

ASX: LVH MARKET RELEASE

LiveHire December Quarterly Report, Appendix 4C

18 January 2018 | Melbourne, Australia

Quarter Highlights

- LiveHire's key performance metric and lead indicator, Talent Community Connections (TCCs), increased 20% Quarter-on-Quarter (QoQ) to 538,035 TCCs, from 447,575 in Q1 FY18, delivering another quarter of exponential growth.
- Cash receipts increased above expectations by 22% QoQ to \$541,000, from \$444,075 in Q1 FY18, reflecting the increase in licensing and hosting fees, set-up payments and improved contract terms with customers.
- LiveHire announced successful implementations of the Live Talent Community technology platform with three of the global top 10 Recruitment Process Outsourcing (RPO) firms, establishing very strong channel partnerships for continued market expansion, nationally and internationally.

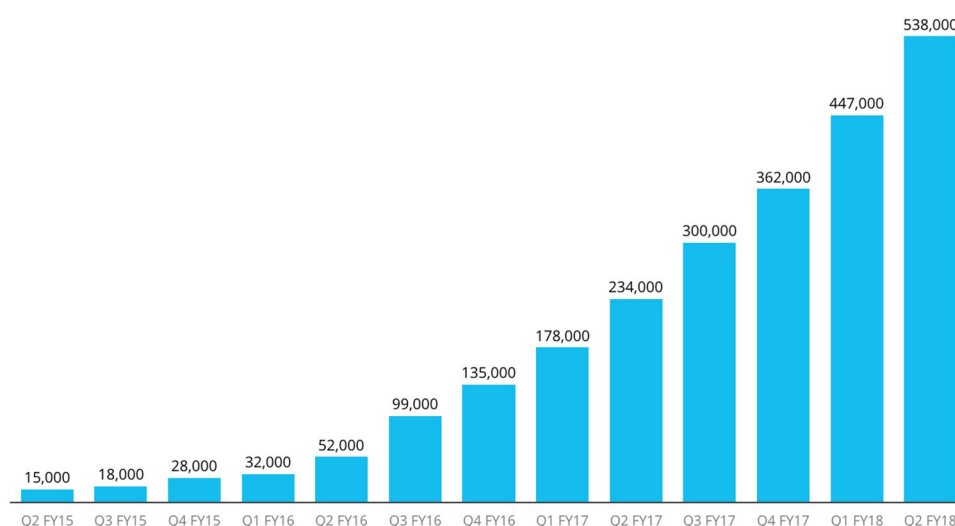


Figure 1: LiveHire Talent Community Connection growth

- The LiveHire Talent Community Ecosystem launched into two new verticals; Banking & Finance, with the launch of a Live Talent Community for an ASX100 organisation, and the Utilities vertical, with a state government-owned corporation.

- Successfully completed a second SAP Success Factors integration with a mutual client. Work is already in progress that is expected to expand the capabilities and use cases of the integration with the Talent Community Software and Live Talent Pools. SAP is the global leader in HR Tech Management Systems with more than 6,000 enterprise clients globally.
- The Company successfully raised \$20m via a placement of ~19.05m ordinary shares at \$1.05 per share in December 2017, led by Telstra Super and Fidelity, to accelerate its key RPO growth channel, as well as investment into Artificial Intelligence (AI), technology partnerships and integrations, and global technology product partnerships.
- LiveHire held \$33.6m cash at bank as at 31 December 2017, with no debt.

Melbourne, 18th January 2018, LiveHire Limited (ASX: LVH), the Talent Community software platform providing an enterprise scale, human-cloud hiring ecosystem for entire industries, is pleased to release its December Quarterly Report and Cash Flow report for the period ending 31 December 2017.

LiveHire Managing Director Antonluigi Gozzi said: *“The second quarter of FY18 results marks the 13th consecutive quarter of exponential growth of 20%+ QoQ, whilst at the same time focusing on the larger RPO channel partner implementations and new industry verticals. The quarter was a successful one for LiveHire, as we continued to demonstrate a fast rate of technology adoption, innovation and underlying performance of our key performance metrics. We look forward to continuing to deliver on our promises to all customers and shareholders in 2018.”*

Cash receipts for December quarter grew 22% to \$541,000

Cash receipts for the quarter increased 22% QoQ to \$541,000, from \$444,075 in Q1 FY18. Importantly, LiveHire’s growth has accelerated over the past two quarters, delivering growth of cash receipts above expectations. This growth has been delivered through high quality and larger clients adopting the LiveHire technology to manage 100% of their recruitment, as well as an improvement in contract terms with upfront payments and contract extensions.

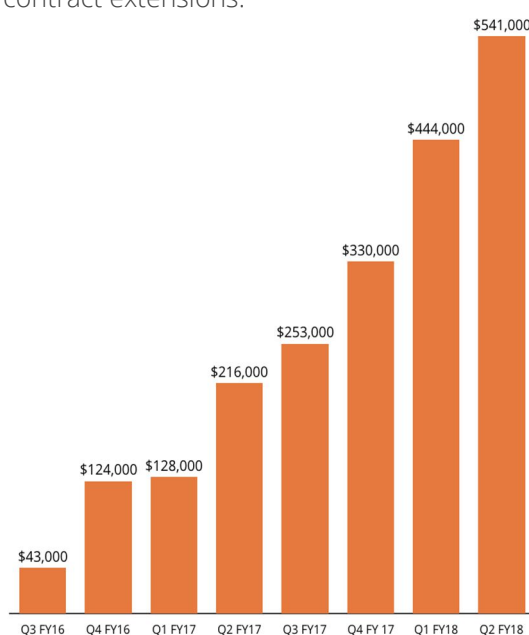


Figure 2: LiveHire Cash receipts growth quarter-on-quarter

While QoQ growth of cash receipts will fluctuate depending on timing of payments, the Company remains focused on laying the foundations with large and quality clients that will deliver long-term exponential growth in TCCs, which is the leading indicator for future revenues.

Talent Community Connections for December quarter grew 20% to 538,035

During the December Quarter, Talent Community Connections continued to increase strongly, growing 20% to 538,035 TCCs, from 447,575 in Q1 FY18.

While quarterly growth rates will fluctuate depending on timing of launches of major Talent Communities, the Company remains focused on delivering ongoing exponential growth in TCCs through ongoing growth of existing clients Live Talent Communities, in combination with new client launches.

The 20% growth in TCCs was a strong result, as it was delivered in a shortened commercial quarter, underpinned by the Company's focus on RPO led growth with larger customers. Following the successful onboarding and scaling of the Company's enterprise sales team, led by Denise Carson, the Company believes that the 2018 calendar year has strong growth foundations in place.

The exponential TCC growth delivered again this quarter is testament to the value being delivered to existing clients and the ongoing organic growth of their Talent Communities.

Recruitment Process Outsourcing (RPO) partnerships accelerating quickly

During the quarter, LiveHire successfully commenced Live Talent Community implementations with three of the global top 10 RPO firms. These implementations were a major milestone for the Company in 2017 and its RPO channel partnership strategy, a strategy communicated to the market and commenced at the time of IPO in June 2016. Importantly, the 20% QoQ growth of TCCs did not include material numbers from the new RPO clients as LiveHire will actively launch these Talent Communities at the start of this calendar year, when candidates are most receptive to engaging with new opportunities than any other period during the year.

RPO firms manage all or part of the end-to-end recruitment for ~40% of large enterprises globally, as a managed service, replacing or augmenting the traditional in-house recruitment teams. The top 10 global RPO firms control ~90% of this market.

RPO firms have provided feedback to LiveHire that they are attracted to the Company's software platform, viewing Live Talent Communities as a strategic technology opportunity for the organisations they serve, as it provides a competitive advantage through proven, material improvements in time-to-hire (productivity and speed), quality of hire (diversity and retention), and candidate experience (responsiveness and engagement).

The RPO channel is a major growth opportunity for LiveHire, as it has the potential for widespread adoption and rapid spread of the LiveHire software platform, and hence the TCC ecosystem, across the vast portfolio of clients served through the top 10 global RPO firms. This channel constitutes a high

potential, rapid and cost-effective way to grow sales nationally and internationally for the Talent Community enterprise software.

LiveHire is investing in its RPO division to support its channel partners with support across sales tendering, implementation and customer success coupled with technology development and integrations to position LiveHire to become a core part of their global technology stack and offering.

LiveHire's strategic pillars of TCC growth

LiveHire's purpose of empowering the flow of the world's talent, to create a more agile, open and awesome working world, is achieved through networked growth of private TCCs. LiveHire's delivery against the three strategic TCC growth pillars is consistent: strong, and on-track.

The foundations of long-term, sustainable, exponential growth of TCCs will come from the accelerated launch of Talent Communities, expected to be achieved through:

1. RPO partnerships with global portfolios of clients;
2. High-quality enterprise direct sales team to drive wide spread adoption in each key industry LiveHire enters; and
3. Integrations with the largest Global Human Resource Information Systems (HRIS) to capture all talent relationships of each organisation into a single Talent Community.

This three-pillar approach is expected to allow LiveHire to ultimately reach, deploy, and cost effectively service all clients in its total addressable market, whilst deploying capital effectively into customer success, and ongoing product development and innovation.

Capital management

Quarterly cash outflows increased in-line with forecasts, reflective of the increase in headcount of the Enterprise Sales team as it approaches its full complement in Australia and NZ. LiveHire's Enterprise Sales team is focused on surpassing critical mass across all key verticals LiveHire enters, capitalising on the pipeline of prospect organisations looking to shift their recruitment team, technology, and processes from reactive to proactive recruitment.

LiveHire expects cash outflows will increase slightly over the coming quarters before stabilising, as it establishes the RPO division to support increasing global RPO channel partnerships, along with the product and development team expansion for Artificial Intelligence (AI), technology integrations, and global technology product partnerships. This will reflect the investments highlighted in the December 2017 Capital Raising presentation.

Marketing spend year-to-date remains in-line with forecasts and comparatively very low for a high-growth enterprise software company, indicative of the scalability and low cost of customer acquisition (CAC) and the network effect in the ecosystem.

Management continue to carefully manage costs, in-line with the approved FY18 strategy and budget. Cash burn end of quarter was better than expectations due to lower costs and higher cash receipts. The Company held \$33.6m cash at bank as at 31 December 2017, with no debt.

* All financial figures contained in this Announcement are provided on an unaudited basis.

Notice given under Section 708A(5) of the Corporations Act

The Company hereby notifies ASX that:

- (a) on 17 January 2018, the Company completed the issue and allotment of 161,148 fully paid ordinary shares;
- (b) these shares were issued on conversion of performance rights which were issued under the Company's Employee Incentive Plan and, accordingly, the Company issued the shares without disclosure to investors under Part 6D.2 of the Act;
- (c) the Company provides this notice under section 708A(5)(e) of the Corporations Act 2001 (Cth);
- (d) as at the date of this notice, the Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company;
- (e) as at the date of this notice, the Company has complied with section 674 of the Act;
- (f) as at the date of this notice, there is no information:
 - (i) that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules;
 - (ii) that investors and their professional advisors would reasonably require for the purpose of making an informed assessment of:
 - (A) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - (B) the rights and liabilities attaching to the fully paid ordinary shares.

For more information:

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Subscribe to LiveHire's newsletter at: <http://eepurl.com/b2EMFL>

www.livehire.com/investor

About LiveHire

LiveHire is a productivity and collaboration platform for talent management that delivers a proactive sourcing and internal mobility solution called Live Talent Communities. The platform makes managing the flow of talent into and through businesses seamless, delivering value through perfect visibility of existing employees, and shifting recruitment of new talent from reactive to proactive, reducing time and cost to hire, with an unrivalled candidate experience.

Founded in 2011, LiveHire is an Australian company headquartered in Melbourne, with offices also in Sydney, Brisbane and Perth.

www.livehire.com

Disclaimer

This announcement contains "forward-looking statements." These can be identified by words such as "may", "should", "anticipate", "believe", "intend", "estimate", and "expect". Statements which are not based on historic or current facts may be forward-looking statements. Forward-looking statements are based on:

- assumptions regarding the Company's financial position, business strategies, plans and objectives of management for future operations and development and the environment in which the Company will operate; and
- current views, expectations and beliefs as at the date they are expressed and which are subject to various risks and uncertainties.

Actual results, performance or achievements of the Company could be materially different from those expressed in, or implied by, these forward-looking statements. The forward-looking statements contained within the presentations are not guarantees or assurances of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Company, which may cause the actual results, performance or achievements of the Company to differ materially from those expressed or implied by forward-looking statements. For example, the factors that are likely to affect the results of the Company include general economic conditions in Australia and globally; exchange rates; competition in the markets in which the Company does and will operate; weather and climate conditions; and the inherent regulatory risks in the businesses of the Company. The forward-looking statements contained in this announcement should not be taken as implying that the assumptions on which the projections have been prepared are correct or exhaustive. The Company disclaims any responsibility for the accuracy or completeness of any forward-looking statement. The Company disclaims any responsibility to update or revise any forward-looking statements to reflect any change in the Company's financial condition, status or affairs or any change in the events, conditions or circumstances on which a statement is based, except as required by law. The projections or forecasts included in this presentation have not been audited, examined or otherwise reviewed by the independent auditors of the Company.

You must not place undue reliance on these forward-looking statements.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

LiveHire Limited

ABN

59 153 266 605

Quarter ended ("current quarter")

31st December 2017

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		541	985
1.2 Payments for			
(a) research and development			
(b) product manufacturing and operating costs			
(c) advertising and marketing		(107)	(138)
(d) leased assets			
(e) staff costs		(1,761)	(3,205)
(f) administration and corporate costs		(625)	(1,203)
1.3 Dividends received (see note 3)			
1.4 Interest received		90	185
1.5 Interest and other costs of finance paid			
1.6 Income taxes paid			
1.7 Government grants and tax incentives			
1.8 Other (provide details if material)			
1.9 Net cash from / (used in) operating activities		(1,861)	(3,377)
2. Cash flows from investing activities			
2.1 Payments to acquire:			
(a) property, plant and equipment		(27)	(52)
(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	(27)	(52)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	20,123	20,137
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other - IPO / Capital Raising Transaction Costs	(872)	(872)
3.10	Net cash from / (used in) financing activities	19,251	19,265

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	16,222	17,748
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,861)	(3,377)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(27)	(52)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	19,251	19,265

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	33,585	33,585

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	1,000	502
5.2	Call deposits	32,553	15,670
5.3	Bank overdrafts		
5.4	Other – Deposits for Bank Guarantees	32	50
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	33,585	16,222

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**

284

Payment of Directors salaries, superannuation and fees. Includes a full quarter of new Non-Executive Director (prior quarter one month only). Also includes Executive Director remuneration increase, including backdated payment to reflect effective increase date of 1 July 2017

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	(110)
9.4 Leased assets	
9.5 Staff costs	(2,045)
9.6 Administration and corporate costs	(740)
9.7 Other (provide details if material)	
9.8 Total estimated cash outflows	(2,895)

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:
(Director/Company secretary)

Print name:

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.