



## Appendix 4D

### For the half year ended 31 December 2017

#### LiveHire Limited

ABN 59 153 266 605

#### RESULTS FOR ANNOUNCEMENT TO THE MARKET

For the half year ended 31 December 2017 ("current reporting period")

	31-Dec-17	31-Dec-16	% Change from 6 months ended 31 Dec 2016	
	A\$	A\$		
<b>Revenue</b> from ordinary activities	844,901	309,983	Up	173%
<b>Profit / (Loss)</b> from ordinary activities after tax attributable to members	(4,971,506)	(2,442,979)	Up	104%
<b>Net Profit / (Loss)</b> for the period attributable to members	(4,971,506)	(2,442,979)	Up	104%

#### Dividend information

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

	31-Dec-17 Cents	30-Jun-17 Cents
Net tangible assets per security	0.1305	0.0744

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 2017. Information should be read in conjunction with LiveHire Limited's 2017 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 2017**

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## Corporate Directory

### **Directors and Officers**

Geoffrey Morgan AM	- Non-Executive Director and Chairman
Antonluigi Gozzi	- Managing Director
Michael Haywood	- Executive Director
Grant Galvin	- Executive Director
Adam Zorzi	- Independent Non-Executive Director
Christy Forest	- Independent Non-Executive Director ( <i>appointed 1 September 2017</i> )
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](http://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](http://www.ey.com.au)

### **Share Registry**

Boardroom Limited  
Level 12, 7225 George Street  
Sydney NSW 2000  
Website: [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)

### **Securities Exchange**

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

## Directors' Report

The Directors submit their half year report of LiveHire Limited ('LiveHire' or 'Company') for the half year ended 31 December 2017 ('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
Antonluigi Gozzi	Managing Director
Michael Haywood	Executive Director
Grant Galvin	Executive Director
Adam Zorzi	Independent Non-Executive Director
Christy Forest	Independent Non-Executive Director (appointed 1 September 2017)

### 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 Cornerstone Clients' implementations and successful adoption of the LiveHire technology;
- Establishment and growth of the Talent Community product distribution channel through Recruitment Process Outsourcing (RPO) global companies;
- Ongoing development of the Talent Community product, an innovative cloud-based online human resources productivity 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 purpose is to empower the flow of the world's talent into organisations globally, to create a more agile, open and awesome working world.

LiveHire is a productivity and collaboration platform that makes managing the flow of talent, into and through a business, seamless. The platform delivers a proactive sourcing and internal mobility solution called Live Talent Communities; providing ongoing connection to interested, available, and quality talent-on-demand, reducing time and cost to hire new talent, or mobilise existing talent across the whole of an organisation with an unrivalled candidate experience.

To potential candidates, LiveHire is their private career profile in the world's largest talent ecosystem, connecting them directly with the hiring managers of Live Talent Communities of the best brands, helping them to live the career they love.

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

- **Talent Community Connections (TCCs)** grew by 130% compared to the previous financial year, with 538,035 connections amongst existing clients and new significant cornerstone clients at 31 December 2017 compared to 233,830 at 31 December 2016.
- **Revenue from continuing operations for the period increased 173% to \$844,901** compared to the same period in FY17.
- **Cash receipts for the period increased 183% to \$984,980** compared to the same period in FY17.

## Directors' Report

- **Successfully raised \$20m** in December 2017 via an oversubscribed placement of ~19.05m ordinary shares at \$1.05 per share. The capital allows LiveHire to invest and accelerate its key growth channel, Top 10 global Recruitment Processing Outsource (RPO) firms, whom collectively serve 40% of the enterprise recruitment market. LiveHire will also accelerate its investment into Artificial Intelligence (AI), Machine Learning, and technology integrations to include global technology product partnerships.
- Strong financial position at the end of the period, **debt free with \$33.6m cash at bank**.
- Signed an agreement with Randstad to launch a **Talent Community in Singapore**. Randstad is the leading recruitment service provider in Asia, accounting for ~15% of Randstad's global market.
- Successful implementations of the Live Talent Community technology platform with **three of the global top 10 RPO firms**, establishing very strong channel partnerships for continued market expansion, nationally and internationally.
- The LiveHire Talent Community Ecosystem entered **three new verticals**; Banking & Finance, with the launch of a Live Talent Community for an ASX100 organisation, the Utilities vertical, with a government state-owned corporation, and the Rental, Hiring & Real Estate industry following the launch of a Live Talent Community for **LITTLE Real Estate**, Australia's largest independently-owned real estate agency.
- RPO alliance channel partner, Randstad Sourceright, launched Live Talent Community in Australia for **NYSE listed global IT firm**.
- Successfully completed a second **SAP Success Factors integration** with a mutual client, with work already commenced 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 invested **\$1.7m in product development** for the 6-month period ended 31 December 2017, \$0.8m of which has been capitalised to the value of Intangible Assets under the relevant accounting standards, with the balance treated as operating expenses.
- Appointed Denise Carson on 1 August 2017 to its senior leadership team as **Sales Director**.
- Appointed Jarrod Hughes on 1 August 2017 to its senior leadership team as **Regional Sales Leader and Head of Strategic Alliances**.
- Appointed Christy Forest as **Non-Executive Director**, effective 1 September 2017.

## 4. FINANCIAL PERFORMANCE

The financial results of the Company for the half year ended 31 December 2017 are:

	31-Dec-17	31-Dec-16	% Change
Revenue from continuing operations (\$)	<b>844,901</b>	309,983	173%
Net loss after tax (\$)	<b>(4,971,506)</b>	(2,442,979)	104%
Loss per share (\$)	<b>(0.021)</b>	(0.012)	75%

As detailed in Note 2 to the Financial Statements, the Income Statement has been prepared on an accruals basis and will therefore vary from the ASX Quarterly Cash Flow Reports (Appendix 4C). The variance of \$140,079 is attributed to an increase in deferred revenue, and GST that is reported as a cash receipt but not revenue, partially offset by a net increase in trade debtors.

## Directors' Report

### 5. LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

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

- Launch of Live Talent Communities with increasingly larger clients nationally to drive significant new talent profile registrations.
- Continue to launch Talent Communities to clusters of companies in the same industry to drive further Talent Community Connection growth and network effect.
- Implement with Recruitment Process Outsourcing 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 enterprises.
- Continually develop and evolve the Live Talent Community product to maintain first mover advantage and client advocacy.
- Investing in Client Success to help Talent Community customers implement and grow their Talent Communities fast to realise productivity gains and Return on Investment.

### 6. AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Independence Declaration by the lead auditor under Section 307C is included on page 6 to these half year financial statements.

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



Antonluigi Gozzi  
Director  
Melbourne, 27<sup>th</sup> February 2018



## Auditor's Independence Declaration



Ernst & Young  
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Melbourne VIC 3000 Australia  
GPO Box 67 Melbourne VIC 3001

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Fax: +61 3 8650 7777  
ey.com/au

### 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 2017, 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  
27 February 2018

## Statement of Profit or Loss and Other Comprehensive Income

	Notes	31-Dec-17	31-Dec-16
		\$	\$
<b>Revenue</b>			
Revenue from continuing operations		844,901	309,983
Other Income		301,513	-
<b>Total revenue and other income</b>		<b>1,146,414</b>	<b>309,983</b>
<b>Expenses</b>			
Employee benefits expense	6	(2,587,769)	(618,363)
IPO related expenses		-	(32,446)
Operating expenses		(1,505,715)	(987,066)
Share based payment expense	12	(1,930,820)	(1,060,830)
<b>Earnings (Loss) before interest, tax, depreciation and amortisation</b>		<b>(4,877,890)</b>	<b>(2,388,722)</b>
Depreciation and amortisation expense		(281,150)	(147,043)
<b>Earnings (Loss) before interest and tax (EBIT)</b>		<b>(5,159,040)</b>	<b>(2,535,765)</b>
Net finance income / (expense)		187,534	92,786
<b>Loss before income tax</b>		<b>(4,971,506)</b>	<b>(2,442,979)</b>
Income tax expense		-	-
<b>Loss after income tax</b>		<b>(4,971,506)</b>	<b>(2,442,979)</b>
<b>Other comprehensive income for the period, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive loss for the period</b>		<b>(4,971,506)</b>	<b>(2,442,979)</b>
		\$	\$
<b>Loss per share attributable to ordinary equity holders</b>			
- Basic loss per share		(0.021)	(0.012)
- Diluted loss per share		(0.021)	(0.012)

*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-17 \$	30-Jun-17 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		33,553,600	17,748,476
Held-to-maturity Investments		31,667	-
Trade and other receivables	7	1,634,063	263,652
<b>Total current assets</b>		<b>35,219,330</b>	<b>18,012,128</b>
<b>Non-current assets</b>			
Plant and equipment		49,847	3,209
Intangible assets	8	2,279,323	2,825,302
<b>Total non-current assets</b>		<b>2,329,170</b>	<b>2,828,511</b>
<b>Total assets</b>		<b>37,548,500</b>	<b>20,840,639</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	9	654,031	334,380
Provisions		266,880	193,562
Deferred Revenue		218,681	178,681
<b>Total current liabilities</b>		<b>1,139,592</b>	<b>706,623</b>
<b>Non-current liabilities</b>			
Provisions		86,912	58,630
<b>Total non-current liabilities</b>		<b>86,912</b>	<b>58,630</b>
<b>Total liabilities</b>		<b>1,226,504</b>	<b>765,253</b>
<b>Net assets</b>		<b>36,321,996</b>	<b>20,075,386</b>
<b>EQUITY</b>			
Issued capital	10	46,534,521	27,247,225
Reserves	11	6,053,300	4,122,480
Accumulated losses		(16,265,825)	(11,294,319)
<b>Total equity</b>		<b>36,321,996</b>	<b>20,075,386</b>

*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 \$
<b>At 1 July 2017</b>	<b>27,247,225</b>	<b>4,122,480</b>	<b>(11,294,319)</b>	<b>20,075,386</b>
<b>Comprehensive income:</b>				
Loss for the period	-	-	(4,971,506)	(4,971,506)
Other comprehensive income	-	-	-	-
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>(4,971,506)</b>	<b>(4,971,506)</b>
<b>Transactions with owners in their capacity as owners:</b>				
Contributions of equity, net of transaction costs	19,287,296	-	-	19,287,296
Share option expense	-	1,930,820	-	1,930,820
<b>At 31 December 2017</b>	<b>46,534,521</b>	<b>6,053,300</b>	<b>(16,265,825)</b>	<b>36,321,996</b>
	Issued Capital \$	Share-based Payment Reserve \$	Accumulated Losses \$	Total Equity \$
<b>At 1 July 2016</b>	<b>15,148,940</b>	<b>2,412,164</b>	<b>(6,642,166)</b>	<b>10,918,938</b>
<b>Comprehensive income:</b>				
Loss for the period	-	-	(2,442,979)	(2,442,979)
Other comprehensive income	-	-	-	-
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>(2,442,979)</b>	<b>(2,442,979)</b>
<b>Transactions with owners in their capacity as owners:</b>				
Contributions of equity, net of transaction costs	-	-	-	-
Share option expense	-	1,060,830	-	1,060,830
<b>At 31 December 2016</b>	<b>15,148,940</b>	<b>3,472,994</b>	<b>(9,085,145)</b>	<b>9,536,789</b>

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

## Statement of Cash Flows

	Notes	31-Dec-17	31-Dec-16
		\$	\$
<b>Cash flows from operating activities</b>			
Receipts from customers		984,980	347,673
Payment to suppliers and employees		(3,754,345)	(1,763,439)
Interest received		184,522	8,910
Receipt of Research & Development Tax Incentive		-	-
<b>Net cash outflow from operating activities</b>		<b>(2,584,843)</b>	<b>(1,406,856)</b>
<b>Cash flows from investing activities</b>			
Payment for intangible assets		(791,758)	(1,511,641)
Payment for plant and equipment		(52,045)	(3,051)
Payment for held-to-maturity investments		(31,667)	-
<b>Net cash outflow from investing activities</b>		<b>(875,470)</b>	<b>(1,514,692)</b>
<b>Cash flows from financing activities</b>			
Proceeds from the issue of shares		20,137,137	-
Related transaction costs		(871,698)	(223,800)
<b>Net cash inflow / (outflow) from financing activities</b>		<b>19,265,439</b>	<b>(223,800)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>15,805,126</b>	<b>(3,145,348)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>17,748,476</b>	<b>10,442,619</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>33,553,600</b>	<b>7,297,271</b>

*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 2017 (the '**Period**') were authorised for issue in accordance with a resolution of the directors on 27<sup>th</sup> February 2018 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 2017 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 2017 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, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. As disclosed in the annual report the areas of judgement include:

- Intangible Assets
- Share-Based Payments

### 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 adopted in the annual financial statements for the year ended 30 June 2017.

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.

The Australian Accounting Standards Board (AASB) has issued a number of new standards which become effective from 1 January 2018 (financial year ending 30 June 2019 for the Company). The Company has formed a working group to assess any potential impact resulting from the application of the new standards, including prior year comparative disclosure. The Company has not yet finalised the quantification of any impact, which, include the impact on the prior year, will be disclosed in the financial statements for the year ending 30 June 2019.

### 5. SEGMENT INFORMATION

Activities in the operating segments are identified by management based on the way 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 monthly.

Management has determined that the entity has one operating segment being the business intelligence and data services segment. 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. EMPLOYEE BENEFITS EXPENSE

	31-Dec-17	31-Dec-16
	\$	\$
<i>Cash Expenses</i>		
- Salaries and wages	2,707,705	1,885,580
- Superannuation contributions	251,270	58,571
- Payroll tax	215,401	27,408
- Other	-	17,052
	<b>3,174,376</b>	<b>1,988,611</b>
<i>Non-Cash Expenses</i>		
- Employee entitlement accrual	101,600	(156,986)
- Less capitalised software development costs	(688,207)	(1,225,962)
	<b>(586,607)</b>	<b>(1,382,948)</b>
<b>Total Employee Benefits Expense</b>	<b>2,587,769</b>	<b>605,663</b>

### 7. TRADE AND OTHER RECEIVABLES

	31-Dec-17	30-Jun-17
	\$	\$
Trade receivables	106,463	128,002
GST receivable	80,892	49,514
Accrued interest	64,468	61,456
Other receivables	26,875	24,680
R&D tax incentive receivable	1,355,365	-
<b>Total trade and other receivables</b>	<b>1,634,063</b>	<b>263,652</b>

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

#### Government grants/ research and development tax incentive

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received, and the Company will comply with all attached conditions. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. When the grant relates to an asset, it is deducted from the asset to which it relates, the net value of which is amortised over its expected useful life. The Company is treating the receipt of the R&D Tax Incentive refund as a government grant.

The R&D tax incentive receivable incorporates estimates for both FY17 and the half year ended 31 December 2017.



## Notes to the Financial Statements

### 8. INTANGIBLE ASSETS

	31-Dec-17	30-Jun-17
	\$	\$
<b><u>Software development</u></b>		
Cost	4,799,201	4,015,933
R&D Tax Incentive	(1,637,294)	(583,442)
Accumulated amortisation	(882,584)	(607,189)
<b>Total intangibles</b>	<b>2,279,323</b>	<b>2,825,302</b>

Software consists of capitalised developments costs being an internally generated intangible asset, refer to the 30 June 2017 financial report for additional detail.

The company invested \$1.7m in product development for the 6-month period ended 31 December 2017, \$0.8m of which has been capitalised to the value of Intangible Assets under the relevant accounting standards, with the balance treated as operating expenses.

### 9. TRADE AND OTHER PAYABLES

	31-Dec-17	30-Jun-17
	\$	\$
<b>CURRENT</b>		
<b><u>Unsecured liabilities</u></b>		
Trade payables	164,446	65,195
Sundry payables and accrued expenses	177,315	63,463
Payroll tax payable	31,263	24,000
PAYG payable	143,163	93,121
Superannuation payable	137,844	88,601
	<b>654,031</b>	<b>334,380</b>

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

### 10. ISSUED CAPITAL

#### a) Issued and fully paid

	31-Dec-17		30-Jun-17	
	\$	No.	\$	No.
Ordinary shares	46,534,521	260,892,799	27,247,225	231,992,077
	46,534,521	260,892,799	27,247,225	231,992,077

#### b) Movement Reconciliation

ORDINARY SHARES	Date	Quantity	Issue price	\$
Balance 30 June 2017		231,992,077		27,247,225
- Exercise of performance rights	20/09/2017	225,446		-
- Issue of shares to employees under loan purchases (Note 11(ii))	20/09/2017	1,927,657		-
- Issue of shares to employees under loan purchases (Note 11(ii))	23/11/2017	7,700,000		-
- Issue of shares through capital raising	14/12/2017	19,047,619	\$ 1.05	20,000,000
- Transaction costs	-	-		(849,840)
- Loan back shares repayments				137,136
<b>Balance 31 December 2017</b>		<b>260,892,799</b>		<b>46,534,521</b>

### 11. 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-17	30-Jun-17
	\$	\$
<b><u>Movement reconciliation</u></b>		
<b>Share-based payment reserve</b>		
<b>Balance at the beginning of the period</b>	<b>4,122,480</b>	2,412,164
Equity issued (Note 12)	<b>1,930,820</b>	1,710,316
<b>Balance at the end of the period</b>	<b>6,053,300</b>	4,122,480

### 12. SHARE-BASED PAYMENTS

	31-Dec-17	31-Dec-16
	\$	\$
<b><u>Share-based payment expense recognised during the period</u></b>		
Options issued to employees and consultants (i)	<b>473,370</b>	615,463
Shares issued under employee share scheme (ii)	<b>1,231,358</b>	365,033
	<b>1,704,728</b>	980,496
Performance rights issued to employees and contractors (iii)	<b>226,092</b>	80,334
	<b>1,930,820</b>	1,060,830

## Notes to the Financial Statements

### (i) Options issued to employees and consultants

#### Options issued to employees during the current period are as follows:

- (a) On 16 June 2017 the Company granted 2,500,000 options to its Sales Director with a strike price of \$0.6036/share. The options vest as follows:
- 500,000 on 1 August 2018;
  - on 1 January of each year, such number of remaining Options as equal the number of Qualifying Talent Community Connections achieved by the Executive for the period from 1 September to 31 December (inclusive) of the previous year;
  - on 1 April of each year, such number of remaining Options as equal the number of Qualifying Talent Community Connections achieved by the Executive for the period from 1 January to 31 March (inclusive) of that year;
  - on 1 July of each year, such number of remaining Options as equal the number of Qualifying Talent Community Connections achieved by the Executive for the period from 1 April to 30 June (inclusive) of that year; and
  - on 1 October of each year, such number of remaining Options as equal the number of Qualifying Talent Community Connections achieved by the Executive for the period from 1 July to 30 September (inclusive) of that year.

The fair value at grant date for these options was determined using Black-Scholes option pricing model using inputs in the table below.

- (b) On 29 June 2017 the Company granted 2,000,000 options to a Senior Sales Executive with a strike price of \$0.6036/share. The options vest 6 monthly in arrears on or after 1 January and on or after 1 July, as follows:
- 500,000 on the date that the aggregate number of Qualifying Talent Community Connections exceeds 100,000;
  - 500,000 on the date that the aggregate number of Qualifying Talent Community Connections exceeds 200,000;
  - 500,000 on the date that the aggregate number of Qualifying Talent Community Connections exceeds 300,000; and
  - 500,000 on the date that the aggregate number of Qualifying Talent Community Connections exceeds 400,000.

The fair value at grant date for these options was determined using Black-Scholes option pricing model using inputs in the table below.

<b>Fair Value of Options</b>	<b>(a)</b>	<b>(b)</b>	<b>Total</b>
Date of Grant	16-Jun-17	29-Jun-17	
Number of Options	2,500,000	2,000,000	
Date of Expiry	31-Jul-21	31-Jul-21	
Exercise Price	\$0.6036	\$0.6036	
Share Price at Grant Date	\$0.56	\$0.60	
Volatility	75%	75%	
Expected dividend yield rate	0%	0%	
Risk free rate	2.00%	2.10%	
Fair Value of each Option	\$0.307	\$0.34	
<b>Total Fair Value as at 31 December 2017:</b>	<b>\$767,500</b>	<b>\$678,000</b>	<b>\$1,445,500</b>
Value recognised during the current period:	\$134,852	\$58,340	<b>\$193,193</b>
Value to be recognised in future periods:	\$632,648	\$619,660	<b>\$1,252,307</b>

## Notes to the Financial Statements

### Options issued to consultants during the current period are as follows:

- (a) On 14 August 2017 the Company issued 1,000,000 options to a Senior Advisor with a strike price of \$0.6927/share. The options vest as follows:
- on 1 January of each year, such number of the Options as equal two times the dollar amount of Qualifying Revenue achieved by the Senior Advisor for the period from 1 July to 31 December (inclusive) of the previous year; and
  - on 1 July of each year, such number of the Options as equal two times the dollar amount of Qualifying Revenue achieved by the Senior Advisor for the period from 1 January to 30 June (inclusive) of that year.

<b>Fair Value of Options</b>	<b>(a)</b>	<b>Total</b>
Date of Grant	8-Aug-17	
Number of Options	1,000,000	
Date of Expiry	13-Aug-21	
Exercise Price	\$0.6927	
Share Price at Grant Date	\$0.68	
Volatility	75%	
Expected dividend yield rate	0%	
Risk free rate	2.16%	
Fair Value of each Option	\$0.382	
<b>Total Fair Value as at 31 December 2017:</b>	<b>\$382,000</b>	<b>\$382,000</b>

Value recognised during the current period:	\$7,294	<b>\$7,294</b>
Value to be recognised in future periods:	\$374,706	<b>\$374,706</b>

Details of options outstanding during the period are as follows:

<b>Grant Date</b>	<b>Expiry Date</b>	<b>Exercise Price</b>	<b>Balance at beginning of period</b>	<b>Granted during period</b>	<b>Exercised during period</b>	<b>Forfeited during period</b>	<b>Balance at end of period</b>	<b>Exercisable at end of period</b>
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	-
8-Apr-16	1-Jun-20	0.25	4,000,000	-	-	-	4,000,000	4,000,000
19-Jul-16	19-Jul-20	0.25	2,000,000	-	-	(2,000,000)	-	-
14-Oct-16	14-Oct-20	0.1884	3,000,000	-	-	(500,000)	2,500,000	500,000
12-Jan-17	12-Jan-21	0.3814	1,000,000	-	-	-	1,000,000	500,000
16-Jun-17	31-Jul-21	0.6036	-	2,500,000	-	-	2,500,000	-
29-Jun-17	31-Jul-21	0.6036	-	2,000,000	-	-	2,000,000	-
8-Aug-17	9-Aug-21	0.6927	-	1,000,000	-	-	1,000,000	-
<b>Total:</b>			<b>22,600,000</b>	<b>5,500,000</b>	<b>-</b>	<b>(2,500,000)</b>	<b>25,600,000</b>	<b>11,300,000</b>

### (ii) Shares issued under employee share scheme:

#### Shares issued under employee share scheme to employees:

On 20 September 2017 the company issued 1,927,657 Loan Back Shares, which are ordinary shares subject to loan arrangements under the Employee Incentive Plan, with a strike price of \$0.8508 (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.

## Notes to the Financial Statements

### Summary of key loan terms:

Loan amount: \$0.8508

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. 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	20-Sep-17
Number of Loan Back Shares	1,927,657
Date of Expiry	19-Sep-21
Exercise Price	\$0.8508
Share Price at Grant Date	\$0.875
Volatility	75%
Expected dividend yield rate	0%
Risk free rate	2.40%
Fair Value of each Loan Back Share	\$0.503
<b>Total Fair Value as at 31 December 2017:</b>	<b>\$969,237</b>

Value recognised during the current period: \$969,237

Value to be recognised in future periods: -

### Shares issued under employee share scheme to executive directors:

- (a) On 23 November 2017 the Company issued 2,900,000 Loan Back Shares to the Managing Director with a strike price of \$0.9846/share. The shares vest as follows:
- on 30 June 2018, 200,000;
  - on 30 June 2019, 200,000; and
  - 2,500,000 shares if the Company achieves 2,000,000 talent community connections by 30 June 2019.

#### Fair Value of Employee Share Scheme

Date of Grant	23-Nov-17
Number of Loan Back Shares	2,900,000
Date of Expiry	30-Jun-19
Exercise Price	\$0.9846
Share Price at Grant Date	\$1.000
Volatility	75%
Expected dividend yield rate	0%
Risk free rate	2.13%
Fair Value of each Loan Back Share	\$0.569
<b>Total Fair Value as at 31 December 2017:</b>	<b>\$1,651,210</b>

Value recognised during the current period: \$96,636

Value to be recognised in future periods: \$1,554,574

- (b) On 23 November 2017 the Company issued 4,800,000 Loan Back Shares to two Executive Directors with a strike price of \$0.9846/share. The shares vest as follows:
- on 30 June 2018, 400,000 (200,000 per Executive Director);
  - on 30 June 2019, 400,000 (200,000 per Executive Director); and
  - 4,000,000 shares (2,000,000 per Executive Director); if the Company achieves 2,000,000 talent community connections by 30 June 2019.

## Notes to the Financial Statements

### Fair Value of Employee Share Scheme

Date of Grant	23-Nov-17
Number of Loan Back Shares	4,800,000
Date of Expiry	30-Jun-19
Exercise Price	\$0.9846
Share Price at Grant Date	\$1.000
Volatility	75%
Expected dividend yield rate	0%
Risk free rate	2.13%
Fair Value of each Loan Back Share	\$0.569
<b>Total Fair Value as at 31 December 2017:</b>	<b>\$2,733,037</b>

Value recognised during the current period:	\$165,485
Value to be recognised in future periods:	\$2,567,552

### (iii) Performance rights issued to employees and contractors:

#### Performance rights issued to employees:

- (a) On 20 September 2017 the company issued 194,479 Performance Rights to employees. Each right will be convertible into one ordinary share six 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	20-Sep-17
Number of Rights	194,479
Date of Expiry	19-Sep-21
Exercise Price	-
Share Price at Grant Date	\$0.875
Volatility	75%
Expected dividend yield rate	0%
Risk free rate	2.40%
Fair Value of each Performance Right	\$0.875
<b>Total Fair Value as at 31 December 2017:</b>	<b>\$170,169</b>

Value recognised during the current period:	\$95,896
Value to be recognised in future periods:	\$74,273

- (b) On 20 September 2017 the company issued 600,000 Performance Rights to two Senior Managers (300,000 each employee). Provided that the Company achieves 1,500,000 fully paid talent community connections within Australia (as such measure is published publicly by the Company) within 3 years of the date of issue of the Performance Rights (Issue Date), the Performance Rights will vest periodically as follows:

- 200,000 (100,000 per employee) on the first anniversary of the Issue Date;
- 200,000 (100,000 per employee) on the second anniversary of the Issue Date; and
- 200,000 (100,000 per employee) on the third anniversary of the Issue Date.

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

## Notes to the Financial Statements

### Fair Value of Performance Rights

Date of Grant	20-Sep-17
Number of Rights	600,000
Date of Expiry	19-Sep-21
Exercise Price	-
Share Price at Grant Date	\$0.875
Volatility	75%
Expected dividend yield rate	0%
Risk free rate	2.40%
Fair Value of each Performance Right	\$0.875
<b>Total Fair Value as at 31 December 2017:</b>	<b>\$525,000</b>

Value recognised during the current period:	\$79,050
Value to be recognised in future periods:	\$445,950

### Performance rights issued to contractors:

- (a) On 20 September 2017 the company issued 13,281 Performance Rights to a contractor. Each right will be convertible into one ordinary share one month 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	20-Sep-17
Number of Rights	13,281
Date of Expiry	19-Sep-21
Exercise Price	-
Share Price at Grant Date	\$0.875
Volatility	75%
Expected dividend yield rate	0%
Risk free rate	2.40%
Fair Value of each Performance Right	\$0.875
<b>Total Fair Value as at 31 December 2017:</b>	<b>\$11,621</b>

Value recognised during the current period:	\$11,621
Value to be recognised in future periods:	-

- (b) On 20 September 2017 the company issued 300,000 Performance Rights to a contractor. Provided that the Company achieves 1,500,000 fully paid talent community connections within Australia (as such measure is published publicly by the Company) within 3 years of the date of issue of the Performance Rights (Issue Date), the Performance Rights will vest periodically as follows:
- 100,000 on the first anniversary of the Issue Date;
  - 100,000 on the second anniversary of the Issue Date; and
  - 100,000 on the third anniversary of the Issue Date.

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

## Notes to the Financial Statements

### Fair Value of Performance Rights

Date of Grant	20-Sep-17
Number of Rights	300,000
Date of Expiry	19-Sep-21
Exercise Price	-
Share Price at Grant Date	\$0.875
Volatility	75%
Expected dividend yield rate	0%
Risk free rate	2.40%
Fair Value of each Performance Right	\$0.875
<b>Total Fair Value as at 31 December 2017:</b>	<b>\$262,500</b>

Value recognised during the current period:	\$39,525
Value to be recognised in future periods:	\$222,975

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	808,649	-	(225,446)	-	583,203	583,203
20-Sep-17	19-Sep-21	0		1,107,760	-	-	1,107,760	13,281
<b>Total:</b>			<b>808,649</b>	<b>1,107,760</b>	<b>(225,446)</b>	<b>-</b>	<b>1,690,963</b>	<b>596,484</b>

### 13. DIVIDENDS

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

### 14. COMMITMENTS

There have been no material changes in commitments since the last annual reporting date.

### 15. CONTINGENCIES

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

### 16. SUBSEQUENT EVENTS

There have not been any significant events that have arisen since 31 December 2017 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.



## Notes to the Financial Statements

### 17. RELATED PARTY DISCLOSURES

During the period the following transactions with related parties occurred:

- On 22 September 2017 Roslyn Morgan, a related party to Geoff Morgan, sold 119,047 shares at \$0.840963 per share for a total consideration of \$100,114.12; and
- Morgan & Banks Investments Pty Ltd, a related party to Geoff Morgan, sold 381,706 shares for a total consideration of \$366,816.18, as follows:
  - On 3 November 2017 Morgan & Banks Investments Pty Ltd, a related party to Geoff Morgan, sold 327,787 shares at \$0.965002 per share;
  - On 6 November 2017 Morgan & Banks Investments Pty Ltd, a related party to Geoff Morgan, sold 13,319 shares at \$0.9650004 per share; and
  - On 7 November 2017 Morgan & Banks Investments Pty Ltd, a related party to Geoff Morgan, sold 40,600 shares at \$0.9273 per share.

In both instances Mr Geoff Morgan advised that the shares were disposed not by him but a related party.

## 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 2017 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:



Antonluigi Gozzi  
Director  
Melbourne, 27<sup>th</sup> February 2018

## Independent Auditor's Report



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### Independent Auditor's Review Report to the Members of LiveHire Limited Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the accompanying half-year financial report of LiveHire Limited (the Company), which comprises the balance sheet as at 31 December 2017, the statement of comprehensive income, statement of changes in equity and 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 2017 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 2017 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 &amp; Young'.

Ernst & Young

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

David Petersen  
Partner  
Melbourne  
27 February 2018