

ASX: LVH MARKET RELEASE

LiveHire announces half-year results for FY24 with demonstrated progress in key client wins, cost reduction and path to breakeven.

29 February 2024 | Melbourne, Victoria

LiveHire Limited (ASX:LVH) ("LVH" or the "Company") today reports its half-year earnings for the period ended 31 December 2023.

LiveHire continues to demonstrate on track progress in strategic initiatives to accelerate the path to breakeven.

- 1) **Conserving liquidity through rigorous cost reductions:** operating costs reduce by ~28% YoY, with current quarterly run rates (Q224) tracking at ~42% lower than PCP. EBITDA in H1 24 of (\$3.6m) improved 43% on PCP of (\$6.4m).
- 2) **Focus on partners and clients who fit an ideal profile to maximise margin:** Whilst some of our clients have reported reductions in their permanent employee hiring, LiveHire's contingent hiring success rates at our large clients in North America continue to grow. Historical trends in contingent hiring are relatively uncorrelated with permanent hiring and, importantly, the volume of requisitions for contingent hires by the Company's clients remains stable. The most significant milestone to drive further performance at the Fortune 100 global sports retailer is the recent integration and go-live with the Beeline Vendor Management System. The integration increases the speed and efficiency of the processes that lead to successful hires for the Company at that account. Other accounts already benefit from Fieldglass integrations, and the first three hires have been made at the recently announced new client with TAPFIN, the Fortune 100 healthcare company. The alignment and pipeline with TAPFIN remains strong with five key opportunities continuing to progress. In addition, the SAP partnership in ANZ produced two new clients in the half bringing the total SuccessFactors clients to 8, contributing to an improved average price per client and with a strong pipeline ahead.

Revenue from customers was \$3.5m for the period down 11% on PCP (\$4.0m). This was due almost exclusively to direct sourcing revenue of \$0.4m, down 52% on PCP (\$0.9m) from the exit of IMG to improve margin. Underlying direct sourcing revenue (excluding IMG and Ontario COVID roles revenue) was up 69% on PCP. Signs continue to be positive in the first half of FY24 with Q224 revenue growth of 20% on Q124. SaaS recurring revenue of \$3.0m (\$2.8m PCP) represented an increase of 5% YoY.

Specific initiatives, including the Indigenous hiring accelerator, continue to be progressed, with the requirement that it is self-funding within 1 year. LiveHire will invest scarce resources only at the point of contracted commitments. The early response from the market is very positive and we continue to partner with Michael Rennie, as previously announced, in realising this opportunity which is one of both commercial and social impact.

- 3) **Proactive management of capital structure:** total closing cash (including term deposits) was up ~20% to \$6.6m from \$5.5m as 30 June 2023 after securing \$2.9m in debt funding at the end of December 2023 to provide additional headroom and financial agility in the current economic environment.

The Company is proud of the focus and commitment of the LiveHire staff who continue to demonstrate extreme resilience, productivity and passion to deliver results for clients and shareholders with significantly reduced resources. The board, management and all staff are aligned with the strategic initiatives and margin outcomes that are necessary for the Company to achieve break-even. As noted in the quarterly webinar, the Q2 operating cash flow positive quarter will be followed by an anticipated short-term burn based on seasonal aspects and as final one-off costs wash out. The cash flow positive quarter was an important milestone in the journey to breakeven and the Company remains on track against internal forecasts.

Half year performance (in FY24) for period ended 31 December 2023:

The table below sets out LiveHire's financial results for the half year ended 31 December 2023:

	31-Dec-23	30-Jun-23	% Change
Cash and cash equivalents (\$)	6,409,903	4,760,956	35%
Net assets (\$)	6,670,342	7,983,984	(16)%

	31-Dec-23	31-Dec-22	% Change
Revenue from contracts with customers (\$)	3,515,027	3,967,728	(11)%
Net loss after tax (\$)	(4,627,242)	(7,199,630)	36%
Loss per share (\$)	(0.014)	(0.024)	42%

Arrived valuation in the statements: with the acquisition of Arrived finalised in early July 2023, we have recorded the Arrived software in the half year accounts at fair value on acquisition as required by the accounting standards, using a depreciated replacement cost methodology. The Company determined the acquisition of Arrived was to be accounted for as an asset acquisition. The acquisition was a non-cash transaction and acquired in exchange for shares and contingent shares, therefore the Company was required to measure the asset value. The fair value recognised on acquisition of \$2.5m is an accounting valuation of the asset rather than the economic value that the board sees in the Arrived transaction.

The Company continues to see the acquisition of the Arrived software as an integral part of the strategy in converting clients in the direct sourcing market and accelerating the path to breakeven.

Board evaluation: with the recent retirement of Michael Rennie from the board at last year's AGM, the board continues to evaluate the appropriate composition and skill sets required over the short, medium and long term to deliver on the current strategic objectives of the Company. Objectives include achieving breakeven as well as revenue growth while remaining as frugal as possible with

shareholder funds. The Board continues to have a majority of non-executive directors, consistent with governance best practice, notwithstanding that the number of non-executive directors has reduced by 50% over the past 18 months, in line with the broader reduction in FTE across the business.

For more information:

Christy Forest – CEO and Executive Director

investors@livehire.com

Subscribe to LiveHire's newsletter at: [https://www.livehire.com/us/investors/directors/
www.livehire.com/investor](https://www.livehire.com/us/investors/directors/www.livehire.com/investor)

Christy Forest, CEO and Executive Director, authorised the release of this announcement to the ASX.

About LiveHire

LiveHire is an award-winning¹, market-leading recruitment, talent mobility and direct sourcing platform. It revolutionises the candidate experience and enables businesses and curation partners to thrive with talent on demand. The platform makes managing the flow of talent into and through businesses seamless, delivering value through detailed visibility of talent, shifting both permanent and contingent recruitment from reactive to proactive, improving fit, reducing time and cost to hire, with an unrivalled candidate experience.

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

www.livehire.com

Disclaimer

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

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

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

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

¹ https://drivenxdesign.com/SYD17/winners_list.asp

Appendix 4D

For the half-year ended 31 December 2023

LiveHire Limited

ABN 59 153 266 605

RESULTS FOR ANNOUNCEMENT TO THE MARKET

For the half-year ended 31 December 2023 ("current reporting period")

	31-Dec-23	31-Dec-22	% Change from 6 months ended 31-Dec-22
	A\$	A\$	
Revenue from ordinary activities	3,515,027	3,967,728	Down (11)%
Profit / (Loss) from ordinary activities after tax attributable to members	(4,627,242)	(7,199,630)	Down 36%
Net Profit / (Loss) for the period attributable to members	(4,627,242)	(7,199,630)	Down 36%

Dividend information

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

	31-Dec-23 Cents	31-Dec-22 Cents
Net tangible assets per security	0.0008	0.0291

Other information requiring disclosure to comply with Listing Rule 4.2A.3 is contained in, and should be read in conjunction with, the notes to the Interim Financial Report and the Directors' Report for the half-year ended 31 December 2023. Information should be read in conjunction with LiveHire Limited's 2023 Annual Report and the attached Interim Financial Report. The Interim Financial Report has been reviewed by Ernst & Young, with the Independent Auditor's Review Report included in the Interim Financial Report. A material uncertainty related to Going Concern paragraph has been included with in the Independent Auditor's Review Report.

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LIVEHIRE LIMITED

(ASX: LVH)

ABN: 59 153 266 605

Interim Financial Report

For the half-year ended 31 December 2023

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Corporate Directory

Directors and Officers

Andrew Rutherford	- Non-Executive Director and Chairman
Michael Rennie	- Non- Executive Director (resigned 28 November 2023)
Christy Forest	- Chief Executive Officer and Executive Director
Cris Buningh	- Non-Executive Director
Ben Brooks	- Chief Financial Officer
Charly Duffy	- Company Secretary

Principal Registered Office

C/-CD Plus Corporate Services

Level 42 Rialto South Tower, 525 Collins Street

Melbourne VIC 3000

T: +61 (03) 9021 0657

Website: www.livehire.com

Domicile and Country of Incorporation

Australia

Australian Business Number

ABN 59 153 266 605

Auditors

Ernst & Young

8 Exhibition Street

Melbourne VIC 3000

Website: www.ey.com.au

Share Registry

Automic

Level 5, 126 Phillip Street

Sydney NSW 2000

Website: www.automic.com.au

Securities Exchange

Australian Securities Exchange Limited (ASX)

ASX Code - LVH (Ordinary Shares)

Directors' Report

The Directors submit their report of LiveHire Limited ('LiveHire' or 'Group') for the half year ended 31 December 2023 ('Period').

1. BOARD OF DIRECTORS

The Directors of the Group at any time during or since the end of the Period are as follows.

Directors	Position
Andrew Rutherford	Non-Executive Director and Chairman
Michael Rennie	Non-Executive Director (resigned 28 November 2023)
Christy Forest	Chief Executive Officer & Executive Director
Cris Buningh	Non-Executive Director

2. PRINCIPAL ACTIVITIES

During the period, management focused on delivering four key strategic initiatives on the path to breakeven. The principal continuing activities of the Group consisted of:

- 1) Conservation of liquidity and capital through rigorous cost reductions.
 - Significant cost reductions implemented through reduced workforce and intense focus and prioritisation.
- 2) Focus on partners and clients who fit ideal partner profile (IPP) and ideal client profile (ICP), to optimise the fit between client needs and commercial return:
 - Exited IMG's non-Direct Sourcing business resulting in improved profitability.
 - New TAPFIN direct sourcing client, a Fortune 100 global medical device and healthcare company, launched within just 3 weeks of contract signing.
 - Three key strategic clients in "pay per placement" model have seen continued growth in placement numbers and positive trendline in placements to positions.
- 3) Change in technology leadership and new resourcing model to provide more flexibility and scalability:
 - New Chief Product and Technology Officer aligned teams to strategic partners and clients for highest ROI.
 - Significant progress across partner integrations:
 - Beeline VMS integration completed over the period, supporting go-live with a major client in February 2024.
 - SAP Fieldglass VMS integrations in production with core functionality with four clients.
 - Multiple additional integrations either enhanced or added to our partner ecosystem.
 - Investment in new platform features and uplifts including:
 - Increasing recruiter productivity, through more granular search and filter options, increasing candidate sourcing and engagement velocity.

Directors' Report

- Features supporting integrations with VMS systems and SuccessFactors: the ability to manage temporary work assignments and the ability to forward candidates' job applications between vacancies, a SuccessFactors requirement.
- Enhancing the candidate experience, including improvements to the candidate signup process.
- Delivered beta version of first in a series of AI capabilities as part of the LiveHire AI strategy:
 - Promoting the use of Generative AI through "LiveAI", LiveHire's new AI Assistant, to help recruiters quickly deliver high-value, personalised engagement experiences with candidates all the way from initial sourcing to offer.
 - Expanding our current use of AI models to better match candidates to all kinds of roles, including those that are traditionally hard to fill.
- 4) Review of capital structure and ownership.
 - Secured additional funding of \$2.9m from Lighter Capital to provide additional headroom and financial agility in the current economic environment.

Purpose & Growth Strategy

LiveHire's purpose and investment proposition	
LiveHire's purpose is to empower the flow of the world's talent. LiveHire does this through a platform-based approach that is rapidly deployed, infinitely scalable, easily integrated with, and underpinned by a single unified (federated) profile of a candidate, providing a private and secure single source of truth for organisations and talent.	
Leading SaaS Talent Acquisition & Engagement Platform	LiveHire's platform allows mid to large clients (from ~200 FTE and above) to transform their Talent Acquisition process whilst delivering exceptional levels of engagement for an authentic and personal candidate experience. The next generation cloud-based platform creates measurable results for client companies in terms of speed, quality and cost of hire, along with improved diversity outcomes.
Large market opportunity with significant organic growth runway	<p>The US spends US\$80billion+ on Managed Service Providers (MSP), giving a US\$800m technology market at 1%-2%.¹ The Australian & New Zealand market have 4,000 addressable companies with a Total Addressable Market (TAM) of \$100m+.</p> <p>Strategic partnership with TAPFIN indicates a movement towards the direct sourcing market and provides access to large clients across North America with potential for further global expansion.</p>

¹ MSP Global Landscape Summary 2020: \$US86B MSP in US in 2019, LVH assumes technology costs of 1-2%.

Directors' Report

Capital preservation to realise opportunity	LiveHire will continue to pursue organic growth both domestically and internationally and prioritise initiatives that will preserve liquidity through cost reductions and focusing on partners and clients who fit ideal profile to maximise return.
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3. REVIEW OF OPERATIONS

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

SaaS business:

- Annualised Recurring Revenue (ARR) of \$6.1m as at 31 December 2023 (\$6.0m in prior corresponding period (PCP)) represented an increase of 2% year on year (YoY).
- Client revenue retention was within plan estimates with Net Revenue Retention (NRR) rate %² (rolling 12 months) finishing at 90% as at 31 December 2023 (93% PCP).
- New sales growth for the 6 months ended 31 December 2023 saw 11 clients added including Water Corporation, Endeavour Energy and Up Education.
- Closing clients of 184 (179 PCP) represented an increase of 3% YoY.

Direct Sourcing business:

- Partner led strategy continues with TAPFIN delivering a third client, a Fortune 100 global medical device and health care company.
- Three key strategic clients have shown positive growth in key metrics and placement numbers.
- Narrowed focus to 7 strategic partners that fit the IPP.
- Addition of 1 new client was offset by the planned exit of 2 clients which included IMG and Ontario (Covid roles) in the 6 months ended 31 December 2023. Client numbers are down 54% on PCP at 11 (24 at 31 December 2022), as we finalised the economic optimisation of our clients at the end of FY23.
- Direct sourcing revenue of \$0.4m (\$0.9m PCP) represented a decrease of 52% YoY due to the exit of IMG to improve margin. Underlying direct sourcing revenue (excluding IMG and Ontario COVID roles) was up 69% on PCP.

Business operations:

- Improved operating cash burn, receipt of FY23 R&D incentive and debt funding of \$2.9m resulting in closing cash (including term deposits) of \$6.6m.
- Revenue from contracts with clients for the 6 month period of \$3.5m (\$4.0m PCP) represented a decrease of 11% YoY, largely due to the IMG exit. SaaS recurring revenue of \$3.0m (\$2.8m PCP) represented an increase of 5% YoY.

² Net revenue retention rate % is calculated as (Opening ARR + upsell ARR – downsell ARR – churn / lost ARR) / Opening ARR. NRR is an indicator that measures how well a business can not only renew but generate additional revenue from its clients post initial sale.

Directors' Report

- Cash receipts from customers for the 6 month period of \$4.2m (\$5.2m PCP) represented a decrease of 19% YoY, with rolling 12 month receipts of \$8.6m (\$9.4m PCP) representing an 8% decrease YoY.
- Share based payment expense of \$0.9m (\$1.6m PCP) represented a decrease of 42% YoY. The expense is lower this period due to less eligible employees and a lower share price for rights issued in the period. The majority of the expense relates to the acceleration of accounting recognition for long-term incentives (LTI) which were cancelled in the period.

Board changes:

Michael Rennie retired as Non-Executive Director effective from 28 November 2023. Refer to the ASX announcement on 20 October 2023 for further detail.

4. FINANCIAL PERFORMANCE

The financial results of the Group for the half year ended 31 December 2023 are:

	31-Dec-23	30-Jun-23	% Change
Cash and cash equivalents (\$)	6,409,903	4,760,956	35%
Net assets (\$)	6,670,342	7,983,984	(16)%

	31-Dec-23	31-Dec-22	% Change
Revenue from contracts with customers (\$)	3,515,027	3,967,728	(11)%
Net loss after tax (\$)	(4,627,242)	(7,199,630)	36%
Loss per share (\$)	(0.014)	(0.024)	42%

5. LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

LiveHire will continue to focus on driving sustainable growth and market share in North America through Direct Sourcing of contractors and Australia & New Zealand in SaaS for HR.

Underpinning this growth will be LiveHire's continuous focus on being able to differentiate within the North America and ANZ markets through product innovation and deep customer insight which will drive revenue opportunities that maximise near and medium term returns.

To achieve a satisfactory balance between LiveHire's significant growth opportunities and potential risks, the Group has a well-developed Risk Management Framework which follows accepted standards and guidelines for managing risk. Key business risks include the following:

Directors' Report


Risk	Response
Failure to scale and commercialise at a sufficient rate.	<p>To execute the Group growth strategy, the Group continues to optimise the go-to-market strategy to align our strong team and lean business structure to execute and realise the opportunities in both ANZ and North America. Key to success in North America is revenue ramping for direct sourcing clients.</p> <p>The Group will continue to invest in the platform to maintain competitiveness globally.</p>
Data Security and Privacy	LiveHire understands the critical importance of maintaining client and candidate trust. The Group has achieved ISO 270001 and SOC 2 Type 1 & 2 certification through its investment in security and compliance, including a robust privacy compliance framework, data security policies and processes and an experienced Information Security Officer.

Directors' Report

6. 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 half year financial statements.

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



Andrew Rutherford

Chairman

Melbourne, 29th February 2024

Auditor's Independence Declaration to the Directors of LiveHire Limited

As lead auditor for the review of the half-year financial report of LiveHire Limited for the half-year ended 31 December 2023, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

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



Ernst & Young



Amy Hudson
Partner
29 February 2024

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Notes	31-Dec-23	31-Dec-22
		\$	\$
Revenue from continuing operations			
Revenue from contracts with customers	5	3,515,027	3,967,728
Other Income	5	313,063	316,296
Interest income	5	74,533	117,808
Total revenue and other income		3,902,623	4,401,832
Expenses			
Employee benefits expense	6	(4,062,443)	(6,342,316)
Operating expenses	6	(2,524,798)	(2,844,699)
Share based payment expense	14	(930,865)	(1,602,053)
Earnings (Loss) before interest, tax, depreciation and amortisation		(3,615,483)	(6,387,236)
Depreciation and amortisation expense	6	(941,306)	(724,679)
Earnings (Loss) before interest and tax (EBIT)		(4,556,789)	(7,111,915)
Interest expense	6	(69,677)	(38,746)
Loss before income tax		(4,626,466)	(7,150,661)
Income tax expense		(776)	(48,969)
Loss after income tax		(4,627,242)	(7,199,630)
Items that may be reclassified subsequently to the income statement			
Exchange differences on translation of foreign operations, net of tax		(159,739)	(80,007)
Other comprehensive income for the period, net of tax		(159,739)	(80,007)
Total comprehensive loss for the period		(4,786,981)	(7,279,637)
		\$	\$
Loss per share attributable to ordinary equity holders			
- Basic loss per share		(0.014)	(0.024)
- Diluted loss per share		(0.014)	(0.024)

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

Consolidated Statement of Financial Position

	Notes	31-Dec-23 \$	30-Jun-23 \$
ASSETS			
Current assets			
Cash and cash equivalents		6,409,903	4,760,956
Term deposits		164,522	701,193
Trade and other receivables	7	1,899,214	2,207,797
Prepaid Expenditure		397,890	635,022
Contract acquisition costs		231,509	232,568
Total current assets		9,103,038	8,537,536
Non-current assets			
Plant and equipment		72,860	141,836
Intangible assets	8	6,395,506	4,435,099
Contract acquisition costs		204,680	235,928
Right-of-use assets	9	87,574	418,158
Total non-current assets		6,760,620	5,231,021
Total assets		15,863,658	13,768,557
LIABILITIES			
Current liabilities			
Trade and other payables	10	1,820,843	1,354,206
Provisions		918,896	1,066,553
Lease liabilities	9	88,609	305,226
Deferred revenue		3,356,944	2,636,668
Borrowings	11	999,413	181,727
Total current liabilities		7,184,705	5,544,380
Non-current liabilities			
Provisions		71,396	58,221
Lease liabilities	9	-	181,972
Borrowings	11	1,937,215	-
Total non-current liabilities		2,008,611	240,193
Total liabilities		9,193,316	5,784,573
Net assets		6,670,342	7,983,984
EQUITY			
Issued capital	12	74,577,206	73,065,148
Reserves	13	20,878,278	19,076,737
Accumulated losses		(88,785,142)	(84,157,901)
Total equity		6,670,342	7,983,984

The consolidated statement of financial position is to be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total Equity \$
At 1 July 2023	73,065,148	19,076,737	(84,157,900)	7,983,985
Comprehensive loss:				
Loss for the period	-	-	(4,627,242)	(4,627,242)
Other comprehensive loss	-	(159,739)	-	(159,739)
Total comprehensive loss for the period	-	(159,739)	(4,627,242)	(4,786,981)
Transactions with owners in their capacity as owners:				
Contributions of equity	-	-	-	-
Total transactions with owners in their capacity as owners:	-	-	-	-
Share based payments	-	956,651	-	956,651
Acquisition of Arrived	1,512,058	1,004,629	-	2,516,687
At 31 December 2023	74,577,206	20,878,278	(88,785,142)	6,670,342
	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total Equity \$
At 1 July 2022	63,162,357	16,420,428	(70,035,826)	9,546,959
Comprehensive loss:				
Loss for the period	-	-	(7,199,630)	(7,199,630)
Other comprehensive loss	-	(80,007)	-	(80,007)
Total comprehensive loss for the period	-	(80,007)	(7,199,630)	(7,279,637)
Transactions with owners in their capacity as owners:				
Contributions of equity	10,135,816	-	-	10,135,816
Total transactions with owners in their capacity as owners:	10,135,816	-	-	10,135,816
Share issue transaction costs	(219,575)	-	-	(219,575)
Share based payments	-	1,602,053	-	1,602,053
At 31 December 2022	73,078,598	17,942,474	(77,235,456)	13,785,616

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

Consolidated Statement of Cash Flows

	Notes	31-Dec-23	31-Dec-22
		\$	\$
Cash flows from operating activities			
Receipts from customers		4,187,049	5,163,571
Payment to suppliers and employees		(6,484,456)	(9,629,073)
Receipt of interest		78,236	87,728
Payment of interest		(57,374)	(38,746)
Receipt of Research & Development Tax Incentive		363,662	-
Net cash outflow from operating activities		(1,912,883)	(4,416,520)
Cash flows from investing activities			
Payment for intangible assets		(550,518)	(1,208,209)
Payment for plant and equipment		(7,851)	(89,231)
Receipt of Research & Development Tax Incentive		1,003,504	-
Placements of term deposit (31 December 2022 restated) ¹		-	(39,600)
Withdrawal of term deposit (31 December 2022 restated) ¹		539,600	264,712
Net cash outflow from investing activities		984,735	(1,072,328)
Cash flows from financing activities			
Proceeds from the issue of shares		-	10,135,816
Transaction costs of issue of shares		-	(219,575)
Payment of principal portion of lease liabilities		(153,632)	(243,028)
Proceeds from borrowings		3,921,243	-
Repayment of borrowings		(1,140,556)	-
Borrowings transaction costs		(2,269)	-
Net cash inflow / (outflow) from financing activities		2,624,786	9,673,213
Net increase / (decrease) in cash and cash equivalents		1,696,638	4,184,365
Cash and cash equivalents at the beginning of the period (31 December 2022 restated) ¹		4,760,956	6,405,779
Effects of exchange rate changes on cash and cash equivalents		(47,691)	(89,996)
Cash and cash equivalents at the end of the period (31 December 2022 restated)¹		6,409,903	10,500,148

¹ Refer to Note 9 of the 30 June 2023 Annual Report for details of restatement of cash balance as at 30 June 2022 which impacts the cash and cash equivalents at the beginning of the prior period. Cash flows from investing activities for the prior period have also been restated by \$225,112 to recognise the movement in the value of term deposits between 1 July 2022 to 31 December 2022.

The consolidated 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 '**Group**') for the half year ended 31 December 2023 (the '**Period**') were authorised for issue in accordance with a resolution of the directors on 29th February 2024 and covers LiveHire and all entities controlled by the Group as required by the *Corporations Act 2001*. LiveHire is a for-profit entity.

The financial statements are presented in Australian dollars.

LiveHire is a Group 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 is C/-CD Plus Corporate Services, Level 42 Rialto South Tower, 525 Collins Street, Melbourne VIC 3000 and principal place of business is Level 19, 15 William Street, Melbourne VIC 3000.

2. BASIS OF PREPARATION

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Basis of Preparation

The interim consolidated financial statements for the half-year ended 31 December 2023 have been prepared in accordance with AASB134 Interim Financial Reporting and the Australian Corporations Act 2001.

These half-year financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the entity as the full financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2023 and any public announcements made by LiveHire Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the *Australian Corporations Act 2001*.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

Notes to the Financial Statements

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed below.

Going Concern

For the half year ended 31 December 2023, the Group incurred a net loss after tax of \$4,627,242 (December 2022: loss \$7,199,630). Cash flows from operating activities was an outflow of \$1,912,883 (December 2022: \$4,416,520) and cash flows from investing activities was an inflow of \$984,735 (December 2022: outflow of \$1,072,328). As at 31 December 2023 the Group has cash on hand of \$6,409,903 (June 2023: \$4,760,956).

The Directors believe the Group is a going concern, having regard to the Group's cash flow forecasts which are based on current market conditions and the Group's business plan. In setting the business plan, the Directors expect revenue growth to be driven through new customer acquisitions and scaling of existing clients from the strategic partnerships with some of the largest managed service providers globally and a leading software and technology company. Further, following the restructure of the cost base in the second half of FY23, the Directors are forecasting operating expenditure to settle at current reduced levels and will monitor accordingly.

To continue as a going concern, the Group requires the generation of sufficient funds from operating activities to meet its financial obligations and comply with the minimum cash requirement covenant of \$300,000 under the Group's borrowing facilities as disclosed in Note 11. The generation of sufficient funds from operating activities is dependent upon future revenue growth in line with the current business plan. Should there be a breach of the terms of the facilities, then as is common in banking agreements, one of the bank's options is to require the Group's debt to become repayable on demand. As at 31 December 2023 the Group has drawn down \$2,908,621 under the facilities.

If the Group is unable to generate sufficient funds from operating activities to meet its financial obligations and maintain compliance with the minimum cash covenant as disclosed in Note 11, a material uncertainty would exist in relation to the Group's ability to continue as a going concern, and whether it would be required to realise its assets and extinguish liabilities other than in the ordinary course of business, at amounts that differ from those stated in the financial report.

This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts, nor to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

KEY JUDGEMENTS AND ESTIMATES

In preparing its half-year financial report, the Group has used significant judgements and estimates. These are consistent with those applied in the Group's 2023 Annual Report, other than as described below. Management

Notes to the Financial Statements

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 that management believes to be reasonable under the circumstances. The judgements and estimates used in relation to Intangible Assets (other than as described below), Leases and Share-Based Payments when preparing the financial statements for the period ended 31 December 2023 are consistent with those disclosed in our previous year end report, dated 30 June 2023.

Arrived Asset Acquisition Valuation

As described in Note 8 Intangible Assets, the Group acquired software as part of the acquisition of the business assets of Arrived Workforce Connections Inc. ("Arrived"). The Group has accounted for the acquisition of the Arrived business assets as an asset acquisition. As described below, the Group issued equity instruments in exchange for the business assets and therefore in accordance with AASB 2 Share Based Payment, these assets were initially recognised at fair value. The Group has used a depreciated replacement cost methodology in estimating the fair value of the software.

There were significant estimates involved in determining the fair value of the software asset acquired, in particular the time, skills and costs required to build a replacement asset. This required management to look at the phases of software development and assess the time and personnel it would take to complete each to build an equivalent software, factoring in the direct and indirect costs. A change in assumptions for the amount of time required or a change in the assumptions for the rate of costs by +/- 10% could affect the fair value by +/- \$251,669. The Group has assessed the Arrived software asset to have a 5 year useful life, to be amortised on a straight line basis.

3. CHANGES IN ACCOUNTING POLICIES

No changes were made to accounting policies during this period.

4. 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.

Notes to the Financial Statements

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

The geographical breakdown of the revenue for the financial period is as follows:

	31-Dec-23	31-Dec-22
	\$	\$
APAC	3,047,758	2,992,292
North America	467,269	975,436
	<u>3,515,027</u>	<u>3,967,728</u>

No single customer revenue above 10% of total revenue (31 December 2022: One customer with revenue of \$687,812).

5. REVENUE FROM CONTRACTS WITH CUSTOMERS AND OTHER INCOME

	31-Dec-23	31-Dec-22
	\$	\$
Revenue from contracts with customers		
Revenue recognised over time		
- Hosting and Maintenance fees	2,967,002	2,815,594
- Implementation fees	26,933	194,478
Total revenue recognised over time	<u>2,993,935</u>	<u>3,010,072</u>
Revenue recognised at a point in time		
- Integration fees	69,683	47,538
- Professional Services fees	36,862	53,322
- Direct Sourcing revenue	414,547	856,796
Total revenue recognised at a point in time	<u>521,092</u>	<u>957,656</u>
Total Revenue from contracts with customers	<u>3,515,027</u>	<u>3,967,728</u>
Other income		
- Research & Development Tax Incentive	313,063	316,296
Total Other income	<u>313,063</u>	<u>316,296</u>
- Interest Income	74,533	117,808
Total revenue and other income	<u>3,902,623</u>	<u>4,401,832</u>

Notes to the Financial Statements

6. EXPENSES

	31-Dec-23	31-Dec-22
	\$	\$
Loss before income tax includes the following specific expenses		
Employee benefits expense		
- Salaries and wages	4,118,750	6,329,676
- Capitalisation of employee benefits	(473,729)	(1,088,014)
- Superannuation contributions	326,714	534,424
- Payroll tax	221,754	405,254
- Employee entitlement accrual	(131,046)	160,976
	4,062,443	6,342,316
Operating expenses		
- Advertising and marketing expenses	143,244	245,614
- Consultants and contractor fees	505,665	620,809
- Capitalisation of consultants and contractor fees	(76,789)	(120,195)
- Technology related expenses	1,069,943	1,080,053
- Operating and administration expenses	882,735	1,018,418
	2,524,798	2,844,699
Depreciation and amortisation expenses		
- Depreciation of fixed assets	61,645	72,261
- Depreciation of right-of-use assets	114,648	137,475
- Amortisation of software development asset	765,013	514,943
	941,306	724,679
Finance expense		
- Interest expense - borrowings	53,918	-
- Interest expense on lease liabilities	15,759	38,746
	69,677	38,746

7. TRADE AND OTHER RECEIVABLES

	31-Dec-23	30-Jun-23
	\$	\$
Trade receivables	1,491,433	1,081,065
Research & Development Tax Incentive	396,763	1,109,082
Accrued interest	11,018	17,650
Total trade and other receivables	1,899,214	2,207,797

The carrying amount of trade and other receivables approximates fair value.

Notes to the Financial Statements

8. INTANGIBLE ASSETS

Software consists of capitalised development costs being an internally generated intangible asset, refer to the 30 June 2023 financial report for additional detail.

	31-Dec-23	30-Jun-23
	\$	\$
<u>Software development</u>		
Cost	18,454,025	15,386,820
R&D Tax Incentive	(4,718,226)	(4,376,441)
Accumulated amortisation	(7,340,293)	(6,575,280)
Total software development	6,395,506	4,435,099

On 6 July 2023, the Group completed the acquisition of the business assets of Arrived Workforce Connections Inc. ("Arrived") following shareholder approval. The non-cash consideration for the transaction included the following:

- 8,457,142 fully-paid ordinary shares issued on 11 July 2023 on completion of the acquisition.

Contingent consideration based on the achievement of two milestones:

- 12,869,565 fully-paid ordinary shares based on the achievement of the Integration Condition of the agreement on 7 November 2023.
- The second milestone for contingent consideration is currently outstanding and is payable on the Group entering into an agreement for sale of the shift scheduling product within 12mths of completion date. If satisfied, the Group must issue \$1,480,000 in fully-paid ordinary shares if the share price is above \$0.115, or a maximum of 12,869,565 shares using a floor price of \$0.115.

The Group has determined that this acquisition is to be accounted for as an asset acquisition. The asset has been fair valued by estimating a depreciated replacement cost. Refer to Key Judgments and Estimates in Note 2 for the approach used to determine fair value of the asset. The software asset will be amortised over a 5 year useful life on a straight line basis. This is consistent with the Group's policy for all software intangible assets. The amortisation expense is included in the Amortisation of software development asset line in Note 6.

<u>Arrived Software Asset</u>	
Opening carrying value at 30 June 2023	-
Acquisition value	2,516,687
Amortisation expense	(245,463)
Closing carrying value at 31 December 2023	2,271,224

The Arrived software asset value is included in the software development table at the top of this page.

Notes to the Financial Statements

9. LEASES

	Right of use assets	Lease liabilities
	\$	\$
As at 30 June 2022	314,867	392,692
Additions	384,242	384,242
Depreciation expense	(280,951)	-
Interest expense	-	76,138
Payments	-	(365,874)
As at 30 June 2023	418,158	487,198
Additions	108,766	108,766
Depreciation expense	(114,648)	-
Interest expense	-	15,759
Payments	-	(153,632)
Lease exits	(324,702)	(369,482)
As at 31 December 2023	87,574	88,609
	31-Dec-23	30-Jun-23
	\$	\$
Lease Liabilities		
Current lease liability	88,609	305,226
Non-current lease liability	-	181,972
Total Lease Liability	88,609	487,198

During the period, the Group exited office leases (in Perth, Sydney and Melbourne) as part of the cost reduction initiative, moving to shorter term, low cost leases (i.e. co-working spaces). The difference between the value of the right of use asset and liability of leases upon exit was recognised as a gain on termination in the profit and loss.

Notes to the Financial Statements

10. TRADE AND OTHER PAYABLES

	31-Dec-23	30-Jun-23
	\$	\$
Trade payables	816,639	498,947
Employee commissions payable	201,386	214,300
Sundry payables and accrued expenses	374,627	345,983
Payroll tax payable	82,405	92,909
PAYG payable	127,679	158,910
Superannuation payable	93,641	49,401
GST payable / (receivable)	124,466	(6,244)
Total trade and other payables	1,820,843	1,354,206

Terms and conditions relating to trade and other payables:

- (i) trade creditors are non-interest bearing and are normally settled within agreed trading terms.
- (ii) sundry payables are non-interest bearing and are normally settled within agreed trading terms.

The carrying amount of trade and other payables approximates fair value.

Notes to the Financial Statements

11. BORROWINGS

	31-Dec-23	30-Jun-23
	\$	\$
CURRENT		
Insurance financing	53,793	181,727
Debt funding	945,620	-
Total current borrowings	999,413	181,727
NON-CURRENT		
Debt funding	1,937,215	-
Total non-current borrowings	1,937,215	-
Total borrowings	2,936,628	181,727

In December 2023, the Group secured debt funding with Lighter Capital. The funding agreement includes two tranches:

- Tranche 1 - loan amount of AUD\$1,000,000, maturity 36 months, interest rate of 3 month BBSY +14.68% and floor of 19.1% pa. Repayments will be interest only for the first 12 months and principal and interest for the remaining 24 months.
- Tranche 2 - loan amount of USD\$1,300,000 (AUD\$1,908,621), maturity 24 months, interest rate of WSJ Prime +10.5% and floor of 19% pa. Repayments will be principal and interest for the duration of 24 months.

There is one financial covenant associated with the loan:

- The Group must ensure that at all times, on a consolidated basis, it has no less than AUD\$300,000 credit balance in its bank accounts.

As part of the arrangement, the Group issued Lighter Capital 728,828 warrants, each with an exercise price of AUD\$0.07, and a 5 year exercise period. The warrant has been treated as a transaction cost and capitalised against borrowings, to be amortised over the term of the loans.

In September 2023, the Group secured financing with Radium Capital for \$1,012,621 in respect of the FY23 R&D refund claim. The loan had a maturity date of 31 December 2023 and interest rate of 16% p.a. The loan was fully repaid in December 2023 upon receipt of the FY23 R&D claim.

The carrying amount of Borrowings at 31 December 2023 approximates its fair values.

Notes to the Financial Statements

12. ISSUED CAPITAL

a) Issued and fully paid

	31-Dec-23		30-Jun-23	
	\$	No.	\$	No.
Ordinary shares	74,577,206	364,414,098	73,065,148	341,556,530
	74,577,206	364,414,098	73,065,148	341,556,530

b) Movement Reconciliation

ORDINARY SHARES	Date	Quantity	Issue price	\$
Balance 30 June 2022		295,048,591		63,162,357
- Share issue transaction costs	31/08/2022			(219,575)
- Loan back shares repayments	31/08/2022			6,219
- Issue of shares - entitlement offer	1/09/2022	42,150,611	\$ 0.24	10,116,147
- Exercise of performance rights	2/09/2022	1,146,961		
- Cashless buyback of Loan Back Shares	14/10/2022	(2,331,576)		
- Exercise of performance rights	8/12/2022	769,943		
- Employee share sale pending reimbursement	28/12/2022			13,450
Balance 31 December 2022		336,784,530		73,078,598
Balance 30 June 2023		341,556,530		73,065,148
- Issue of shares - Arrived acquisition	11/07/2023	8,457,142		507,429
- Exercise of performance rights	31/07/2023	388,689		
- Exercise of performance rights	8/09/2023	2,871,289		
- Issue of shares - Arrived acquisition	7/11/2023	12,869,565		1,004,629
- Cashless buyback of Loan Back Shares	17/11/2023	(3,623,205)		
- Exercise of performance rights	7/12/2023	1,894,088		
Balance 31 December 2023		364,414,098		74,577,206

On 6 July 2023, the Group completed the acquisition of Arrived Workforce Connections Inc (“Arrived”). Accordingly, the Group issued 8,457,142 fully-paid ordinary shares to Arrived. On 7 November 2023, the Group issued a further 12,869,565 fully-paid ordinary shares to Arrived based on the achievement of the Integration Condition of the agreement.

Notes to the Financial Statements

13. RESERVES

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.

The translation reserve is used to record exchange differences arising from the translation of the Financial Statements of its overseas subsidiary.

	Share-Based payments reserve	Currency translation reserve	Total
	\$	\$	\$
Balance at 30 June 2022	16,488,137	(67,709)	16,420,428
Share-based payment expense	2,645,546	-	2,645,546
Foreign currency translation differences	-	10,763	10,763
Balance at 30 June 2023	19,133,683	(56,946)	19,076,737
Share-based payment expense	956,651	-	956,651
Acquisition of Arrived	1,004,629	-	1,004,629
Foreign currency translation differences	-	(159,739)	(159,739)
Balance at 31 December 2023	21,094,963	(216,685)	20,878,278

14. SHARE-BASED PAYMENTS

	31-Dec-23	31-Dec-22
	\$	\$
<u>Share-based payment expense recognised during the year</u>		
Options issued to employees	341,287	168,560
Performance and Service rights issued to employees, contractors and consultants	589,341	1,433,493
	930,628	1,602,053
Loan warrant expense	237	-
	930,865	1,602,053

The purpose of share-based payments is to preserve cash, maintain competitiveness of remuneration and aligning the interests of executives with shareholders. During the period new instruments were issued to employees, the executive team and contractors.

- Instruments issued to employees and contractors were performance rights based on performance and tenure in the previous financial year. These are short term and subject to time-based vesting conditions.
- Instruments issued to executives included service rights and short and long-term incentives. These are subject to both time and performance based vesting conditions. Long term incentives (LIT) will only vest if future share price hurdles are met.
- On 17 November 2023, LTI securities issued in FY22 and FY23 were cancelled, ahead of vesting, for no consideration. In line with AASB 2, the related expense has been accelerated into this period.

Notes to the Financial Statements

- No options were issued in the current period. The expense recognised in the current period relates to the acceleration of the expense for these LTI cancellations. Options are valued independently using a Black-Scholes or Monte Carlo simulation option pricing methodology.

The loan warrant expense relates to the warrants issued to Lighter Capital as part of the funding arrangement (refer to Note 11 for details).

15. DIVIDENDS

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

16. CONTINGENCIES

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

17. SUBSEQUENT EVENTS

There have not been any significant events that have arisen since 31 December 2023 and up to the date of this report that have significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

18. RELATED PARTY DISCLOSURES

Related party transactions were consistent in nature with those disclosed in the full year financial report.

Directors' Declaration

The Directors of the Group declare that:

- (a) The financial statements and notes of the Group are in accordance with the *Corporations Act 2001*, and:
 - (i) give a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half year ended on that date.
 - (ii) comply with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.
- (b) In the Directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

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



Andrew Rutherford

Chairman

Melbourne, 29th February 2024

Independent Auditor's Review Report to the Members of LiveHire Limited

Conclusion

We have reviewed the accompanying half-year financial report of LiveHire Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year 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 (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 2 in the financial report, which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Ernst & Young



Amy Hudson
Partner
Melbourne
29 February 2024