \$173k for a change in the GST method to accruals, and ATO payment plan payments of \$210k. The net cash outflow in the Quarter was driven by a strong growth in contractor numbers offset by delays in customer receipts due to the festive season. Receipts from customers on outstanding amounts of \$966,174 were received in the first 16 days of January reducing accounts receivable to normal levels of \$1.8m.

Cash flows used in investing activities of \$15k for the Quarter (Q1 FY24: \$15k) related to technology investment in the Hiremii recruitment platform to increase the range of products to include Videofy and Sourcd co-pilot. \$69k was paid for deferred consideration for the acquisition of Inverse Group.

Cash flows from financing activities included:

- Capital raised of \$500k, split into \$415k shares issued in Tranche 1, and \$85k borrowings from directors pending shareholder approval to issue shares,
- \$362k working capital facility borrowings used for a short period to cover delayed accounts receivable receipts, and
- \$53k for the Quarter related to insurance premium funding and office leases.

Hiremii's cash balance at 31 December 2023 was \$1.044m.

Related Party Transactions

During Q2 FY24 the following payments were made to related parties as disclosed in Item 6 of Appendix 4C.

SALARIES AND SUPERANNUATION PAID TO DIRECTORS	AMOUNT
David Buckingham, Non-executive Director	\$ 9,713
Andrew Hornby, Managing Director	\$ 168,492
Total	\$ 178,205

A portion of director fees of David Buckingham and Conor O'Brien were paid in shares after approval at the AGM for value accrued. Amounts paid to Mr Hornby include bonus payments earned over the last two financial years.

Directors contributed \$85k as loans pending shareholder approval for the issue of shares in Q3 FY2024.

This announcement has been approved by The Board of Directors of Hiremii.

Ends

About

Hiremii Limited (ASX: HMI) is a technology-driven full-service recruitment company with two core business components; Hiremii Technology, a cloud-based platform which uses machine learning and artificial intelligence to automate and improve recruitment and onboarding processes, pre-vetting and shortlisting candidates based on employers' specific requirements, and Inverse Group, a growing recruitment business that provides specialist white collar recruitment services to the energy, resources and technology sectors.

To learn more please visit: www.hiremii.com

Investor Enquiries: info@hiremii.com

Forward looking statement

Certain information in this document refers to the intentions of Hiremii, but these are not intended to be forecasts, forward looking statements or statements about the future matters for the purposes of the Corporations Act or any other applicable law. The occurrence of the events in the future are subject to risk, uncertainties and other actions that may cause Hiremii's actual results, performance or achievements to differ from those referred to in this document. Accordingly, Hiremii and its affiliates and their directors, officers, employees and agents do not give any assurance or guarantee that the occurrence of these events referred to in the document will actually occur as contemplated.

Statements contained in this document, including but not limited to those regarding the possible or assumed future costs, performance, dividends, returns, revenue, exchange rates, potential growth of Hiremii, industry growth or other projections and any estimated company earnings are or may be forward looking statements. Forward-looking statements can generally be identified by the use of words such as 'project', 'foresee', 'plan', 'expect', 'aim', 'intend', 'anticipate', 'believe', 'estimate', 'may', 'should', 'will' or similar expressions. These statements relate to future events and expectations and as such involve known and unknown risks and significant uncertainties, many of which are outside the control of Hiremii. Actual results, performance, actions and developments of Hiremii may differ materially from those expressed or implied by the forward-looking statements in this document.

Such forward-looking statements speak only as of the date of this document. There can be no assurance that actual outcomes will not differ materially from these statements. To the maximum extent permitted by law, Hiremii and any of its affiliates and their directors, officers, employees, agents, associates and advisers:

- disclaim any obligations or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumptions;
- do not make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information in this document, or likelihood of fulfilment of any forward-looking statement or any event or results expressed or implied in any forward-looking statement; and
- disclaim all responsibility and liability for these forward-looking statements (including, without limitation, liability for negligence).



hiremii

ABN 48 642 994 214

ASX:HMI

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

HIREMII LIMITED

ABN

48 642 994 214

Quarter ended ("current quarter")

31 December 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	7,842	15,353
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(7,003)	(14,004)
	(c) advertising and marketing	(23)	(26)
	(d) leased assets	-	-
	(e) staff costs	(845)	(1,500)
	(f) administration and corporate costs	(180)	(336)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	0	4
1.5	Interest and other costs of finance paid	(27)	(57)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other		
	Change in PAYG cycle to ATO	(253)	(492)
	Change in GST method	(173)	(173)
	Tax payment plans	(210)	(420)
1.9	Net cash from / (used in) operating activities	(872)	(1,649)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	(69)	(69)
	(c) property, plant and equipment	(1)	(1)
	(d) investments	-	-
	(e) intellectual property	(15)	(30)
	(f) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	2	2
2.6 Net cash from / (used in) investing activities	(83)	(98)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	415	415
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(27)	(27)
3.5 Proceeds from borrowings	447	631
3.6 Repayment of borrowings	(53)	(171)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	782	848

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	1,216	1,943
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(872)	(1,649)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(83)	(98)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	782	848
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,044	1,044

5. Reconciliation of cash and cash equivalents	Current quarter \$A'000	Previous quarter \$A'000
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1	Bank balances	1,044
5.2	Call deposits	-
5.3	Bank overdrafts	-
5.4	Other (provide details)	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,044

6 Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1
	\$178
6.2	Aggregate amount of payments to related parties and their associates included in item 2
	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7	Financing facilities	Total facility amount at quarter end A'000	Amount drawn at quarter end A'000
	<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities	2,000	524
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	2,000	524
7.5	Unused financing facilities available at quarter end		1,476
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(872)
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,044
8.3	Unused finance facilities available at quarter end (item 7.5)	1,476
8.4	Total available funding (item 8.2 + item 8.3)	2,520
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	2.9
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
	8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer:	
	8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer:	
	8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer:	
	<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 January 2024
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Authorised by: The Board of Directors
.....
(Name of body or officer authorising release – see note 4)

Notes

- 1 This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
- 2 If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
- 3 Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
- 4 If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
- 5 If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.