



hiremii

Quarterly Q3
Activities 20
REPORT 24

For the quarter ended 31 March 2024
Appendix 4C Quarterly Cash Flow Report

Q3 FY24 Quarterly Activities Report & Appendix 4C**Technology Integration Reinforcing Tech Solutions,
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 March 2024 ("Q3 FY24", "Reporting Period", "Quarter").

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

Q3 FY24 Highlights

- Q3 FY24 revenue of \$7.6m, a significant increase of 48% from the prior comparative period ("PcP") (Q3 FY23 revenue: \$5.1m) and up 2.4% quarter-on-quarter ("q-o-q") versus Q2 FY24 revenue of \$7.4m.
- Gross Profit of \$0.670m for the Quarter, up 47% on PcP (Q3 FY23: \$0.455m) while down on the prior quarter (Q2 FY24 \$0.718m) in line with quarter on quarter seasonality.
- Record quarterly cash receipts of \$8.134m, up 3.7% on Q2 FY24 of \$7.842m.
- EBITDA loss reduced to (\$0.145m) from (\$0.255m) in Q2 FY24 and (\$0.413m) in the PcP, Q3 FY23.
- Net cash used in operating activities was (\$0.355m) before ATO payment plan repayments of (\$0.210m). Working capital increased (\$204k) on the previous quarter. Total cash used in operating activities was (\$565k). ATO repayments end in August and working capital movements are expected to improve after abnormal delays in debtor collections.
- Cashflows from financing activities were \$0.329m in the quarter to address the temporary increased working capital requirement over the quarter.

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

"I'm delighted that despite a seasonally quiet period, the Company achieved continued revenue growth, attributed to our continued focus on service excellence and delivery within our contracting business. Furthermore, a strategic emphasis on permanent placement opportunities has been implemented which is expected to deliver stronger margins in Q4. The enhanced permanent placement revenue stream is being driven by specific focus on acquisition delivery, and onboarding, and investment in new, experienced permanent delivery leads. Our team takes immense pride in having delivered five consecutive quarters of growth, showcasing their dedication and contribution to the company's continued performance."

The successful launch of Inverse Technology is being spearheaded by seasoned Technology Recruitment Leader, Daryl Lim, who has delivered high growth in technology recruitment teams over 20 years. This strategic initiative will enable Inverse Group to penetrate new industries and expand geographically into the significant Victoria and NSW markets.

We are pleased to announce the appointment of Pete Liddell as our Head of Technology on a long-term contract. With a robust background as the former COO of an ASX-listed technology company, Pete brings invaluable expertise in commercialization and customer acquisition to our team.

Throughout the reporting period, the technology team focused on designing the integration points between our existing customer base and our suite of Hiremii products, including AdWriter and Shortlist. An engagement was initiated with our experienced AI partners, Veloceo, towards the end of the period, with anticipated completion in Q4. This collaborative effort aims to establish connections with over 70 Inverse Group customers, empowering them with Hiremii Technology solutions”.

Platform solution targeted at the mining, energy and technology sectors now the focus of the Hiremii technology team.

Having validated the performance of our Shortlist, Adwriter and Sourcd AI tools, the Hiremii team is now focused on the development of a platform solution targeted at Inverse Group’s rapidly growing mining, energy and technology customers.

From an artificial intelligence point of view, the expanding data lake available in the Inverse Group business represents an irresistible opportunity to train the AI tools to subtly differentiate candidate quality in high-IP, high-value industries. In addition, the technology team are now focused on the development of a platform solution designed to improve overall usability and customer experience, whilst also tying each individual AI tool together seamlessly.

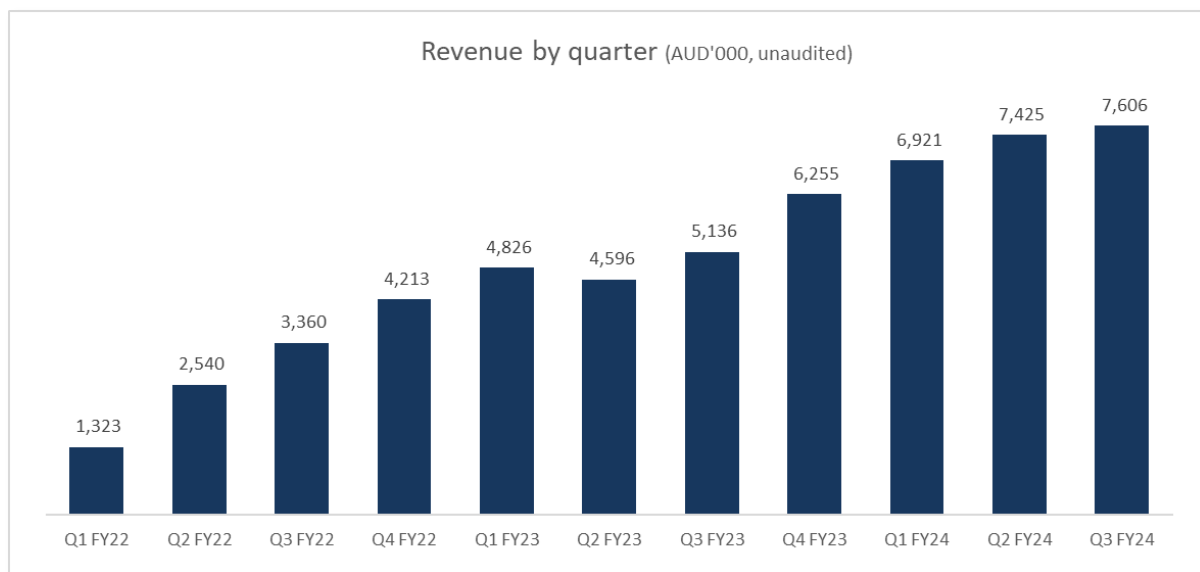
As the group’s customer portfolio expands, the team expects to substantially impact the productivity of customer and internal recruitment teams by accelerating candidate acquisition processes and significantly reducing time-to-hire. These activities should start to impact the business’ gross margins and growth rate in the second half of 2024.

As the Hiremii technology matures it is our intention to challenge international recruitment providers to the tier one energy and resource sectors. These traditional recruitment solution providers represent current competitors in the Perth market but have broader international exposure in the supercharged energy transition related industries. Critically, these competitors appear to be reticent to invest in the rapidly advancing AI space, which appears poised to disrupt their large scale, traditional business model.

Financial Update

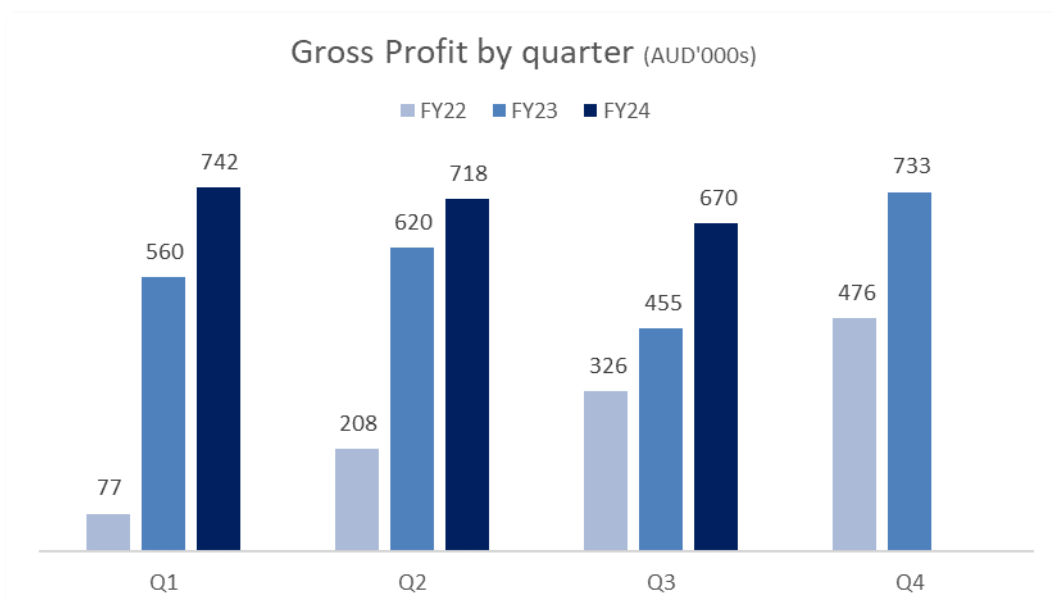
(Note - all financials for FY24 are unaudited)

Revenue in Q3 FY24 of \$7.6m was an increase of 48% on the PcP (Q3 FY23 revenue: \$5.1m), driven by organic growth in candidate placements focused in future industry white collar roles. Revenue in Q3 FY24 also increased q-o-q by 2.4% from Q2 FY24 revenues of \$7.4m.



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.

The gross profit of \$0.670m for the Quarter improved 47% on PcP (Q3 FY23: \$0.620m) and reduced by 6.7% q-o-q (Q2 FY24: \$0.718m), with permanent placement business under pressure due to a more pronounced seasonal slow down in the first months of the calendar year. The gross margin percentage for the Quarter dropped to 8.8%, down 1.0% q-o-q (Q2 FY24: 9.7%) resulting from stronger growth in contractors versus permanent placements.

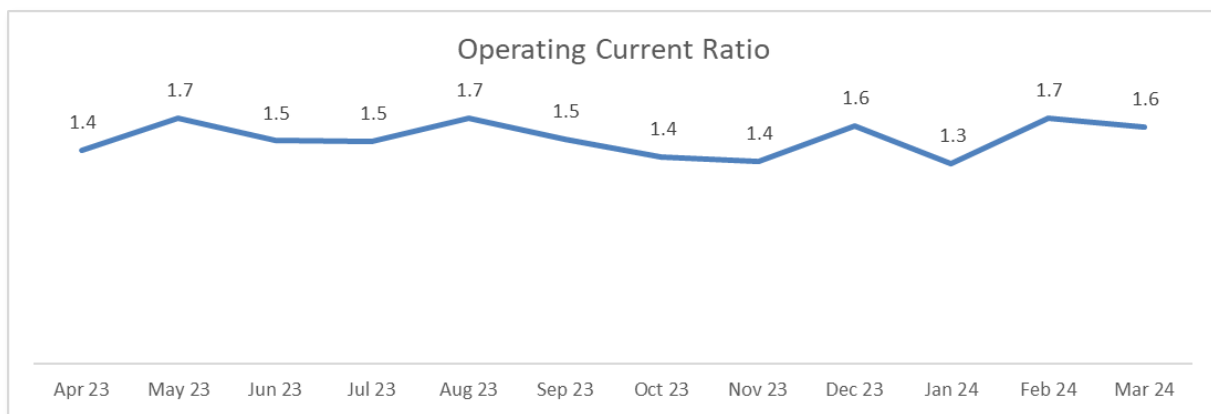


EBITDA loss improved to (\$0.145m) for the Quarter compared to (\$0.255m) in the prior quarter and continues to move to breakeven.

The receipts from customers grew to a record \$8.134m, an improvement of \$0.292m or 3.7% q-o-q on Q2 FY24 of \$7.842m. Staff costs reduced to previous levels.

Net operating working capital increased by (\$0.204m) driven by increased contract assets which move cyclically up and down over time. Contract assets relate to accrued billings which move based on the timing of the month end in relation to the billing cycle and increased \$0.400m compared to the previous quarter. Accounts receivable did not reduce to normal levels from the prior quarter end as expected due to the public holidays at quarter end, but returned to normal levels after the quarter end.

The Company's net cash outflow used in operating activities was (\$355k) before other outflows to the ATO of (\$210k) for payment plans expected to finish in Q1 FY25. The net cash outflow in the Quarter was driven by a strong permanent placement billings at the end of the quarter offset by the timing impact of the cyclical increase in contract assets.



Cash flows used in investing activities of \$5k for the Quarter (Q2 FY24: \$15k) related to technology investments.

Cash flows from financing activities included:

- Share capital issued of \$85k, transferred from \$85k borrowings from directors after shareholder approval at the general meeting on 26 February 2024;
- \$421k working capital facility borrowings used for a short period to cover normal working capital cycles; and
- \$77k of repayment of borrowings in the Quarter related to insurance premium funding and office leases.

Cash flows from financing were used to fund the increase in accrued billings. Net Operating Working Capital is a focus for management to ensure solvency and sufficient funding of growth and ongoing operations. The operating current ratio which excludes non-operating net current assets is depicted below is considered an acceptable level.

Non-operating net current liabilities include financing and payment plans, leases, and consideration which have a longer payment profiles than operating items. Funding is monitored to support net current assets.

Hiremii's cash balance at 31 March 2024 was \$0.802m.

Related Party Transactions

During Q3 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 Interim Chair	\$21,367
Conor O'Brien, Non-executive Director	\$14,147
Andrew Hornby, Managing Director	\$72,623
Total	\$108,164

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 March 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	8,134	23,487
1.2	Payments for		
	(a) research and development	(0)	(0)
	(b) product manufacturing and operating costs	(7,514)	(21,518)
	(c) advertising and marketing	(5)	(30)
	(d) leased assets	-	-
	(e) staff costs	(676)	(2,175)
	(f) administration and corporate costs	(274)	(610)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	2	6
1.5	Interest and other costs of finance paid	(23)	(80)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other		
	Change in PAYG cycle to ATO	-	(492)
	Change in GST method	-	(173)
	Tax payment plans	(210)	(630)
1.9	Net cash from / (used in) operating activities	(565)	(2,215)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	(69)
	(c) property, plant and equipment	-	(1)
	(d) investments	-	-
	(e) intellectual property	(5)	(34)
	(f) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 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)	(0)	2
2.6 Net cash from / (used in) investing activities	(5)	(102)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	85	500
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	(14)	(41)
3.5 Proceeds from borrowings	335	965
3.6 Repayment of borrowings	(77)	(248)
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	329	1,176

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	1,044	1,943
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(565)	(2,215)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(5)	(102)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	329	1,176
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	802	802

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)	802

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	\$108
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	945
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	2,000	945
7.5	Unused financing facilities available at quarter end		1,055
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.		
	Loan facility: \$2m Octet Invoice Finance secured against accounts receivable with group cross guarantees, interest rate: 10.15%, minimum term 15 months from 15 October 2023.		

8	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(565)
8.2	Cash and cash equivalents at quarter end (item 4.6)	802
8.3	Unused finance facilities available at quarter end (item 7.5)	1,055
8.4	Total available funding (item 8.2 + item 8.3)	1,857
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	3.3
	<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: 29 April 2024

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.