Annual Report
For the Year Ended 30 June 2018

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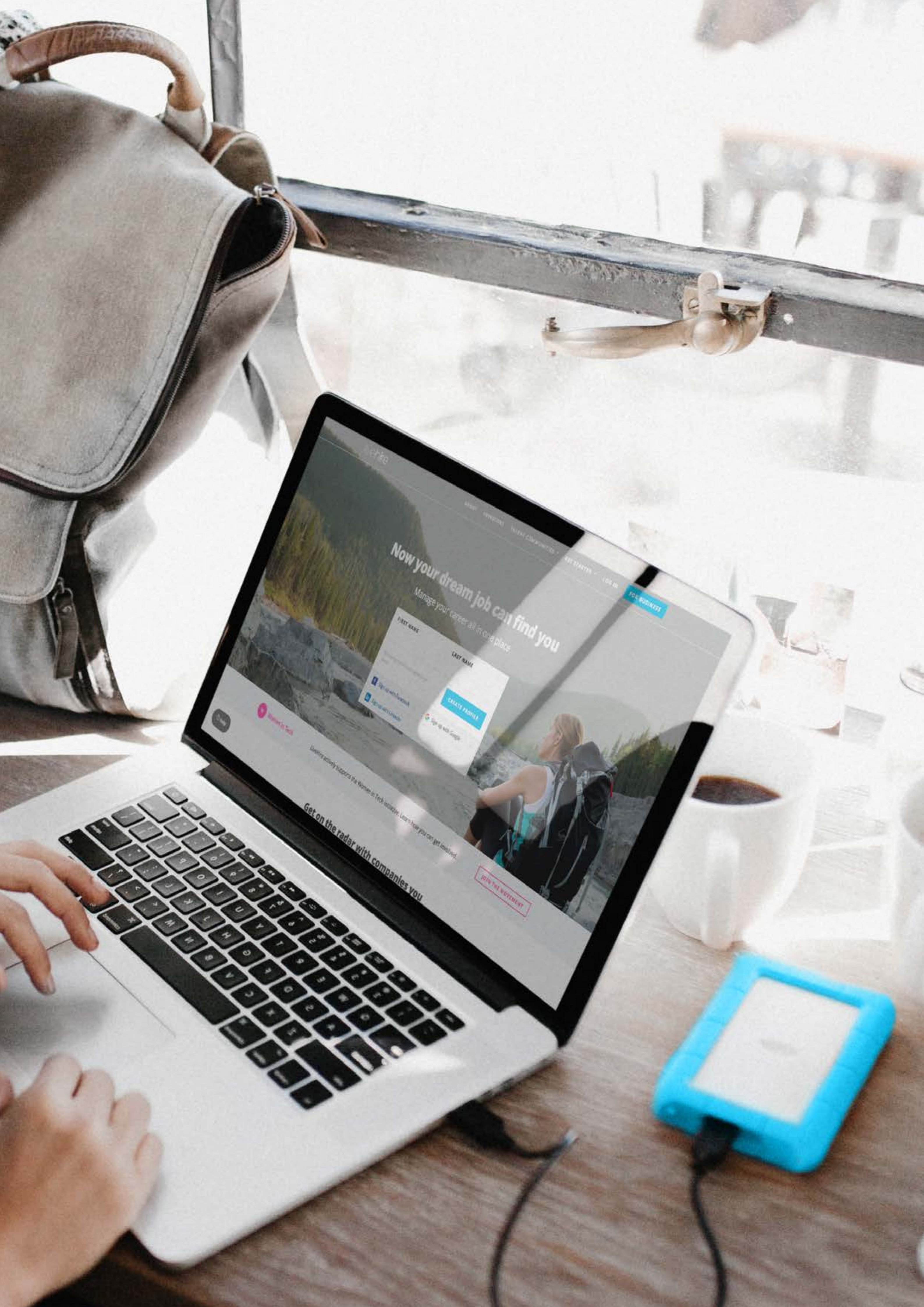
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FOR BUSINESS
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Chairman's Address

On behalf of the LiveHire Limited Board, it is my pleasure to present our Company's Annual Report as we reflect on the successful year ended 30 June 2018.

Throughout the past year LiveHire has continued to invest effectively in its long-term mission of empowering the flow of the world's talent. We have continued the networked growth of our Talent Community Connections (**TCCs**), formed new channel partnerships, entered new markets, bolstered leadership, and further accelerated product and integrations.

According to Deloitte, in the United States alone, more than $240 billion is spent each year on talent acquisition [1], and most of that money is spent on administrative inefficiencies.

LiveHire aims to change that, and we are using our technology to forge a new direction in recruitment that is smarter, cheaper, more efficient and better connected.

In appointing our new Chief Executive Officer Christy Forest, we have commenced an exciting new phase of growth, positioning LiveHire as a global leader in recruitment technology. Christy has outstanding experience in engaging and working globally with senior executives, particularly in Human Resources, to help transform their business using best practice and technology. Christy is a strong advocate for best practice recruitment and is held in high regard in the industry locally and internationally. Having already served as a Non-Executive Director for nine months, she is familiar with the company and has shown her incredible leadership capacity and business acumen. Her extensive experience in scaling high-growth subscription businesses in Human Resources, executive level engagement, marketing, best practice research and thought leadership, will help bring LiveHire to be the market-leading organisation in recruitment technology.

Christy takes these reins from the Company's co-founder Antonluigi (Gigi) Gozzi. Over the past seven years since founding LiveHire with Mike Haywood, Gigi has built a world-class team of IT talent, raised more than $49 million in capital, attracted world-leading HR industry advisors, successfully floated the company on the ASX in 2016 and recruited a high-quality board. With Christy's appointment, Gigi is transitioning to the newly created and integral role of Chief Products Officer. He is always striving to improve our product and technology development and his transition to this new role will allow him to focus on the critical technology path for LiveHire's future.

Another important appointment was that of former McKinsey & Co. global leader Michael Rennie to our Board as an independent Non-Executive Director in March. Mr Rennie worked for McKinsey & Co. for 32 years and spent four years on its global board. He led the Organisational Design and People Advisory Practice, leadership coaching for the 500 most senior partners across McKinsey, as well as the HR Technology Research Centre in Silicon Valley. His extensive experience is invaluable to LiveHire as we continue to grow and demonstrates the high calibre of professionals who are becoming involved with the Company.

To accelerate our growth, we raised $20 million in December, sending a clear message that LiveHire is investing in, and supporting recruitment process outsourcing (**RPO**) firms and large companies with technology to help them deliver quality sourcing and recruitment, and better candidate experiences on a global scale.

Leading RPO firms are true innovators to the recruitment processes of large companies, at scale, and the opportunity to support RPO firms with fully integrated, best in breed technology is enormous. RPO partners allow us to speed up product development and make our platform applicable to a much wider range of regions and workforce uses.

We are investing significantly in Artificial Intelligence (**AI**) and Machine Learning to help transform our company to be capable of connecting candidates and companies in a meaningful way.

Our deep integrations with the major global sources of talent, and AI search tools such as Hiretual, are testament to this strategy.

LiveHire's presence on the ASX continues to grow, and in March it was announced the Company was to be included in the All Ordinaries Index on the ASX, creating greater awareness of the Company among funds and institutional investors.

1 https://www2.deloitte.com/content/dam/Deloitte/us/Documents/human-capital/us-hc-disruptions.pdf

During the year, we also received industry accolades including an iAward from the Australian Information Industry Association, the nation's peak body for the digital economy, with previous winners being Atlassian, Xero, Wotif, and Wisetech.

We ended 2018 in a strong position, with $30 million cash at bank, which allows us to make significant CAPEX investment in fast tracked product development, whilst maintaining very efficient OPEX investment in a highly scalable business model.

I would like to thank our management and staff, as well as my fellow directors, for their continued efforts and support throughout the year. I would also like to thank our shareholders for their continued support and belief in our vision.

The year ahead will again be a busy and productive one, and I am excited to share that journey with you all.

Geoffrey Keith Morgan AM
Chairman, LiveHire Limited

CEO's Address

As the recently appointed CEO of LiveHire, I am pleased to share our 2018 results. Prior to this role, I served on the LiveHire Board for nine months and was inspired by our mission to empower the flow of the world's talent at a time when global CEOs now recognise talent as the number one factor for strategic differentiation[1]. I have onboarded myself into the role with a listening tour of clients, prospective clients and staff. From this tour, I am even more inspired by the transformational impact we are having on the multi-billion dollar industry of talent acquisition, and the accelerated growth we will achieve as we unlock the adoption curve for our technology and approach.

Our product makes the hiring process simpler and more efficient for employers, while also more humanised and transparent for the candidate.

We harness the power of the three most important forces shaping business today, social, mobile and cloud, to help candidates connect with employers and lead them to careers they will love.

For our clients, we deliver meaningful business outcomes. In the business world today, the average time to hire a new team member has more than doubled over the past five years to 68 days[2], at a direct cost of $5,700[3] for recruitment and up to $34,000[2] in total loss, including company productivity. LiveHire's platform enables talent acquisition teams to dramatically reduce this. With some clients, we have seen the time to hire take just 24–48 hours, bringing them significant cost and time savings, and increased competitiveness.

With the shift in our pricing schedule to one banded by company size (a proxy for the annual number of hires a company makes), we are providing a value-based price that delivers clear return on investment in a single, annual commercial transaction. Our teams are then able to work to increase adoption within the talent acquisition teams and smooth their workflows to maximise their business results. In this way, we become a long-term, high-ROI, and "easy to justify" recurring investment for our clients.

One of the most important ways LiveHire delivers value to clients is through the creation of Talent Communities. This is a powerful and growing asset, and I'm pleased to say that in 2018, TCCs increased 85% on the previous financial year to more than 670,000 connections, up from 360,000 in 2017. This growth was achieved by expanding connections for our existing clients as well as new clients who represent new vertical markets we entered during the year.

2018 was an important year for launching partnerships with global RPO firms, who serve 40% of the largest companies in the region and are embedding LiveHire into their end-to-end offering to deliver better results for their clients. At the forefront of the adoption curve, RPOs validate the strength and integrity of our platform while they manage the complexity of large-scale, end-to-end solutions for the largest companies. During the year, we completed successful implementations of our Live Talent Community technology platform with three of the world's top 10 RPO firms. It was pleasing to make such important inroads, and we will use these experiences to build our continued market expansion locally and internationally. Simultaneously, we consolidated our understanding of where our direct sales channels have the greatest success in unlocking the adoption curve next tier of the market, the largest and fastest-moving segment in any economy.

With our exceptional product and a focused execution, we will see healthier price points with clients, a higher mix of recurring revenue, stronger adoption rates, and most importantly, more results and impact on our clients' businesses. Overall, our revenue and cash receipts were more than double our prior year levels. Revenue from continuing operations for FY2018 increased 113% to $1.65 million compared to the previous 12 months. Cash receipts for the period increased 116% to $2.0 million compared to the same period in FY17.

We ended the year in a strong financial position, having successfully raised $20 million in December 2017 through an oversubscribed placement of ~19.05 million ordinary shares at $1.05 per share. We are debt free and had more than $30 million cash at bank at 30 June. Being in this position allows LiveHire to invest and accelerate work in our RPO and direct channels, continue to invest in platform security, and power product investment in AI, Machine Learning, and technology integrations to include in global technology product partnerships.

Although I only assumed the role of Chief Executive Officer in mid-June, I am incredibly proud of what we achieved in FY18 and how it is shaping our outlook for the coming year. I have come to

1 https://www.mckinsey.com/business-functions/organization/our-insights/attracting-and-retaining-the-right-talent

2 https://www.afr.com/leadership/management/hiring/average-time-to-hire-staff-hits-68-days--twice-as-long-as-in-2010-20150629-gi0y9h

3 Bersin by Deloitte 2015 Talent Acquisition Factbook: Calculation: US$4,000: A$5,700.

REVENUE

+113%
from FY17

TALENT COMMUNITY CONNECTIONS

+85%
from FY17

LiveHire with more than 20 years of experience leading high-growth talent and technology businesses, and I will draw on that as we move LiveHire into its next phase of growth. I have held senior roles with best-practice insights and talent management company CEB (now known as Gartner). I was the first woman appointed to CEB's Executive Committee and was Global Head of Member Services before becoming the Managing Director of its Asia-Pacific operations, leading our region into new markets and introducing new products and processes. I have a passion for delivering and scaling high quality client experiences worldwide, and I aim to bring a sense of purpose to teams within our organisation and inspire everyone at LiveHire to work together to achieve our goals.

Through my appointment, former CEO Antonluigi (Gigi) Gozzi has moved into the newly created role of Chief Products Officer. Gigi is deeply passionate about product and technology development and brings an energy and expertise to that role which will accelerate our growth and impact as a firm. We look forward to seeing what Gigi can achieve as he immerses himself in the crucial link between our product and client needs, and the future of the industry.

Looking ahead to 2019, we have clear goals to help employers continue to attract, engage and hire the diverse talent that their organisations need to succeed. We will focus further on expanding our reach among RPOs, we will launch more Talent Communities for mid-sized clients in Australia and New Zealand, which employ more than half of the working population, and we will expand and accelerate our integration in third party technology.

We believe working towards these goals will enable us to continue delivering healthy growth through increased market penetration, client adoption, and recurring revenue that flows through to our top-line growth and cash receipts. We are also committed to entering several new verticals in Australia over the next 12 months, including construction, government and manufacturing as we aim to expand our total serviceable market to 75% of the workforce.[4]

I look forward to reporting on our achievements in these areas over the coming year.

Christy Forest
Chief Executive Officer, LiveHire Limited

4 Verticals Entered means the LiveHire platform is expected to be used by one or more business in that industry. 75% serviceable market means the LiveHire platform is being, or is expected to be, used by one or more business in industries that represent in total 75% of the Australian workforce, and does not mean that the LiveHire platform will be used by all persons within that industry.

Directors' report

The Directors submit their report of LiveHire Limited (**LiveHire** or **the Company**) for the financial year ended 30 June 2018 (**Financial Year**).

1. INFORMATION ON THE BOARD OF DIRECTORS

The Directors of the Company at any time during or since the end of the financial year are as follows:

Mr Geoffrey Morgan AM
Non-Executive Director & Chairman

With over 30 years in the industry, Geoff is one of Australia's leading recruitment and human resources executives. He is also a very active philanthropist.

Geoff co-founded recruitment firm Morgan & Banks in 1985, building the company into one of the Asia Pacific's most prominent recruitment companies. Geoff floated Morgan & Banks on the ASX in 1994 and grew the company to over $700 million in revenues before its acquisition by TMP Worldwide, a US company listed on the NASDAQ, for $380 million.

Geoff then co-founded talent management firm Talent2, building it into a leading recruitment HR outsourcing firm and listing it on the ASX in 2004. Talent2 was privatised in 2012, before the company was sold to leading US private talent management firm Allegis Group in 2014.

Geoff has co-authored several books on recruiting and is an experienced investor in human resources technology. In 2004, Geoff was the recipient of the "Ernst & Young Master Entrepreneur of the Year Award" given for sustained success in business. Geoff was recognised as a Member of the Order of Australia in 2015, and is also a member of the Australian Institute of Company Directors.

During the past three years, Geoff held the following directorships in other ASX listed companies:

- Non-Executive Director of Reffind Limited (resigned 23 November 2016).

Board Committee Membership:

- Chairman of the Board
- Member of the Audit & Risk Committee
- Member of the Nomination & Remuneration Committee

Ms Christy Forest
Chief Executive Officer

Christy Forest is the CEO and Executive Director at LiveHire.

Christy joined the LiveHire Board in September 2017 with a strong interest in the LiveHire platform and transformational business model that changes the way people find meaningful work.

Christy brings more than 20 years of experience in leading high-growth talent and technology businesses. As the Global Head of Member Services and the first woman on CEB's Executive Committee, she developed a passion for delivering and scaling high quality customer experiences worldwide. As the MD APAC for CEB, she pioneered new markets, products and processes, consistently delivering the highest regional growth for the company.

Best known for balancing the drive for performance with collaboration and humanity in the workplace, Christy's greatest passion is animating a sense of purpose for teams and organisations.

Christy completed her undergraduate degree at the University of Virginia, has an MBA from Northwestern's Kellogg Graduate School of Management, and is a member of the Australian Institute of Company Director's. In her spare time, Christy is an avid yogi, wife, and mum of two.

During the past three years, Christy has not held directorships in any other ASX listed companies.

Board Committee Membership:

- Member of the Nomination & Remuneration Committee (from 5 October 2017)

Mr Antonluigi Gozzi
Executive Director, Chief Products Officer

Antonluigi is Founder, Executive Director and Chief Products Officer of LiveHire.

As Chief Products Officer, Antonluigi will focus on all aspects of product, technology, infrastructure and innovation for LiveHire. Antonluigi leads the development team and has managed the in-house development of LiveHire's technology platform and proprietary intellectual property since the incorporation of the Company.

Antonluigi's passions are technology, big data and network analytics, and businesses that use technology to improve the quality of life of their users and make society more efficient and transparent for all.

Prior to founding LiveHire in 2011, Antonluigi worked in management consulting and delivered projects for some of Australia's largest corporates, including BHP Billiton, Leighton and Fairfax, both in Australia and overseas.

Antonluigi has a Masters of Engineering from the University of Parma, Italy, and is a member of the Australian Institute of Company Directors.

During the past three years, Antonluigi has not held directorships in any other ASX listed companies.

Board Committee Membership:

- Member of the Audit & Risk Committee (from 10 August 2018)

Dr Michael Haywood
Executive Director, Growth

Michael is Founder and Executive Director of LiveHire.

As Executive Director, Michael leads high-level market and business development.

Prior to founding LiveHire, Michael launched successful engineering technology start-ups, each leveraging pioneering proprietary technologies developed in-house by Michael and his respective co-founders.

Michael is passionate about scaling businesses in fast-paced, competitive industries, solutions that deliver real, positive value in people's lives and technology that helps us evolve to a more humanised and connected world. Dr Haywood has completed a PhD in Engineering and a Bachelor of Commerce and Engineering, both from the University of Western Australia.

During the past three years, Michael has not held directorships in any other ASX listed companies.

Mr Patrick Grant Galvin
Executive Director, Commercial Execution

Resigned as Executive Director 31st July 2018

Grant was an Executive Director of LiveHire, having joined the board in July 2014.

As Executive Director and leader of the Client Success function, Grant led commercial efforts with existing clients, driving growth in TCCs and revenue by working with clients to ensure their success by unlocking significant sourcing and recruitment efficiencies through the Platform.

Grant has over 20 years of commercial leadership experience with large global corporates including EY Global, The Coca-Cola Company, Deloitte Consulting, and American Express in Australia, USA, UK and Ireland.

Grant is passionate about the transformative power of new technology in traditional businesses, leading high-performance teams that drive sustainable high growth and delivering real customer value.

Grant holds an MBA from UCD Smurfit Graduate Business School, a Bachelor in Economics from the University College Dublin and Graduate Diploma in Applied Finance and Investment from the Australian Securities Institute. Grant is also a member of the Australian Institute of Company Directors.

During the past three years, Grant has not held directorships in any other ASX listed companies.

Board Committee Membership (prior to resignation as Executive Director):

- Member of the Audit & Risk Committee

Mr Adam Zorzi
Independent Non-Executive Director

Adam is an independent Non-Executive Director of LiveHire.

Adam joined the LiveHire board in April 2012, having been a foundational investor in the LiveHire business and served as Chairman prior to the appointment of Geoff Morgan.

As an experienced executive, Adam has over 15 years of corporate board experience. Adam is Executive Director of Australian Development Capital, a private fund manager specialising in the acquisition and management of property investment and development assets.

Adam also sits on the boards of a number of non-profits and charitable organisations, including Starlight Children's Foundation Australia (WA) and FORM – Building a State of Creativity.

Adam holds a Bachelor of Commerce from Curtin University of Technology with Double Majors in Property and Finance.

During the past three years, Adam has not held directorships in any other ASX listed companies.

Board Committee Membership:

- Chair of the Audit & Risk Committee
- Chair of the Nomination & Remuneration Committee

Mr Michael Rennie
Independent Non-Executive Director

Michael is an independent Non-Executive Director of LiveHire.

Michael spent 33 years with McKinsey & Company, the world's leading management consultancy. He held various roles including Managing Partner of McKinsey in Australia for six years and a global leader of the organisation, people and HR practise for ten years. He also served on McKinsey's global board.

Michael's work has been focused around four themes: Human Resources, People and Change, Technology, and Growth and Innovation.

Michael oversaw McKinsey's global research on the future of technology in HR, which examined the top 50 major technology innovations that would impact clients of McKinsey in HR over the next 20 years, led by a Silicon Valley-based team.

Michael's experience and reputation led him to be put in charge of all of McKinsey's development programs globally for McKinsey's Cell Leaders (CEO style roles) and the most 500 senior partners from 2010 to 2017.

Michael's reputation with national global leaders, his deep knowledge and appreciation of the future of HR and technology, and his leadership coaching ability, will be a tremendous asset for the LiveHire team.

During the past three years, Michael has not held directorships in any other ASX listed companies.

2. INFORMATION ON OFFICERS OF THE COMPANY

Mr Ben Malone
Chief Financial Officer

Ben Malone has held the role of Chief Financial Officer since 13 February 2017.

Ben has extensive experience from previous roles in building and leading finance teams in leading national and international organisations, including REA Group, APN Property Group, Australian Unity, Deloitte and Ernst & Young. Ben's experience at these organisations includes large business acquisitions and integrations, international expansion and structuring, and scaling finance teams through high growth phases.

Ben is a member of the Australian Institute of Chartered Accountants and holds a Bachelor of Commerce (Honours) and Executive MBA from Monash University.

Ms Charly Duffy
Company Secretary

Charly Duffy (LLB) has held the role of Company Secretary since 16th February 2016. Charly is a principal and director of cdPlus Corporate Services Pty Ltd and Coghlan, Duffy & Co Lawyers. Charly also acts as company secretary for TopBetta Holdings Limited (ASX: TBH) and Plukka Limited (ASX: PKA). Charly is also a non-executive Director of Plukka Limited and Zyber Holdings Limited.

3. PRINCIPAL ACTIVITIES

During the financial year the principal continuing activities of the company consisted of:

- Expansion of the Company's sales and marketing capabilities in Australia;
- Support of mid-sized clients' (direct sales channel) and large clients' (channel partners, RPOs) implementations and successful adoption of the LiveHire technology;
- Establishment and growth of the Talent Acquisition Platform distribution channel through RPO global companies;
- Ongoing development of the Talent Acquisition Platform, an innovative cloud-based 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.

4. REVIEW OF OPERATIONS

LiveHire's mission is to empower the flow of the world's talent.

LiveHire is a talent acquisition and mobility platform that makes managing the flow of talent, into and through a business, seamless. The Talent Acquisition Platform delivers a proactive sourcing and internal mobility solution; 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 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 financial year included:

- **TCCs** grew by 85% compared to the previous financial year, with 671,254 connections amongst existing and new significant clients at 30 June 2018 compared to 362,130 at 30 June 2017.
- **Revenue from continuing operations for the period increased 113% to $1,650,517** compared to the same period in FY17.
- **Cash receipts for the period increased 116% to $2,006,716** compared to the same period in FY17.
- **Successfully raised $20 million** in December 2017 via an oversubscribed placement of ~19.05 million ordinary shares at $1.05 per share. The capital allows LiveHire to invest and accelerate its key growth channel, Top 10 global RPO firms, whom collectively serve 40% of the large-sized company recruitment market. LiveHire will also accelerate its investment into AI, Machine Learning, and technology integrations to include global technology product partnerships.
- Strong financial position at the end of the period, **debt free with $30.1 million cash at bank**.
- Appointed **Christy Forest** as Non-Executive Director, effective 1 September 2017. Christy was subsequently appointed **Chief Executive Officer**, effective 12 June 2018, **with co-founder Antonluigi Gozzi appointed as Chief Products Officer**. Christy, who originally joined the LiveHire Board in September 2017, brings deep experience in scaling high-growth subscription businesses in Human Resources, leading two of CEB's largest revenue portfolios, as Executive Director, Global Member Services, covering the US, Europe and Asia-Pacific, and as Managing Director, Asia-Pacific.
- Appointed **Michael Rennie as Non-Executive Director**, effective 5 March 2018, after 32 years of service and four years on the global board of McKinsey & Company. Michael led the Organisational Design and People Advisory Practice, leadership coaching for the 500 most senior partners across McKinsey, as well as the HR Technology Research Centre out of Silicon Valley.
- Successful implementations of the Talent Acquisition Platform with **three of the global top 10 RPO firms**, establishing very strong channel partnerships for continued market expansion, nationally and internationally.
- 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.

4. REVIEW OF OPERATIONS (continued)

- 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 clients globally.
- The company invested **$3.6 million in product development and technology** for the year, $1.4 million of which has been capitalised to the value of Intangible Assets under the relevant accounting standards, with the balance treated as operating expenses for accounting purposes.
- Integrated with **Google Cloud Job Discovery** (now called Cloud Talent Solutions), providing all LiveHire Talent Community customers access to Google's search and machine learning capabilities. The integration with Cloud Job Discovery supports the ongoing flow of quality TCCs into employers' LiveHire Talent Communities.
- **Deepened integrations with SAP Success Factors**, to now provide two-way real-time synchronisation of candidate data and recruiter activity. The integration positions LiveHire as a simple and attractive addition for SAP clients, and a central source of data truth when used in combination with SAP Success Factors, the leading global Human Resource Information System (**HRIS**) with over 6,000 clients.
- **Successfully appointed the Head of Integrations, Dan Harper**, along with an accompanying team, as the Company ramps up its strategic integrations and technology infrastructure to support HRIS software integrations. LiveHire's objective is to provide clients with a fully integrated end-to-end talent acquisition platform, which supports best practice third party HR tools, either via direct integration or via Open APIs.

5. DIRECTORS' SHARE AND OPTION HOLDINGS

The following table sets out each current Director's relevant interest in shares and options to acquire shares of the Company or a related body corporate as at the date of this report.

DIRECTORS	FULLY PAID ORDINARY SHARES	UNLISTED OPTIONS
Geoffrey Morgan AM	3,091,752	2,000,000
Antonluigi Gozzi	29,765,101	3,600,000
Michael Haywood	28,178,222	3,000,000
Patrick Grant Galvin	15,270,800	3,000,000
Adam Zorzi	4,073,145	1,000,000
Christy Forest	42,473	–
Michael Rennie	2,378,948	–

6. DIRECTORS' MEETINGS

The number of Directors' meetings held during the financial year and the number of meetings attended by each Director during the time the Director held office are:

	FULL BOARD		REMUNERATION & NOMINATION COMMITTEE		AUDIT & RISK MANAGEMENT COMMITTEE	
DIRECTORS	NUMBER ELIGIBLE TO ATTEND	NUMBER ATTENDED	NUMBER ELIGIBLE TO ATTEND	NUMBER ATTENDED	NUMBER ELIGIBLE TO ATTEND	NUMBER ATTENDED
Geoffrey Morgan AM	10	10	6	6	3	2
Antonluigi Gozzi	10	10	–	–	–	–
Michael Haywood	10	10	2	2	–	–
Patrick Grant Galvin	10	10	–	–	3	3
Adam Zorzi	10	10	6	6	3	3
Christy Forest	9	9	4	3	–	–
Michael Rennie	3	2	–	–	–	–

Committee Membership

As at the date of this report the Company has a Remuneration & Nomination Committee and an Audit & Risk Management Committee.

Members of the **Remuneration & Nomination Committee** during the financial year were: Adam Zorzi (Chairman), Geoffrey Morgan, Michael Haywood (until 5 October 2017), Christy Forest (from 5 October 2017).

Members of the **Audit & Risk Management Committee** during the financial year were: Adam Zorzi (Chairman), Geoffrey Morgan, Patrick Grant Galvin (until 31 July 2018), Antonluigi Gozzi (from 10 August 2018).

7. FINANCIAL PERFORMANCE

The financial results of the Company for the year ended 30 June 2018 are:

	30 JUNE 2018	30 JUNE 2017	% CHANGE
Revenue from continuing operations ($)	**1,650,517**	775,845	113%
Net loss after tax ($)	**(10,096,222)**	(4,652,153)	117%
Loss per share ($)	**(0.041)**	(0.022)	83%

8. REMUNERATION REPORT (AUDITED)

This report for the year ended 30 June 2018 outlines the remuneration arrangements of the company, in accordance with the requirements of the *Corporations Act 2001* (Cth) (the **Corporations Act**) and its regulations. This information has been audited as required by section 308(3C) of the Corporations Act.

The remuneration report details the remuneration arrangements for Key Management Personnel (**KMP**) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the company.

Individual KMP disclosure

Details of KMP of the Company who held office during the year are as follows:

DIRECTORS	POSITION	APPOINTED
Geoffrey Morgan AM	Non-Executive Director & Chairman	Appointed 26 November 2015
Antonluigi Gozzi	Managing Director Executive Director – Chief Products Officer	Appointed 16 September 2011 Ceased 12 June 2018 Appointed 12 June 2018
Michael Haywood	Executive Director	Appointed 16 September 2011
Grant Galvin	Executive Director	Appointed 18 July 2014
Adam Zorzi	Independent Non-Executive Director	Appointed 5 April 2012
Christy Forest	Independent Non-Executive Director Chief Executive Officer	Appointed 1 September 2017 Ceased 12 June 2018 Appointed 12 June 2018
Michael Rennie	Independent Non-Executive Director	Appointed 5 March 2018

OTHER KMP	POSITION	APPOINTED
Ben Malone	Chief Financial Officer	Appointed 13 January 2017

There have been no other changes after reporting date and up to the date that the financial report was authorised for issue.

8. REMUNERATION REPORT (AUDITED) (continued)

The remuneration report is set out under the following main headings:

A. Remuneration Philosophy

B. Remuneration Governance, Structure and Approvals

C. Remuneration and Performance

D. Details of Remuneration

E. Contractual Arrangements

F. Share-based Compensation

G. Equity Instruments Issued on Exercise of Remuneration Options

H. Voting and comments made at the Company's 2017 Annual General Meeting

I. Loan instruments to KMP

J. Other transactions with KMP

A. Remuneration Philosophy

KMP have authority and responsibility for planning, directing and controlling the activities of the Company. KMP of LiveHire comprise the Board of Directors (the **Board**) and the CFO.

The performance of the Company depends upon the quality of its KMP. To prosper the Company must attract, motivate and retain appropriately skilled Directors and Executives.

The Company's broad remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

In September 2017, the Remuneration & Nomination Committee engaged EY to undertake a remuneration benchmarking exercise for Company Executives, including Executive Directors, and to provide market practice insights. No remuneration recommendations were provided by EY. Regardless, EY was jointly engaged by, and reported directly to, both the chair of the Remuneration & Nomination Committee and the CFO to ensure the Board were provided appropriate input to comparators and had oversight of the process and deliverables.

B. Remuneration Governance, Structure and Approvals

The Board has established a separate Remuneration & Nomination Committee, which comprises Adam Zorzi (Chairman), Geoff Morgan and Christy Forest.

The Remuneration & Nomination Committee is primarily responsible for:

- The over-arching executive remuneration framework;
- Operation of the incentive plans which apply to executive directors and senior executives (the executive team), including key performance indicators and performance hurdles;
- Remuneration levels of executives, and
- Non-executive director fees.

Their objective is to ensure that remuneration policies and structures are fair and competitive and aligned with the long-term interests of the Company.

8. REMUNERATION REPORT (AUDITED) (continued)

Non-Executive Director Remuneration Structure

The remuneration of Non-Executive Directors consists of Directors' fees, payable in arrears. The Board, in accordance with the Company's Constitution and the ASX listing rules specify that the Non-Executive Directors fee pool shall be determined from time to time by a general meeting. The Board did not seek any increase for the Non-Executive Director pool at the 2017 AGM. Accordingly, as set out in section 5.3(e) of the Company's Replacement Prospectus lodged with the ASX on 23 May 2016, the Non-Executive Director fee pool is an aggregate of A$600,000 per annum. The Board will not seek any increase for the Non-Executive Director pool at the 2018 AGM.

Remuneration of Non-Executive Directors is based on fees approved by the Board and is set at levels to reflect market conditions and encourage the continued services of the Directors. Non-Executive Directors do not receive retirement benefits but are able to participate in share-based incentive programmes in accordance with Company policy.

The remuneration of Non-Executive Directors is detailed in Section D – Table 1a and Table 1b, and their contractual arrangements are disclosed in "Section E – Contractual Arrangements".

Non-Executive Director Remuneration Approvals

The Board, in accordance with the Company's Constitution, sets the aggregate remuneration of Non-Executive Directors, subject to shareholder approval. Within this pre-approved aggregate remuneration pool, fees paid to Non-Executive Directors are approved by the Remuneration Committee and are set at levels to reflect market conditions and encourage the continued services of the Directors.

Remuneration may also include an invitation to participate in share-based incentive programmes in accordance with Company policy.

The nature and amount of remuneration is collectively considered by the Board with reference to relevant employment conditions and fees commensurate to a company of similar size and level of activity, with the overall objective of ensuring maximum stakeholder benefit from the retention of high performing Directors.

Executive Remuneration Structure

The nature and amount of remuneration of executives are assessed on a periodic basis with the overall objective of ensuring maximum stakeholder benefit from the retention of high performing Executives.

The main objectives sought when reviewing executive remuneration is that the Company has:

- Coherent remuneration policies and practices to attract and retain Executives;
- Executives who will create value for shareholders;
- Competitive remuneration offered benchmarked against the external market; and
- Fair and responsible rewards to Executives having regard to the performance of the Company, the performance of the Executives and the general pay environment.

The remuneration of Executives is detailed in Section D – Table 1a and Table 1b, and their contractual arrangements are disclosed in "Section E – Contractual Arrangements".

Executive Remuneration Approvals

The Company aims to reward Executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company and aligned with market practice. Executive contracts are reviewed annually by the Remuneration Committee, for their approval. The process consists of a review of company, business unit and individual performance, relevant comparative remuneration internally and externally and, where appropriate, external advice independent of management.

Executive remuneration and incentive policies and practices must be aligned with the Company's vision, values and overall business objectives. Executive remuneration and incentive policies and practices must be designed to motivate management to pursue the Company's long-term growth and success and demonstrate a clear relationship between the Company's overall performance and the performance of executives.

8. REMUNERATION REPORT (AUDITED) (continued)

C. Remuneration and Performance

The following table shows the gross revenue, losses and share price of the Company as at 30 June for the last five financial years:

	30 JUNE 2018	30 JUNE 2017	30 JUNE 2016	30 JUNE 2015	30 JUNE 2014
Revenue ($)	**1,650,517**	775,845	310,061	101,856	30,425
Net loss after tax ($)	**(10,096,222)**	(4,652,153)	(3,669,059)	(1,944,961)	(319,675)
Share Price ($)	**0.59**	**0.60**	**0.18**	**N/A**	**N/A**

Long-Term Incentive Package

Options:

The Board is of the opinion that the expiry date and exercise price of the options currently on issue to the Directors, other KMP and its Executives is a sufficient, long-term incentive to reward Executives in a manner which aligns the element of remuneration with the creation of shareholder wealth. The options vest subject to either a service period or performance hurdles linked to TCCs.

For further details of each long-term incentive package, refer to note 16 Share-Based Payments.

D. Details of Remuneration

During the financial year ended 30 June 2018 and 30 June 2017 KMP received short-term employee benefits, post-employment benefits, long-term employee benefits and share-based payments.

Table 1a: Remuneration of KMP of the Company for the year ended 30 June 2018 is set out below:

	SHORT-TERM EMPLOYEE BENEFITS		POST-EMPLOYMENT BENEFITS	LONG-TERM EMPLOYEE BENEFITS	SHARE-BASED PAYMENTS			
30 JUNE 2018	SALARY & FEES $	NON-MONETARY $	SUPER-ANNUATION $	ANNUAL & LONG SERVICE LEAVE $	OPTIONS [3] $	LOAN BACK SHARES [3] $	PERFOR-MANCE RIGHTS [3] $	TOTAL $
NON-EXECUTIVE DIRECTORS								
Geoffrey Morgan AM	**136,986**	–	**13,014**	–	**41,994**	–	–	**191,994**
Adam Zorzi	**72,937**	–	**6,929**	–	**20,997**	–	–	**100,863**
Michael Rennie [1]	**17,714**	–	**1,683**	–	–	–	–	**19,397**
Sub-total	**227,637**	–	**21,626**	–	**62,991**	–	–	**312,254**
EXECUTIVE DIRECTORS								
Christy Forest [2]	**66,717**	–	**6,338**	**1,468**	–	**9,273**	**33,272**	**117,068**
Antonluigi Gozzi	**221,200**	–	**19,074**	**22,731**	**75,590**	**290,029**	–	**628,624**
Michael Haywood	**201,200**	–	**18,075**	**22,336**	**62,991**	**263,340**	–	**567,942**
Grant Galvin	**201,200**	–	**18,075**	**11,809**	**62,991**	**263,340**	–	**557,415**
Sub-total	**690,317**	–	**61,562**	**58,344**	**201,572**	**825,982**	**33,272**	**1,871,049**
OTHER KMP								
Ben Malone	**192,867**	–	**18,075**	**12,589**	**90,920**	**27,979**	–	**342,430**
Sub-total	**192,867**	–	**18,075**	**12,589**	**90,920**	**27,979**	–	**342,430**
Total	**1,110,821**	–	**101,263**	**70,933**	**355,483**	**853,961**	**33,272**	**2,525,733**

1 Michael Rennie appointed 5 March 2018.

2 Christy Forest appointed as Non-Executive Director 1 September 2017. Commenced as CEO 12 June 2018. Included in the remuneration package for Christy becoming CEO is the provision of 1,500,000 loan-back shares (linked to revenue hurdles) and $900,000 of Performance Rights vesting over a two year service period. As these are subject to approval by Shareholders at a Special General Meeting, an estimated expense recognised in the period has been included above. This estimate is based on a valuation using the Black-Scholes model with inputs to that model being as at 29 June 2018.

3 Options, Shares/Loan Back Shares, Performance Rights: Further information can be found in note 16. The value is expensed over the vesting period and are a non-cash accounting expense. The value is determined by an independent valuation using Black-Scholes option pricing methodology. Loan back shares are accounted for as options.

8. REMUNERATION REPORT (AUDITED) (continued)

Table 1b: Remuneration of KMP of the Company for the year ended 30 June 2017 is set out below:

	SHORT-TERM EMPLOYEE BENEFITS		POST-EMPLOYMENT BENEFITS	LONG-TERM EMPLOYEE BENEFITS	SHARE-BASED PAYMENTS		
30 JUNE 2017	SALARY & FEES $	NON-MONETARY $	SUPER-ANNUATION $	ANNUAL LEAVE & LONG SERVICE LEAVE $	OPTIONS [2] $	LOAN BACK SHARES [2] $	TOTAL $
NON-EXECUTIVE DIRECTORS							
Geoffrey Morgan AM	136,986	–	13,014	–	138,566	–	288,566
Adam Zorzi	82,831	–	7,869	–	69,283	–	159,983
Sub-total	**219,817**	**–**	**20,883**	**–**	**207,849**	**–**	**448,549**
EXECUTIVE DIRECTORS							
Antonluigi Gozzi	171,200	–	16,150	15,910	249,418	–	452,678
Michael Haywood	151,200	–	14,250	14,038	207,849	–	387,337
Grant Galvin	151,200	–	14,250	14,038	207,849	–	387,337
Sub-total	**473,600**	**–**	**44,650**	**43,986**	**665,116**	**–**	**1,227,352**
OTHER KMP							
Ben Malone [1]	58,074	–	5,470	5,399	138,529	–	207,472
Sub-total	**58,074**	**–**	**5,470**	**5,399**	**138,529**	**–**	**207,472**
Total	**751,491**	**–**	**71,003**	**49,385**	**1,011,494**	**–**	**1,883,373**

1 Ben Malone commenced 13 February 2017.

2 Options, Shares/Loan Back Shares: Further information can be found in note 16. The value is expensed over the vesting period and are a non-cash accounting expense. The value is determined by an independent valuation using Black-Scholes option pricing methodology.

No short-term cash bonuses were contracted or paid and as such no compensation was forfeited by key management personnel. No non-monetary benefits were incurred by the company during the financial year.

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

	FIXED REMUNERATION		AT RISK – STI (%)		AT RISK – LTI (%)	
	2018	2017	2018	2017	2018	2017
NON-EXECUTIVE DIRECTORS						
Geoffrey Morgan AM	**78%**	52%	**–**	–	**22%**	48%
Adam Zorzi	**79%**	57%	**–**	–	**21%**	43%
Michael Rennie	**100%**	–	**–**	–	**–**	–
EXECUTIVE DIRECTORS						
Christy Forest	**64%**	–	**–**	–	**36%**	–
Antonluigi Gozzi	**42%**	45%	**–**	–	**58%**	55%
Michael Haywood	**43%**	46%	**–**	–	**57%**	54%
Grant Galvin	**41%**	46%	**–**	–	**59%**	54%
OTHER KMP						
Ben Malone	**65%**	33%	**–**	–	**35%**	67%

8. REMUNERATION REPORT (AUDITED) (continued)

Shareholdings of KMP (Direct and Indirect Holdings)

30 JUNE 2018	BALANCE AT 1 JULY 2017	GRANTED AS REMUNERATION[1]	ON EXERCISE OF OPTIONS	PURCHASED/ (SOLD) ON MARKET	BALANCE AT 30 JUNE 2018
NON-EXECUTIVE DIRECTORS					
Geoffrey Morgan AM	3,592,505	–	–	(500,753)	**3,091,752**
Adam Zorzi	4,073,145	–	–	–	**4,073,145**
Michael Rennie[2]	–	–	–	–	**2,378,948**
Sub-total	7,665,650	–	–	(500,753)	**9,543,845**
EXECUTIVE DIRECTORS					
Christy Forest	–	–	–	–	**–**
Antonluigi Gozzi	26,865,101	2,900,000	–	–	**29,765,101**
Michael Haywood	25,763,222	2,400,000	–	15,000	**28,178,222**
Grant Galvin	12,870,800	2,400,000	–	–	**15,270,800**
Sub-total	65,499,123	7,700,000	–	15,000	**73,214,123**
OTHER KMP					
Ben Malone	22,727	55,625	–	–	**78,352**
Sub-total	22,727	55,625	–	–	**78,352**
Total	**73,187,500**	**7,755,625**	**–**	**(485,753)**	**82,836,320**

1 Shares the subject of loan arrangements under the Company's employee incentive plan.
2 Shares were held prior to appointment as Non-Executive Director.

Option holdings of KMP (Direct and Indirect Holdings)

30 JUNE 2018	BALANCE AT 1 JULY 2017	GRANTED AS REMUNERATION	EXPIRED	BALANCE AT 30 JUNE 2018	VESTED & EXERCISABLE
NON-EXECUTIVE DIRECTORS					
Geoffrey Morgan AM	2,000,000	–	–	**2,000,000**	2,000,000
Adam Zorzi	1,000,000	–	–	**1,000,000**	1,000,000
Michael Rennie	–	–	–	**–**	–
Sub-total	**3,000,000**	**–**	**–**	**3,000,000**	**3,000,000**
EXECUTIVE DIRECTORS					
Christy Forest	–	–	–	**–**	–
Antonluigi Gozzi	3,600,000	–	–	**3,600,000**	3,600,000
Michael Haywood	3,000,000	–	–	**3,000,000**	3,000,000
Grant Galvin	3,000,000	–	–	**3,000,000**	3,000,000
Sub-total	**9,600,000**	**–**	**–**	**9,600,000**	**9,600,000**
OTHER KMP					
Ben Malone	1,000,000		–	**1,000,000**	750,000
Sub-total	**1,000,000**	**–**	**–**	**1,000,000**	**750,000**
Total	**13,600,000**	**–**	**–**	**13,600,000**	**13,350,000**

8. REMUNERATION REPORT (AUDITED) (continued)

E. Contractual Arrangements

Contractual arrangements with executive KMPs

COMPONENT	CHIEF EXECUTIVE OFFICER DESCRIPTION	EXECUTIVE DIRECTOR DESCRIPTION	CFO DESCRIPTION
Fixed remuneration (inclusive of super)	$335,000	Range between $219,000 and $240,900	$219,000
Contract duration	Two years	Ongoing contract	Ongoing contract
Notice by the individual/company	12 weeks/12 weeks The executive may not give notice within the first nine months after commencement	Six months/three months	Three months/three months
Termination benefits	Vested and unexercised Options can be exercised within a period of 120 days from termination. The Company has the discretion to call in repayment of any non-recourse loans attached to any Loan Back Shares on issue under the Employee Incentive Plan.		

Contracts for Executive KMPs allow for short-term cash incentive payments linked to KPI's however no such short-term incentive cash payments were approved by the Board during the financial year. No short-term cash incentive KPI's were set for the current financial year.

Contractual arrangements with non-executive directors

Non-executive directors receive a board fee and fees for chairing or participating on board committees, see table below. They do not receive performance-based pay or retirement allowances. The fees are inclusive of superannuation. The chairman does not receive additional fees for participating in or chairing committees.

COMPONENT	GEOFF MORGAN (CHAIR)	ADAM ZORZI	MICHAEL RENNIE
Base Fee	$150,000	$65,700	$60,000
Audit & risk committee Chair	–	$10,000	–
Nomination & remuneration committee Chair	–	$10,000	–
Term	Ongoing subject to termination provisions and re-election by shareholders as and when required by the Listing Rules of ASX		

8. REMUNERATION REPORT (AUDITED) (continued)

F. Share-based compensation

The Company rewards Directors and senior management for their performance and aligns their remuneration with the creation of shareholder wealth by issuing share options and/or shares. Share-based compensation is at the discretion of the Board and no individual has a contractual right to participate in any share-based plan or to receive any guaranteed benefits.

Options

During the current financial year, no options were issued as remuneration to Directors or other KMP.

During the 2017 financial year, 1,000,000 options were issued as remuneration to Directors or other KMP. The terms and conditions of these options are as follows:

CLASS	GRANT DATE	VESTING DATE	DATE OF EXPIRY	EXERCISE PRICE	VALUE PER OPTION AT GRANT DATE	PERCENTAGE VESTED	NUMBER OF OPTIONS
Unlisted Options	12/01/2017	13/08/2017	12/01/2021	$0.38	$0.25	100%	500,000
Unlisted Options	12/01/2017	13/02/2018	12/01/2021	$0.38	$0.25	100%	250,000
Unlisted Options	12/01/2017	13/02/2019	12/01/2021	$0.38	$0.25	0%	250,000
							1,000,000

These options are subject to service conditions and vest over two years from issue, 50% on six-month anniversary 25% on 12-month anniversary, and 25% on 24-month anniversary. There is no link to performance, other than service conditions. (Refer to Note 16 for valuation inputs.)

Performance Rights

During the current financial year, no Performance Rights were issued as remuneration to Directors or other KMP. It is noted that this does not include the $900,000 of Performance Rights for the CEO which are subject to Shareholder Approval.

Loan Back Shares

During the current financial year, 7,755,625 loan back shares were issued as remuneration to Directors or other KMP. The terms and conditions of these loan back shares are as follows:

CLASS	GRANT DATE	VESTING DATE	DATE OF EXPIRY	EXERCISE PRICE	VALUE PER OPTION AT GRANT DATE	PERCENTAGE VESTED	NUMBER OF LOAN BACK SHARES
Loan back shares	20/09/2017	No vesting conditions		$0.85	$0.503	100%	55,625
Loan back shares	23/11/2017	30/06/2018	23/11/2021	$0.98	$0.569	100%	600,000
Loan back shares	23/11/2017	30/06/2019	23/11/2021	$0.98	$0.569	0%	600,000
Loan back shares	23/11/2017	30/06/2019	23/11/2021	$0.98	$0.569	0%	6,500,000
							7,755,625

The two tranches of 600,000 loan back shares are subject to time-based vesting criteria. The 6,500,000 loan back shares are subject to performance-based vesting criteria (linked to TCCs).

It is noted that this does not include the 1,500,000 of loan-back shares for the CEO which are subject to Shareholder Approval.

During the 2017 financial year, no loan back shares were issued as remuneration to Directors or other KMP.

8. REMUNERATION REPORT (AUDITED) (continued)

G. Equity Instruments Issued on Exercise of Remuneration Options

No remuneration options were exercised during the financial year.

H. Voting and comments made at the Company's 2017 Annual General Meeting

The adoption of the Remuneration Report for the financial year ended 30 June 2017 was put to the shareholders of the Company at the AGM held 23 November 2017. The resolution was passed without amendment, on a show of hands. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

I. Loan instruments to KMP

The following tables show the non-recourse loan balances provided to KMP that are linked to shares issued as part of its Employee and Executive Share Plan:

30 JUNE 2018	BALANCE AT 1 JULY 2017	LOANS PROVIDED DURING YEAR	PAID BACK BY EMPLOYEE	INTEREST PAID & PAYABLE FOR THE YEAR	INTEREST NOT CHARGED	BALANCE AT 30 JUNE 2018
NON-EXECUTIVE DIRECTORS						
Geoffrey Morgan AM	–	–	–	–	–	–
Adam Zorzi	39,296	–	–	–	–	39,296
Michael Rennie	–	–	–	–	–	–
Sub-total	**39,296**	**–**	**–**	**–**	**–**	**39,296**
EXECUTIVE DIRECTORS						
Christy Forest	–	–	–	–	–	–
Antonluigi Gozzi	–	1,651,210	–	–	–	1,651,210
Michael Haywood	–	1,366,519	–	–	–	1,366,519
Grant Galvin	715,735	1,366,519	–	–	–	2,082,254
Sub-total	**715,735**	**4,384,248**	**–**	**–**	**–**	**5,099,983**
OTHER KMP						
Ben Malone	–	47,326	–	–	–	47,326
Sub-total	**–**	**47,326**	**–**	**–**	**–**	**47,326**
Total	**755,031**	**4,431,574**	**–**	**–**	**–**	**5,186,605**

J. Other transactions with KMP

There are no other transactions with KMP during the financial year ended 30 June 2018 (2017: nil).

End of Audited Remuneration Report

9. OPTIONS & PERFORMANCE RIGHTS

At the date of this report, there were 21,678,725 unissued ordinary shares of LiveHire under option. No person entitled to exercise these options had or has any right by virtue of the option to participate in any share issue of any other body corporate. (Refer to Note 16 for further details.)

At the date of this report, there were 2,173,014 unissued ordinary shares of LiveHire under Performance Rights. No person entitled to exercise these Performance Rights had or has any right by virtue of the option to participate in any share issue of any other body corporate. (Refer to Note 16 for further details). It is noted that this does not include the $900,000 of Performance Rights for the CEO which are subject to Shareholder Approval.

10. PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purposes of taking responsibility on behalf of the Company for all or part of those proceedings.

11. INDEMNIFYING OFFICERS

During the financial year, the Company paid a premium in respect of a contract insuring all its Directors and current and former executive officers against a liability incurred as such a Director or executive officer to the extent permitted by the Corporations Act. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer of the Company against a liability incurred as such an officer.

12. INDEMNIFYING AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young Australia during or since the financial year.

13. LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

LiveHire will continue to focus on driving significant TCC growth and market share via:

- Dual focus upon active partnerships with RPO partners in serving the largest companies, who have the highest degree of complexity, but are extremely well-managed by RPOs themselves; and direct sales efforts to mid-sized companies where, at their size and scale, LiveHire brings a brand new capability in sourcing and candidate experience previously unavailable to them and with strong ROI.
- Continue to launch Talent Communities to clusters of companies in the same industry to drive further TCC growth and network effect.
- Implement with RPO 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 companies.
- Continually develop and evolve the Talent Acquisition Platform to maintain first mover advantage and client advocacy.
- Investing in Client Success to help LiveHire clients implement and grow their Talent Communities fast to realise productivity gains and ROI.

14. CORPORATE GOVERNANCE STATEMENT

LiveHire Limited and the Board are committed to achieving and demonstrating the highest standards of corporate governance. The Board is responsible for ensuring that the Company has an appropriate corporate governance framework to protect and enhance company performance and build sustainable value for shareholders.

The Company has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (3rd edition) published by the ASX Corporate Governance Council. The Corporate Governance Statement is available on the company's website at www.livehire.com/investors.

15. EVENTS SINCE THE END OF THE FINANCIAL YEAR

No matter or circumstance has arisen since 30 June 2018 that has significantly affected the Company's operations, results or state of affairs, or may do so in future years.

16. NON-AUDIT SERVICES

During the year the following fees were paid or payable for non-audit services provided by the external auditor (EY – FY18, BDO – FY17).

	30 JUNE 2018 $	30 JUNE 2017 $
Taxation Services	**29,355**	4,000
Executive Remuneration Review	**30,900**	
	60,255	4,000

The Board has considered the position and, in accordance with advice received from the audit committee, is satisfied that the provision of the non-audit services is compatible with the general standard for independence for auditors imposed by the Corporations Act. The directors are satisfied that the provision of non-audit services by the auditor, as set out above, did not compromise the auditor independence requirements of the Corporations Act for the following reasons:

- All non-audit services have been reviewed by the Audit, Risk and Compliance Committee, in line with the Committee Charter, to ensure they do not impact the impartiality and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

17. AUDITOR'S INDEPENDENCE DECLARATION

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

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

Christy Forest
Chief Executive Officer/Executive Director

Melbourne, 28 August 2018

Auditor's Independence Declaration

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AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF LIVEHIRE LIMITED

As lead auditor for the audit of LiveHire Limited for the financial year ended 30 June 2018, 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 audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of LiveHire Limited and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

David Petersen
Partner

28 August 2018

Statement of Profit or Loss and Other Comprehensive Income

	NOTES	30 JUNE 2018 $	30 JUNE 2017 $
Revenue from continuing operations	6	**1,650,517**	775,845
Other income	6	**465,565**	522,602
Total revenue and other income		**2,116,082**	1,298,447
Employee benefits expense	7	**(5,956,917)**	(1,823,187)
IPO related expenses		**–**	(32,446)
Operating expenses	7	**(3,323,520)**	(2,032,826)
Share based payment expense	16	**(2,878,757)**	(1,710,316)
Earnings before interest, tax, depreciation and amortisation (EBITDA)		**(10,043,112)**	**(4,300,328)**
Depreciation and amortisation expense	7	**(610,866)**	(560,838)
Loss before interest and tax		**(10,653,978)**	(4,861,166)
Net finance income/(expense)	7	**557,756**	209,013
Loss before income tax		**(10,096,222)**	(4,652,153)
Income tax expense	8	**–**	–
Loss from continuing operations		**(10,096,222)**	(4,652,153)
Other comprehensive income for the year, net of tax		**–**	–
Total comprehensive loss for the year		**(10,096,222)**	(4,652,153)
Loss per share attributable to ordinary equity holders			
– Basic loss per share	17	**(0.041)**	(0.022)
– Diluted loss per share	17	**(0.041)**	(0.022)

The Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes.

Balance Sheet

	NOTES	30 JUNE 2018 $	30 JUNE 2017 $
ASSETS			
Current assets			
Cash and cash equivalents	9	**30,073,106**	17,748,476
Trade and other receivables	10	**1,094,511**	263,652
Total current assets		**31,167,617**	18,012,128
Non-current assets			
Plant and equipment		**105,861**	3,209
Held-to-maturity Investments		**519,591**	–
Intangible assets	11	**2,423,066**	2,825,302
Total non-current assets		**3,048,518**	2,828,511
Total assets		**34,216,135**	20,840,639
LIABILITIES			
Current liabilities			
Trade and other payables	12	**1,056,951**	334,380
Provisions	13	**396,833**	193,562
Deferred revenue		**406,764**	178,681
Total current liabilities		**1,860,548**	706,623
Non-current liabilities			
Provisions	13	**64,547**	58,630
Total non-current liabilities		**64,547**	58,630
Total liabilities		**1,925,095**	765,253
Net assets		**32,291,040**	20,075,386
EQUITY			
Issued capital	14	**46,680,344**	27,247,225
Reserves	15	**7,001,237**	4,122,480
Accumulated losses		**(21,390,541)**	(11,294,319)
Total equity		**32,291,040**	20,075,386

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 $
At 1 July 2017	**27,247,225**	**4,122,480**	**(11,294,319)**	**20,075,386**
Comprehensive income:				
Loss for the year	**–**	**–**	**(10,096,222)**	**(10,096,222)**
Other comprehensive income	**–**	**–**	**–**	**–**
Total comprehensive loss for the year	**–**	**–**	**(10,096,222)**	**(10,096,222)**
Transactions with owners in their capacity as owners:				
Contributions of equity, net of costs	**19,433,119**	**–**	**–**	**19,433,119**
Share option expense	**–**	**2,878,757**	**–**	**2,878,757**
At 30 June 2018	**46,680,344**	**7,001,237**	**(21,390,541)**	**32,291,040**

	ISSUED CAPITAL $	SHARE-BASED PAYMENT RESERVE $	ACCUMULATED LOSSES $	TOTAL EQUITY $
At 1 July 2016	15,148,940	2,412,164	(6,642,166)	10,918,938
Comprehensive income:				
Loss for the year	–	–	(4,652,153)	(4,652,153)
Other comprehensive income	–	–	–	–
Total comprehensive loss for the year	–	–	(4,652,153)	(4,652,153)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of costs	12,098,285	–	–	12,098,285
Share option expense	–	1,710,316	–	1,710,316
At 30 June 2017	27,247,225	4,122,480	(11,294,319)	20,075,386

The Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

Statement of Cash Flows

	NOTES	30 JUNE 2018 $	30 JUNE 2017 $
Cash flows from operating activities			
Receipts from customers		**2,006,716**	927,428
Payment to suppliers and employees		**(8,514,290)**	(3,987,225)
Interest received		**566,095**	147,591
Receipt of Research & Development Tax Incentive		**167,530**	522,602
Net cash outflow from operating activities		**(5,773,949)**	(2,389,604)
Cash flows from investing activities			
Payment for intangible assets		**(1,449,964)**	(2,759,415)
Payment for held-to-maturity investments		**(519,591)**	–
Receipt of Research & Development Tax Incentive		**816,205**	583,442
Payment for plant and equipment		**(118,227)**	(3,051)
Net cash outflow from investing activities		**(1,271,577)**	(2,179,024)
Cash flows from financing activities			
Proceeds from the issue of shares		**20,241,854**	12,779,293
Related transaction costs		**(871,698)**	(904,808)
Net cash inflow from financing activities		**19,370,156**	11,874,485
Net increase in cash and cash equivalents		**12,324,630**	7,305,857
Cash and cash equivalents at the beginning of the year		**17,748,476**	10,442,619
Cash and cash equivalents at the end of the year	9	**30,073,106**	17,748,476

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 financial year ended 30 June 2018 (the **Financial Year**) were authorised for issue in accordance with a resolution of the directors on 28 August 2018 and covers LiveHire as an entity as required by the Corporation Act. 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

This financial report is a general purpose financial report, prepared by a "for profit" entity, in accordance with the requirements of the Australian Corporations Act, Accounting Standards applicable in Australia and other authoritative pronouncements of the Australian Accounting Standards Board (**AASB**). It also complies with International Financial Reporting Standards (**IFRS**) and Interpretations published by the International Accounting Standards Board (**IASB**).

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.

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. Judgements and estimates which are material to the financial report are found in the following notes:

- Note 11 – Intangible Assets.
- Note 16 – Share-based Payments.

4. OTHER ACCOUNTING POLICIES

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.

5. SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer.

Activities in the operating segments are identified by management based on the manner in which 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 on a monthly basis.

Management has determined that the Company has one operating segment being the provision of online Talent Acquisition software, and operates in one geographical segment, being Australia. This internal reporting framework is the most relevant to assist the Board with making decisions regarding the company and its ongoing activities.

6. REVENUE AND OTHER INCOME

	30 JUNE 2018 $	30 JUNE 2017 $
Revenue from continuing operations		
– Hosting and License fees	**1,112,793**	462,416
– Implementation fees	**348,125**	165,510
– Integration fees	**97,747**	–
– People Services (Consulting) fees	**59,700**	136,539
– Other operating revenue	**32,152**	11,380
	1,650,517	775,845
Other income and revenue		
– Research & Development Tax Incentive	**465,565**	522,602
Total revenue and other income	**2,116,082**	1,298,447

RECOGNITION AND MEASUREMENT

Revenue

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that is probable that the economic benefits to flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Rendering of services

Rendering of services revenue from the provision of online talent community software is recognised by reference to the stage of completion of the contracts.

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.

Interest Income

Interest income is recognised when the Company gains control of the right to receive the interest payment.

All revenue is stated net of the amount of goods and services tax (**GST**).

7. EXPENSES

	30 JUNE 2018 $	30 JUNE 2017 $
Loss before income tax includes the following specific expenses		
Employee benefits expense		
– Salaries and wages	**4,782,261**	1,293,838
– Superannuation contributions	**545,622**	336,077
– Payroll tax	**404,847**	200,783
– Employee entitlement accrual	**224,187**	(7,511)
	5,956,917	1,823,187
Operating expenses		
– Advertising and marketing expenses	**225,855**	269,957
– Consultants and contractor expenses	**477,570**	327,965
– Technology related expenses	**684,022**	352,932
– Operations and administration expenses	**1,936,073**	1,081,972
	3,323,520	2,032,826
Depreciation and amortisation expenses		
– Depreciation of fixed assets	**18,568**	18,476
– Amortisation of software development asset	**592,298**	542,362
	610,866	560,838
Finance (income)/expense		
– Interest (income)	**(557,756)**	(209,047)
– Interest expense	**–**	34
	(557,756)	(209,013)

8. INCOME TAX EXPENSE

	30 JUNE 2018 $	30 JUNE 2017 $
(a) INCOME TAX EXPENSE		
Reconciliation of income tax expense to prima facie tax payable:		
Loss before income tax expense	**(10,096,222)**	(4,652,153)
Prima facie income tax at 30%	**(3,028,867)**	(1,395,646)
Tax effect of amounts not deductible (taxable) in calculating taxable income	**807,618**	370,635
Deferred tax asset not brought to account on temporary differences & tax losses	**2,221,249**	1,025,011
Income tax effect	**–**	–
(b) DEFERRED TAX ASSETS NOT RECOGNISED		
Timing differences	**401,685**	257,408
Tax losses – revenue	**3,236,405**	1,287,971
	3,638,090	1,545,379
Offset against deferred tax liabilities recognised	**(568,464)**	(864,314)
	3,069,626	681,065
Amounts in equity	**327,289**	163,442
Deferred tax assets not brought to account	**3,396,915**	844,507
(c) DEFERRED TAX LIABILITY		
Timing differences	**(568,464)**	(864,314)
Offset against deferred tax assets recognised	**568,464**	864,314
	–	–

The company has tax losses of $3,236,405 (2017: $1,545,379) that are available indefinitely for offsetting against future profits of the company.

8. INCOME TAX EXPENSE (continued)

RECOGNITION AND MEASUREMENT

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current taxes

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred taxes

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit and loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurements also reflect the manner in which management expects to recover or settle that carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in the future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

9. CASH AND CASH EQUIVALENTS

(a) Reconciliation to cash at the end of the year

	30 JUNE 2018 $	30 JUNE 2017 $
Cash on hand	**240**	240
Cash at bank	**2,822,866**	3,748,236
Term deposit	**27,250,000**	14,000,000
	30,073,106	17,748,476

(b) Reconciliation of net cash flows from operating activities

	NOTES	30 JUNE 2018 $	30 JUNE 2017 $
Loss for the financial year		**(10,096,222)**	(4,652,153)
Adjustments for:			
Amortisation and depreciation	7	**610,866**	560,838
Employee entitlements		**209,185**	(7,511)
Share based payments	16	**2,878,757**	1,710,316
Other expenses		**–**	32,446
Changes in assets and liabilities			
(Increase)/decrease in trade and other receivables		**(45,637)**	(79,964)
(Increase)/decrease in other operating assets		**(281,552)**	–
Increase/(decrease) in trade payables and accruals		**722,571**	(87,309)
Increase/(decrease) in provisions		**–**	(10,466)
Increase/(decrease) in tax liabilities		**–**	–
Increase/(decrease) in deferred income		**228,083**	144,199
Cash flows used in operating activities		**(5,773,949)**	(2,389,604)

RECOGNITION AND MEASUREMENT

Cash at bank and on deposit

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

10. TRADE AND OTHER RECEIVABLES

	30 JUNE 2018 $	30 JUNE 2017 $
Trade receivables	**175,995**	128,002
GST receivable	**45,736**	49,514
Accrued interest	**53,117**	61,456
Research & Development Tax Incentive receivable	**733,242**	–
Other receivables	**86,421**	24,680
Total trade and other receivables	**1,094,511**	263,652

RECOGNITION AND MEASUREMENT

Trade receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 14 days.

Impairment of trade receivables

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (**ATO**).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

Other receivables

Other receivables are recognised at amortised cost, less any provision for impairment. Other receivables do not contain impaired assets and are not past due. Based on the credit history, it is expected that these other balances will be received when due.

11. INTANGIBLE ASSETS

	30 JUNE 2018 $	30 JUNE 2017 $
SOFTWARE DEVELOPMENT		
Cost	**5,457,407**	4,015,933
Research & Development Tax Incentive	**(1,834,854)**	(583,442)
Accumulated amortisation	**(1,199,487)**	(607,189)
Net carrying amount	**2,423,066**	2,825,302
Total intangible assets	**2,423,066**	2,825,302
MOVEMENT		
Net carrying amount at the beginning of the year	**2,825,302**	1,231,711
Additions	**1,441,474**	2,719,395
Research & Development Tax Incentive	**(1,251,412)**	(583,442)
Amortisation for the year	**(592,298)**	(542,362)
Impairment charge	**–**	–
Net carrying amount at the end of the year	**2,423,066**	**2,825,302**

RECOGNITION AND MEASUREMENT

Software development

Software consists of capitalised developments costs being an internally generated intangible asset.

Research costs are expensed in the year in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Company is able to use or sell the asset; the Company has sufficient resources; and intent to complete the development and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of five years.

A summary of the useful lives of intangible assets is as follows:

INTANGIBLE ASSET	USEFUL LIFE
Software	5 years

Key estimate: Impairment of intangible assets

If events or changes in circumstances indicate that the intangible assets may be impaired, the Company will carry out an impairment test on the asset to determine if a portion should be expensed to the statement of profit or loss and other comprehensive income.

Key judgement: Useful lives of intangible assets

The company determines the estimated useful lives and related amortisation charges for its software development asset. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

12. TRADE AND OTHER PAYABLES

	30 JUNE 2017 $	30 JUNE 2017 $
CURRENT		
Unsecured liabilities		
Trade payables	**256,254**	65,195
Sundry payables and accrued expenses	**426,556**	63,463
Payroll tax payable	**52,812**	24,000
PAYG payable	**164,156**	93,121
Superannuation payable	**157,173**	88,601
	1,056,951	334,380

RECOGNITION AND MEASUREMENT

Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the Company that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

13. PROVISIONS

	30 JUNE 2018 $	30 JUNE 2017 $
CURRENT		
Employee benefits		
Balance at the beginning of the year	**193,562**	267,339
Provisions raised/(used) during the year	**203,271**	(73,777)
Balance at the end of the year	**396,833**	193,562

RECOGNITION AND MEASUREMENT

Provisions are recognised when:

- the Company has a present obligation (legal or constructive) as a result of a past event;
- it is probable that resources will be expended to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

Employee Benefits

Short-term employee benefits

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligations for short-term employee benefits such as wages and salaries are recognised as part of current trade and other payables in the statement of financial position. The Company's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

	30 JUNE 2018 $	30 JUNE 2017 $
NON-CURRENT		
Employee benefits		
Balance at the beginning of the year	**58,630**	–
Provisions raised during the year	**5,917**	58,630
Balance at the end of the year	**64,547**	58,630

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees.

Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Any re-measurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

14. ISSUED CAPITAL

(a) Issued and fully paid

	30 JUNE 2018		30 JUNE 2017	
	$	NO.	$	NO.
Ordinary shares	**46,680,344**	**261,192,799**	27,247,225	231,992,077
	46,680,344	**261,192,799**	27,247,225	231,992,077

Ordinary shares

Ordinary shares are fully-paid and have no par value. They carry one vote per share. They bear no special terms or conditions affecting income or capital entitlements of the shareholders and are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(b) Movement Reconciliation

ORDINARY SHARES	DATE	QUANTITY	ISSUE PRICE	$
Balance 30 June 2016		**200,000,000**		**15,148,940**
– Issue of shares to employees under loan purchases	14/10/2016	2,992,077	–	–
– Exercise of options	13/02/2017	500,000	0.15	75,000
– Issue of shares through capital raising	3/04/2017	28,500,000	0.44	12,540,000
– Transaction costs	–	–	–	(681,008)
– Loan back shares repayments	–	–	–	164,293
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 16(ii))	20/09/2017	1,927,657	–	–
– Issue of shares to employees under loan purchases (Note 16(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	–	–	–	(852,190)
– Issue of shares to employees under loan purchases (Note 16(ii))	27/03/2018	300,000	–	–
– Loan back shares repayments	–	–	–	285,309
Balance 30 June 2018		**261,192,799**		**46,680,344**

15. RESERVES

	30 JUNE 2018	30 JUNE 2017
	$	$
MOVEMENT RECONCILIATION		
Share-based payment reserve		
Balance at the beginning of the year	**4,122,480**	2,412,164
Options, shares subject to loans and Performance Rights issued (refer Note 16)	**2,878,757**	1,710,316
Balance at the end of the year	**7,001,237**	4,122,480

Share-based payments reserve

The share-based payments reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 16 for further details of these plans.

16. SHARE-BASED PAYMENTS

	30 JUNE 2018 $	30 JUNE 2017 $
Share-based payments expense:		
Options issued to employees and consultants (i)	**605,869**	1,187,596
Shares issued under employee share scheme (ii)	**1,820,426**	365,033
	2,426,295	1,552,629
Performance Rights issued to employees (iii)	**452,462**	157,687
	2,878,757	1,710,316

(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;
- 2,000,000 based on achieving performance hurdles

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 six-monthly in arrears on or after 1 January and on or after 1 July, based on achieving performance hurdles.

It is noted that these options were forfeited on 17 May 2018.

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

FAIR VALUE OF OPTIONS	(a)	(b)	TOTAL
Date of Grant	16 June 2017	29 June 2017	
Number of Options	2,500,000	2,000,000	
Date of Expiry	31 July 2021	31 July 2021	
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	
Total Fair Value as at date of grant:	**$767,500**	**$678,000**	**$1,445,500**
Value recognised during the current period:	$163,848	–	**$163,848**
Value to be recognised in future periods [1]:	$603,652	–	**$603,652**

1 Value subject to vesting and performance hurdles.

16. SHARE-BASED PAYMENTS (continued)

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

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 based on achieving performance hurdles.

FAIR VALUE OF OPTIONS	
Date of Grant	8 August 2017
Number of Options	1,000,000
Date of Expiry	13 August 2021
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
Total Fair Value as at date of grant:	**$382,000**
Value recognised during the current period:	$15,981
Value to be recognised in future periods[1]:	$366,019

1 Value subject to vesting and performance hurdles.

Details of options outstanding during the period are as follows:

GRANT DATE	EXPIRY DATE	EXERCISE PRICE	BALANCE AT BEGINNING OF PERIOD	GRANTED DURING PERIOD	EXERCISED DURING PERIOD	FORFEITED DURING PERIOD	BALANCE AT END OF PERIOD	EXERCISABLE AT END OF PERIOD
8 April 2016	1 June 2020	0.25	6,300,000	–	–	–	6,300,000	6,300,000
8 April 2016	1 June 2020	0.25	6,300,000	–	–	–	6,300,000	6,300,000
8 April 2016	1 June 2020	0.25	4,000,000	–	–	–	4,000,000	4,000,000
19 July 2016	19 July 2020	0.25	2,000,000	–	–	(2,000,000)	–	–
14 October 2016	14 October 2020	0.1884	3,000,000	–	–	(500,000)	2,500,000	1,000,000
12 January 2017	12 January 2021	0.3814	1,000,000	–	–	–	1,000,000	750,000
16 June 2017	31 July 2021	0.6036	–	2,500,000	–	–	2,500,000	78,726
29 June 2017	31 July 2021	0.6036	–	2,000,000	–	(2,000,000)	–	–
8 April 2017	9 August 2021	0.6927	–	1,000,000	–	–	1,000,000	–
Total:			**22,600,000**	**5,500,000**	**–**	**(4,500,000)**	**23,600,000**	**18,428,726**

(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 vesting immediately, which are ordinary shares subject to loan arrangements under the Employee Incentive Plan, with a strike price of $0.8508 (five-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 four years of the date of issue. The table below represents the total fair value for the Loan Back Shares issued during the period.

16. SHARE-BASED PAYMENTS (continued)

Summary of key loan terms:

Loan amount: $0.8508

Interest rate: 0%

Term of loan: four 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 September 2017
Number of Loan Back Shares	1,927,657
Date of Expiry	19 September 2021
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
Total Fair Value as at date of grant:	**$969,237**
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 based on achieving performance hurdles.

FAIR VALUE OF EMPLOYEE SHARE SCHEME	
Date of Grant	23 November 2017
Number of Loan Back Shares	2,900,000
Date of Expiry	30 June 2019
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
Total Fair Value as at date of grant:	**$1,651,210**
Value recognised during the current period:	$290,029
Value to be recognised in future periods[1]:	$1,361,181

1 Value subject to vesting and performance hurdles.

16. SHARE-BASED PAYMENTS (continued)

(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); based on achieving performance hurdles.

FAIR VALUE OF EMPLOYEE SHARE SCHEME

Date of Grant	23 November 2017
Number of Loan Back Shares	4,800,000
Date of Expiry	30 June 2019
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
Total Fair Value as at date of grant:	**$2,733,037**
Value recognised during the current period:	$526,679
Value to be recognised in future periods[1]:	$2,206,358

1 Value subject to vesting and performance hurdles.

(c) On 29 March 2018 the Company issued 300,000 Loan Back Shares to a senior employee with a strike price of $0.9025/share. The shares vest as follows:

- on 29 March 2019, 150,000; and
- on 29 March 2020, 150,000.

FAIR VALUE OF EMPLOYEE SHARE SCHEME

Date of Grant	29 March 2018
Number of Loan Back Shares	300,000
Date of Expiry	29 March 2022
Exercise Price	$0.9025
Share Price at Grant Date	$0.850
Volatility	75%
Expected dividend yield rate	0%
Risk free rate	2.35%
Fair Value of each Loan Back Share	$0.471
Total Fair Value as at date of grant:	**$141,385**
Value recognised during the current period:	$25,207
Value to be recognised in future periods[1]:	$116,178

1 Value subject to vesting and performance hurdles.

16. SHARE-BASED PAYMENTS (continued)

(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 September 2017
Number of Rights	194,479
Date of Expiry	19 September 2021
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
Total Fair Value as at date of grant:	**$170,169**
Value recognised during the current period:	$170,169
Value to be recognised in future periods:	–

(b) On 20 September 2017 the company issued 600,000 Performance Rights to two Senior Managers (300,000 each employee). Provided certain performance hurdles are met, 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:

FAIR VALUE OF PERFORMANCE RIGHTS	
Date of Grant	20 September 2017
Number of Rights	600,000
Date of Expiry	19 September 2021
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
Total Fair Value as at date of grant:	**$525,000**
Value recognised during the current period:	$158,266
Value to be recognised in future periods[1]:	$366,734

1 Value subject to vesting and performance hurdles.

16. SHARE-BASED PAYMENTS (continued)

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 September 2017
Number of Rights	13,281
Date of Expiry	19 September 2021
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
Total Fair Value as at date of grant:	**$11,621**
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 certain performance hurdles are met, 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:

FAIR VALUE OF PERFORMANCE RIGHTS	
Date of Grant	20 September 2017
Number of Rights	300,000
Date of Expiry	19 September 2021
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
Total Fair Value as at date of grant:	**$262,500**
Value recognised during the current period:	$79,133
Value to be recognised in future periods[1]:	$183,367

1 Value subject to vesting and performance hurdles.

16. SHARE-BASED PAYMENTS (continued)

Details of Performance Rights outstanding during the period are as follows:

GRANT DATE	EXPIRY DATE	EXERCISE PRICE	BALANCE AT BEGINNING OF PERIOD	GRANTED DURING PERIOD	EXERCISED DURING PERIOD	FORFEITED DURING PERIOD	BALANCE AT END OF PERIOD	EXERCISABLE AT END OF PERIOD
14 October 2016	13 October 2020	$0	808,649	–	(480,144)	–	328,505	328,505
20 September 2017	19 September 2021	$0	–	1,107,760	–	–	1,107,760	207,760
Total:			**808,649**	**1,107,760**	**(480,144)**	**–**	**1,436,265**	**536,265**

It is noted that this does not include the $900,000 of Performance Rights for the CEO which are subject to Shareholder Approval.

RECOGNITION AND MEASUREMENT

Share-based payments expense

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Company receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Company or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Company or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Key estimate: Fair value of share-based payment transactions

The company determines the estimated fair value of share-based payment transactions based on the fair value of the equity instruments granted. For non-market conditions the company assigns a probability to meeting the vesting conditions and estimates the vesting period in which the share-based payment expense is recognised over. The key assumptions used in determining the fair value of share-based payments are described above.

17. EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	30 JUNE 2018	30 JUNE 2017
Net loss attributable to the ordinary equity holders of the Company ($)	**(10,096,222)**	(4,652,153)
Weighted average number of ordinary shares for basis per share (No)	**248,645,659**	209,207,275
Continuing operations		
– Basic loss per share ($)	**(0.041)**	(0.022)
– Diluted loss per share ($)	**(0.041)**	(0.022)

18. AUDITORS' REMUNERATION

	30 JUNE 2018 $	30 JUNE 2017 $
Remuneration of the auditor, EY LLP (FY18)/BDO Audit (WA) Pty Ltd (FY17), for:		
– Auditing or reviewing the financial report	**69,000**	33,000
– Technical advice on impact of future accounting standards	**–**	2,000
Remuneration of EY LLP (FY18)/BDO Tax (NT) Pty Ltd (FY17), for:		
– Taxation services	**29,355**	4,000
– Remuneration review services	**30,900**	–
	129,255	39,000

19. RELATED PARTY TRANSACTIONS

Key Management Personnel Compensation

Disclosures relating to KMP are set out in the remuneration report of the director's report.

The total remuneration paid to KMP of the company during the year are as follows:

	30 JUNE 2018 $	30 JUNE 2017 $
Short-term employee benefits	**1,110,821**	**751,491**
Post-employment benefits	**101,263**	**71,003**
Long-term employee benefits	**70,933**	**49,385**
Share-based payments	**1,242,716**	**1,011,494**
	2,525,733	**1,883,373**

Transactions with Related Parties

There were no related party transactions during the period.

20. FINANCIAL RISK MANAGEMENT

Financial risk management objectives

The Company's activities expose it to a variety of financial risks: market risk (being interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by senior finance executives (**Finance**) under policies approved by the Board. These policies include identification and analysis of the risk exposure of the Company and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks. Finance reports to the Board on a regular basis.

Market risk

Price risk

The Company is not exposed to any significant price risk.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Company obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Company does not hold any collateral.

No trade receivables were considered impaired at 30 June 2018.

As at 30 June 2018 trade receivables of $46,227 (2017 – $31,432) were past due but not considered impaired. The ageing analysis of these trade receivables is as follows:

	30 JUNE 2018 $	30 JUNE 2017 $
Up to three months	**42,844**	31,316
Three to six months	**3,383**	116
	46,227	31,432

Interest rate risk

Interest rate risk consists of cash flow interest rate risk (the risk that future cash flows of a financial instrument will vary due to changes in market interest rates) and fair value interest rate risk (the risk that the value of the financial instrument will vary due to changes in market interest rates).

Interest rate risk is the risk of financial loss and/or increased costs due to adverse movements in the values of the financial assets and liabilities as a result of changes in interest rates.

20. FINANCIAL RISK MANAGEMENT (continued)

Sensitivity Analysis – Interest rate risk

The Company performed a sensitivity analysis relating to its exposure to interest rate at the reporting date. This sensitivity analysis demonstrates the effect on the current period results and equity which could result from a change in the interest rates on the average 12-month cash reserves:

	30 JUNE 2018 $	30 JUNE 2017 $
Change in loss from continuing operations:		
Increase by 1%	**252,631**	112,673
Decrease by 1%	**(252,631)**	(112,673)

Liquidity risk

Vigilant liquidity risk management requires the Company to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Company manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the Company's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

30 JUNE 2018	1 YEAR OR LESS $	BETWEEN 1 & 2 YEARS $	BETWEEN 2 & 5 YEARS $	REMAINING CONTRACTUAL MATURITIES $
NON-DERIVATIVES				
Non-interest bearing				
Trade payables	**682,810**	**–**	**–**	**682,810**
Other payables	**374,141**	**–**	**–**	**374,141**
Total non-derivatives	**1,056,951**	**–**	**–**	**1,056,951**

30 JUNE 2017	1 YEAR OR LESS $	BETWEEN 1 & 2 YEARS $	BETWEEN 2 & 5 YEARS $	REMAINING CONTRACTUAL MATURITIES $
NON-DERIVATIVES				
Non-interest bearing				
Trade payables	128,658	–	–	128,658
Other payables	205,722	–	–	205,722
Total non-derivatives	**334,380**	**–**	**–**	**334,380**

21. DIVIDENDS

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

22. COMMITMENTS

	30 JUNE 2018 $	30 JUNE 2017 $
Operating leases committed at the reporting date but not recognised as liabilities, payable:		
– not later than 12 months	**80,955**	18,783
– between 12 months and five years	**211,646**	–
– later than five years	**–**	–
	292,601	18,783

23. CONTINGENCIES

There are no contingent assets or contingent liabilities as at 30 June 2018 (30 June 2017: Nil).

24. SUBSEQUENT EVENTS

There have not been any significant events that have arisen since 30 June 2018 and up to the date of this report that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

25. OTHER ACCOUNTING POLICIES

New, revised or amending Accounting Standards and Interpretations adopted

The company has adopted all of the new, revised or amended Accounting Standards that are mandatory for the current accounting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following table summarises the expected impact of new Accounting Standards that are not yet mandatory and have not been early adopted:

AASB 15: *REVENUE FROM CONTRACTS WITH CUSTOMERS* (ISSUED DECEMBER 2014)

NATURE OF CHANGE	APPLICATION DATE	IMPACT ON INITIAL APPLICATION
An entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This means that revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards as is currently the case under AASB 118 *Revenue*.	Annual reporting periods beginning on or after 1 January 2018.	Management is currently assessing the effects of applying the new standard on the Company's revenue recognition policies and resulting effects on its financial statements. In undertaking the assessment of LiveHire's customer contracts, management has reviewed every customer contract that was signed between 1 July 2016 and 30 June 2018. As part of this assessment management has considered all revenue streams, including hosting, implementation, and integration fees, as well as contract costs (i.e. sales commissions). Whilst this assessment is not complete, initial determination is that the following separate performance obligations have been identified: • Access to, and use of, the Platform; • Implementation and Integration services; • Post-contract support services; • Other one-off services. As a result of the abovementioned performance obligations, management has determined that there will be no material impact on the Company's revenue recognition. As there is an expectation that clients will renew their contracts, sales commissions will be amortised across the expected life of a client. This expected life will be determined and reassessed at the beginning of each financial year.

25. OTHER ACCOUNTING POLICIES (continued)

AASB 16: *LEASES* (ISSUED FEBRUARY 2016)

NATURE OF CHANGE	APPLICATION DATE:	IMPACT ON INITIAL APPLICATION
AASB 16 eliminates the operating and finance lease classifications for lessees currently accounted for under AASB 117 *Leases*. It instead requires an entity to bring most leases into its statement of financial position in a similar way to how existing finance leases are treated under AASB 117. An entity will be required to recognise a lease liability and a right of use asset in its statement of financial position for most leases. There are some optional exemptions for leases with a period of 12 months or less and for low value leases. Lessor accounting remains largely unchanged from AASB 117.	Annual reporting periods beginning on or after 1 January 2019.	The Company is yet to undertake a detailed assessment of the impact of AASB 16. However, the Company notes it currently has a very limited number of leases which would be impacted by this change.

AASB 9: *FINANCIAL INSTRUMENTS* (ISSUED FEBRUARY 2016)

NATURE OF CHANGE	APPLICATION DATE:	IMPACT ON INITIAL APPLICATION
AASB 9 introduces a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis. AASB 9 includes the new hedge accounting requirements, including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures. AASB 9 includes requirements for a simpler approach for classification and measurement of financial assets compared with the requirements of AASB 139. AASB 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognised in profit or loss.	Annual reporting periods beginning on or after 1 January 2018.	No material impact expected

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 30 June 2018 and its performance for the year ended on that date; and

(ii) comply with Accounting Standard, Corporations Regulations 2001 and other mandatory professional reporting requirements.

(b) In the Directors' 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.

(c) The Company has included in the notes to the financial statements an explicit and unreserved statement of compliance with international Financial Reporting Standards.

(d) The Directors have been given the declarations by the Managing Director, acting in the capacity of Chief Executive Officer and the Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Board of Directors and is signed on behalf of the Directors by:

Christy Forest
Chief Executive Officer/Executive Director

Melbourne, 28 August 2018

Independent Auditor's Report

Independent Auditor's Report to the Members of LiveHire Limited

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REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of LiveHire Limited (the Company), which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated financial position of the Company as at 30 June 2018 and of its consolidated financial performance for the year ended on that date; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Building a better working world

Capitalisation of development costs

WHY SIGNIFICANT	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
The Company develops software related to the LiveHire cloud-based Human Resource productivity tool helping employers source and recruit talent. Development costs are capitalised and presented as intangible assets. The carrying value of intangible assets as at 30 June 2018 was $2.4 million representing 7% of total assets. The measurement of capitalised development costs is based on the time and overhead costs associated with individuals employed by the Company for the specific purpose of developing software. Capitalised development costs are amortised once the product is available for use. Capitalised development costs are amortised over a useful life of five years. Capitalised development costs was considered to be a key audit matter as product development is core to the Company's operations. This involves judgment to determine whether the costs meet the capitalisation criteria set out in Australian Accounting Standards. Refer to Note 11 of the financial report for disclosures relating to capitalised development costs.	Our audit procedures included the following: • Assessed key assumptions made in capitalising development costs, including an assessment of whether costs related to the development phase of a project and the generation of probable future economic benefits. • Selected a sample of overhead costs capitalised and assessed whether these costs were appropriately capitalised in accordance with Australian Accounting Standards. • Selected a sample of employee costs recorded within the capitalisation model, agreed the costs to employee timesheets and enquired with the Company regarding the development activities that were undertaken. This included an assessment of whether a sample of employees were directly involved in developing software. • Assessed the useful life and amortisation rate allocated to capitalised development costs. • Assessed the consistency of the capitalisation methodology applied by the Company in comparison to prior reporting periods. • Assessed the adequacy of the disclosures included in Note 11.

Accounting for Share Based Payments

WHY SIGNIFICANT	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
During the year the Company awarded share based payments in the form of 5.5 million share options, 1.1 million performance rights and 9.9 million loan back shares to various executives and employees of the Company. The awards and those issued in prior periods vest subject to the achievement of various conditions. The share based payments expense for the year ended 30 June 2018 was $2.9 million. Due to the complex and judgmental estimates used in accounting for the share based payment awards, we considered the Company's calculation of the share based payment expense to be a key audit matter.	In performing our audit procedures, we assessed the Company's estimated fair value of the awards including the use of an appropriate valuation methodology and the appropriateness of the valuation inputs. We assessed whether the related expense was been recorded in accordance with the vesting of awards based on the relevant vesting conditions, including probability of meeting vesting conditions. We assessed the appropriateness of any judgments involved in determining the probability of meeting vesting conditions. We also assessed the adequacy of the disclosures in Note 16 of the financial report.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2018 Annual Report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Building a better working world

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE AUDIT OF THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 13 to 21 of the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Estia Health Limited for the year ended 30 June 2018, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Ernst & Young

David Petersen
Partner

Melbourne
28 August 2018

Shareholder information

The following additional information was applicable as at 20 July 2018.

1. SUBSTANTIAL SHAREHOLDERS

The following holders are registered by LVH as a substantial holder, having declared a relevant interest in accordance with the Corporations Act, in the voting shares below:

HOLDER NAME	DATE OF INTEREST	NUMBER OF ORDINARY SHARES [1]	% OF ISSUED CAPITAL [2]
LiveHire Limited	9 June 2018	52,019,265	19.89%
Antonluigi Gozzi	29 November 2017	29,765,101	12.31%
Michael Haywood	29 November 2017	28,146,555	11.64%
Patrick Grant Galvin	29 November 2017	15,270,800	6.31%
Telstra Super Pty Ltd	14 December 2017	13,285,195	5.49%
FIL Limited	18 July 2018	18,829,842	7.18%

1 As disclosed in the last notice lodged with the ASX by the substantial shareholder.
2 The percentage set out in the notice lodged with the ASX is based on the total issued capital of the Company at the date of interest.

2. NUMBER OF SECURITY HOLDERS

SECURITIES	NUMBER OF HOLDERS
Ordinary Shares	2,574
Unlisted options	14
Performance Rights	9

3. VOTING RIGHTS

SECURITIES	VOTING RIGHTS
Ordinary Shares	Subject to any rights or restrictions for the time being attached to any class or classes at general meetings of shareholders or classes of shareholders: (a) each shareholder is entitled to vote and may vote in person or by proxy, attorney or representative; (b) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and (c) on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held, or in respect of which he/she has appointed a proxy, attorney or representative, is entitled to one vote per share held.
Unlisted options	Options do not carry any voting rights.
Performance Rights	Performance Rights do not carry any voting rights.

4. DISTRIBUTION SCHEDULE

SPREAD OF HOLDINGS	HOLDERS	SECURITIES	%
1 – 1,000	211	127,462	0.049%
1,001 – 5,000	515	1,604,599	0.612%
5,001 – 10,000	477	3,992,910	1.522%
10,001 – 100,000	1,150	38,880,981	14.825%
100,001 – 9,999,999,999	221	217,654,796	82.992%
Totals	**2,574**	**262,260,748**	**100.000%**

5. HOLDERS OF NON-MARKETABLE PARCELS

DATE	CLOSING PRICE OF SHARES	NUMBER OF HOLDERS
20 July 2018	$0.54	155

6. TOP 20 SHAREHOLDERS

The top 20 largest fully paid ordinary shareholders together hold 59.985% of the securities in this class and are listed below:

RANK	HOLDER NAME	SECURITIES	%
1	HSBC Custody Nominees (Australia) Limited	27,455,438	10.469%
2	Mr Antonluigi Gozzi <Voyager A/C>	26,665,101	10.167%
3	Mr Michael Haywood <Haywood Family A/C>	25,746,555	9.817%
4	J P Morgan Nominees Australia Limited	15,545,539	5.928%
5	Mr Patrick Grant Galvin	15,037,467	5.734%
6	Citicorp Nominees Pty Limited	9,369,912	3.573%
7	Mr Matt Ryan	4,768,994	1.818%
8	UBS Nominees Pty Ltd	3,960,968	1.510%
9	Mr Benjamin David Hawter <Hawter Investments A/C>	3,004,464	1.146%
10	Now Hiring Pty Ltd	3,000,763	1.144%
11	APZ Nominees Pty Ltd <APZ A/C>	3,000,763	1.144%
12	Mr Antonluigi Gozzi	2,900,000	1.106%
13	Mr Alastair Ian Schirmer	2,542,471	0.969%
14	Mr Michael Haywood	2,415,000	0.921%
15	Mr Michael Wayne Rennie	2,378,948	0.907%
16	GK Morgan Investments Pty Ltd	1,774,380	0.677%
17	Kawaii Investments Pty Ltd <Kawaii Wipfli Family A/C>	1,690,836	0.645%
18	Mr James Andrew McQueen <James McQueen Family A/C>	1,557,254	0.594%
19	Malusk Pty Ltd <Montgomery Family A/C>	1,500,381	0.572%
20	MDCT Holdings Pty Ltd <Michael Thomas A/C>	1,500,381	0.572%
21	Zig Corporation Pty Ltd <Vandersluys Disc A/C>	1,500,381	0.572%
	Total	**157,315,996**	**59.985%**

7. RESTRICTED SECURITIES

The following shares are subject to voluntary escrow restrictions:

CLASS	DATE OF EXPIRY	NUMBER OF SHARES
Ordinary shares subject to escrow	30/06/2019	52,019,265
		52,019,265

There are no shares on issue that are subject to mandatory escrow restrictions under ASX Listing Rules Chapter 9.

8. UNQUOTED SECURITIES

The following unlisted options over unissued ordinary shares are on issue:

CLASS	DATE OF ISSUE	DATE OF EXPIRY	EXERCISE PRICE	NUMBER OF OPTIONS
Unlisted Options (subject to vesting conditions)	8/04/2016	1/06/2020	$0.25	16,600,000
Unlisted Options (subject to vesting conditions)	14/10/2016	14/10/2020	$0.188446	2,500,000
Unlisted Options (subject to vesting conditions)	12/01/2017	12/01/2021	$0.3814	1,000,000
Unlisted Options (subject to vesting conditions)	01/08/2017	01/08/2021	$0.6036	2,500,000
Unlisted Options (subject to vesting conditions)	10/08/2017	10/08/2021	$0.6927	1,000,000
				23,600,000

No holders hold more than 20% of Options in the Company.

9. DISTRIBUTION OF OPTION HOLDERS IS AS FOLLOWS:

SPREAD OF HOLDINGS	HOLDERS	SECURITIES	%
1 – 1,000	0	0	0
1,001 – 5,000	0	0	0
5,001 – 10,000	0	0	0
10,001 – 100,000	0	0	0
100,001 – 9,999,999,999	14	23,600,000	100.00%
Totals	**14**	**23,600,000**	**100.00%**

10. PERFORMANCE RIGHTS

- There is a total of 1,933,014 unlisted Performance Rights on issue.
- The number of performance right holders is eight.
- The Performance Rights carry no dividend or voting rights.
- All Performance Rights have been issued under the Company's employee incentive plan.

No holders hold more than 20% of Performance Rights in the Company.

11. DISTRIBUTION OF PERFORMANCE RIGHT HOLDERS IS AS FOLLOWS:

SPREAD OF HOLDINGS	HOLDERS	SECURITIES	%
1 – 1,000	0	0	0
1,001 – 5,000	0	0	0
5,001 – 10,000	0	0	0
10,001 – 100,000	1	69,758	3.609%
100,001 – 9,999,999,999	7	1,863,256	96.391%
Totals	**9**	**1,933,014**	**100.000%**

12. SHARE BUY-BACKS

There is no current on-market buy-back scheme.

Stock Exchanges

The securities of the Company are not quoted on any other stock exchanges.

For completeness, other ASX requirements that are already in other sections of the annual report

- URL for corporate governance statement
- Name of Company Secretary
- Address and phone details
- Registry details

Glossary of terms

ABBREVIATION	DEFINITION
AASB	Australian Accounting Standards Board
AI	Artificial Intelligence
ASX	Australian Securities Exchange Limited
ATO	Australian Taxation Office
Corporations Act	Corporations Act 2001 (Cth)
EBITDA	Earnings before interest, tax, depreciation and amortisation
EY	Ernst & Young
Finance	senior finance executives
GST	Goods and Services Tax
HRIS	Human Resource Information System
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards
KMP	Key Management Personnel
LiveHire	LiveHire Limited
RPO	Recruitment Process Outsourcing
TCCs	Talent Community Connections
the Board	Board of Directors
the Company	LiveHire Limited

Corporate directory

DIRECTORS AND OFFICERS

Geoffrey Morgan AM
Non-Executive Director and Chairman

Christy Forest
Chief Executive Officer/Executive Director (appointed as CEO 12 June 2018, previously Non-Executive Director appointed 1 September 2017 until date of appointment as CEO)

Antonluigi Gozzi
Executive Director

Michael Haywood
Executive Director

Grant Galvin
Executive Director (resigned as Executive Director 31 July 2018)

Adam Zorzi
Independent Non-Executive Director

Michael Rennie
Independent Non-Executive Director (appointed 5 March 2018)

Ben Malone
Chief Financial Officer

Charly Duffy
Company Secretary

PRINCIPAL REGISTERED OFFICE
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DOMICILE AND COUNTRY OF INCORPORATION
Australia

AUSTRALIAN BUSINESS NUMBER
ABN 59 153 266 605

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Melbourne VIC 3000

Website: www.ey.com.au

SHARE REGISTRY
Boardroom Limited
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Sydney NSW 2000

Website: www.boardroomlimited.com.au

SECURITIES EXCHANGE
Australian Securities Exchange Limited (**ASX**)
ASX Code – LVH (Ordinary Shares)

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