

An aerial night view of a city skyline, likely Sydney, Australia, with numerous skyscrapers illuminated. Overlaid on the city are numerous vertical lines of varying colors (blue, purple, pink, white) that extend upwards into the dark blue sky, each ending in a small glowing dot. These lines represent a digital network or data flow. The sky transitions from a deep blue at the top to a soft pink and orange glow near the horizon, suggesting a sunset or sunrise.

hiremii

ASX Announcement

30 January 2023

Q2 FY23 Quarterly Activities Report & Appendix 4C

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GPT-3 integration and *AdWriter* product launch - Venture scale technology opportunity, backed by a sustainable recruitment business

Hiremii Limited (ASX:HMI) ("**Hiremii**" or "**the Company**") is pleased to provide its Quarterly Activities Report and Appendix 4C cashflow statement for the quarter ended 31st December 2022 (Q2 FY23). Note - these results are unaudited as at this date.

Q2 FY23 Highlights

All figures A\$ unless otherwise stated.

- Q2 FY23 quarterly revenue of \$4,596k increased significantly by 81% on the prior comparative period ("pcp") (Q2 FY22 revenue: \$2,540k). H1 FY23 half year revenue of \$9,422k increased by 144% on the pcp (H1 FY22 revenue: \$3,863k).
- 16% improvement quarter on quarter ("q-o-q") in gross margin percent to 13.5% (Q1 FY23 11.6%) with 15% achieved in the month of November due to increased permanent placements.
- Record cash receipts of \$5,433k were up 13.4% on prior quarter (Q1 FY23: \$4,789k).
- Positive net cash from operating activities of \$1,072k for the quarter after strong debtors receipts (Q1 FY23: (\$1,199k) cash used).
- Record Gross Profit of \$620,000, increasing by 10.7% q-o-q (Q1 FY23 \$560,000).
- GPT-3 artificial intelligence integrated into the Hiremii's new *Adwiter* product and approved by OpenAI.

Commenting on the achievements over the last quarter, **Managing Director, Andrew Hornby,**

"Buoyed by the continued global interest and growth of GPT-3, we gained succesful approval with OpenAI and completed integration of the GPT-3 API with our *AdWriter* product. *Adwriter* enables users in any location and any industry to draft a job advert to 80-90% accuracy in under 2 minutes, reducing administration time by over 75% while improving the quality of ads. The new product forms part of the broader Hiremii platform and provides customers an on-ramp to the larger integrated hiring platform. *AdWriter* brings a product to market at commercial scale which will funnel users to the platform.

With first mover advantage, we are at the leading edge of specialist AI for the recruitment industry.

Our recruitment subsidiary, Inverse Group, delivered another strong performance in the quarter, increasing average gross margins to 13.5% and delivering a record \$620k Gross Profit. Our continued focus on delivering low risk, high value service to the future metals and sustainable energy sectors within global ASX listed and multi-national corporates provides ongoing confidence in our ability to grow a sustainable and disciplined business. Our exposure to asset owners over the quarter increased further, particularly with Lithium and Rare Earths."

Business Activities Update

Hiremii Technology launches GPT-3 enabled AdWriter product complimenting and enhancing the Hiremii platform opportunity

Hiremii continues to build an AI driven hiring solution that enables anyone in any organisation to hire at scale. We are harnessing the advancement in AI to improve the way organisations hire, allowing their people to focus on meaningful, productive work and reduce the cost of of the process by up to 90%.

Hiremii's new *AdWriter* product harnesses OpenAI's GPT-3 to help generate unique and creative job adverts. Experienced recruitment professionals have identified job advert writing as a time consuming but important activity that is ripe for improvement in both quality and automation.

Adwriter is one of the first automated job ad writing tools in the global market, and is currently being launched on the platform at app.hiremii.com.

AdWriter is part of the platform and will be used to attract customers as part of the commercialisation drive. Customers can then use the other automation tools such as Shortlistmii to improve the efficiency of their recruitment process.

Hiremii appointed Leon Morgan as Head of Commercialisation to drive sales of the platform and enhance customer-led development, as announced on 13 December 2022. *Adwriter* is the initial focus in Q1 FY 23, with further product releases to follow.

The development program continues to build out tools that bring advanced AI capabilities to recruiting activities that are difficult and time consuming, with the objective of improving the speed and effectiveness of recruiting. Development activities in the quarter were focussed on integrating *AdWriter* into the platform and broadening the Shortlistmii capabilities based on trial feedback.

Recruiting business continues to deliver disciplined and sustainable growth, while funding and informing our Technology group

The Inverse contractor book remains strong and growing with our existing and new clients, our exposure to new energy markets including lithium developers, rare earths, hydrogen, ammonia and wind underpinning our focus on the energy transtion.

Consistent long term, low risk contracts with global tier one companies underpin a strong order book, with typical contractor duration between 6 – 12 months with a consistent number of renewals at the end of these terms.

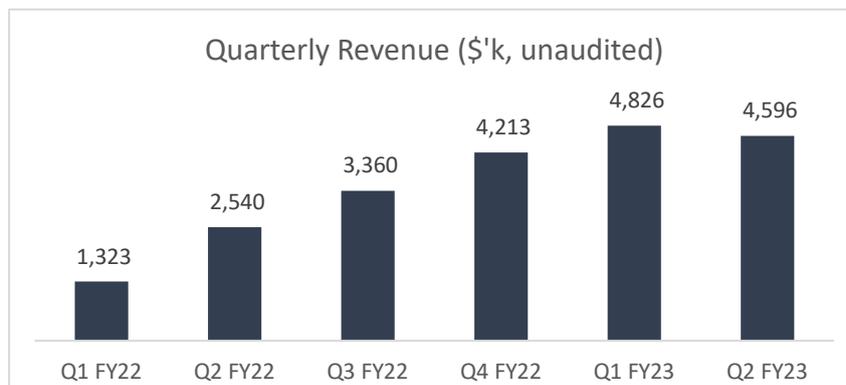
Gross margins have continued to improve on a monthly basis, with our focus on permanent placements delivering 13.5% average gross margin over the period slowed only by the seasonal effect of reduced contractor days worked during the holiday period.

We are continuing to invest in highly skilled principal consultants who provide a low risk, high reward opportunity for continued growth.

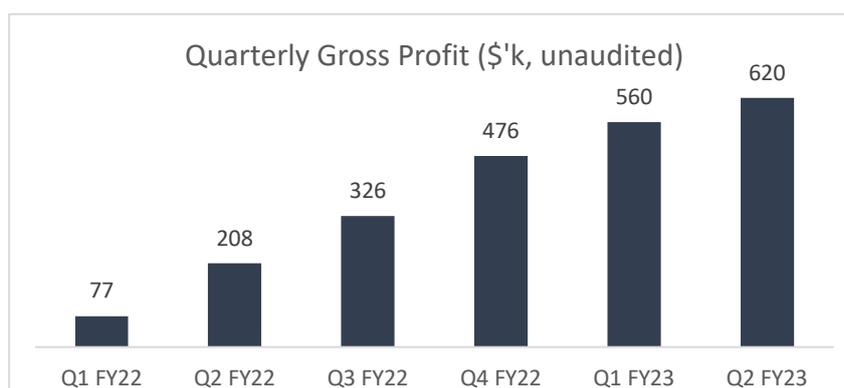
Financial Update

(Note - all financials for FY23 are unaudited)

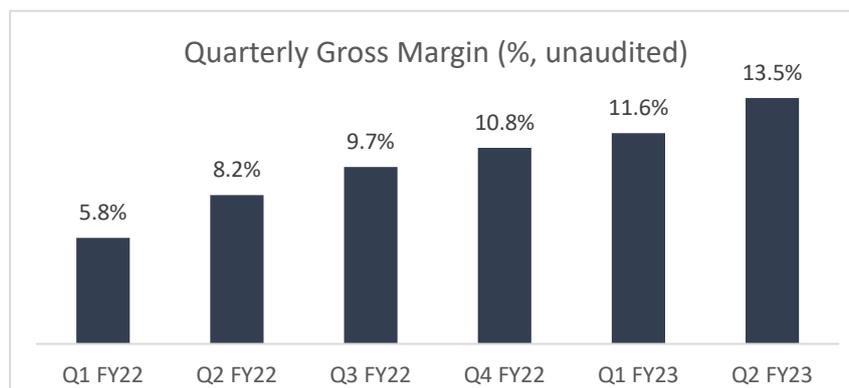
Revenue in Q2 FY23 of \$4,596k increased 81% on the pcp, driven by organic growth in candidate placements focused in future industry white collar roles. H1 FY23 half year revenue of \$9,422k increased by 144% on the pcp (H1 FY22 revenue: \$3,863k). Revenue declined q-o-q due to the seasonal impact of reduced work days invoiced for contractors as a result of holidays in December. The segment continues to show strong demand and is being addressed by our established team of seasoned recruiters.



Growth in permanent placements continued to improve the gross profit to \$620k for the quarter, a 10.7% improvement q-o-q (Q1 FY23: \$560k) and 198% increase on the pcp (Q2 FY22: \$208k).



The margin improved to 13.5% for the quarter, a 16% increase q-o-q, driven by a strong permanent placement performance.



The Company's net cash from operating activities before one offs and non-operating items totalled \$681k for the quarter versus (\$309k) cash used in Q1 FY23. The receipts from customers were improved by late receipts from customers of \$562k from Q1 FY23, delays which did not recur at the end of Q2 FY23. Before the additional debtor receipts, the net cash from operating activities before one offs and non-operating items was positive at \$119k.

Reported cash from operating activities for the quarter of \$1,072k included a once off net benefit of \$392k from a payment plan arranged with the ATO to address the effect of a change in the PAYG payment cycle to monthly from quarterly (as noted in the last quarterly report). The payment plan is in place until Q2 FY24.

Cash flows used in investing activities was \$31k for the quarter versus \$166k in Q1 FY23. Technology development investment was focused on the *AdWriter* product which is being launched in January 2023.

Cash flows used in financing activities of \$110k in the quarter related to insurance premium funding of \$42k and office leases.

Hiremii's cash balance on 31 December 2022 was \$2,057k, up from \$1,126k in Q1 FY23.

Use of Funds

Hiremii Limited was admitted to the official list of the ASX on 11 May 2021 following completion of an Initial Public Offering (IPO), raising \$6 million. A comparison of the Company's actual expenditure from the listing date to 30 September 2022 against the estimated expenditure in the use of funds statement is set out below, as required by ASX Listing Rule 4.7C.2:

Use of Funds	Prospectus (\$)	Actual Funds Expended Between Admission and 31 December 2022 (\$)	Comments
Research & Development	1,650,000	1,360,199	In line with expectation
Sales & Marketing	525,000	855,641	Recruitment staff investment was ahead of plan in prior quarters. Amounts exclude gross profits earned.
Operational Activities & Support	825,000	552,409	In line with expectation
Data Security & Compliance	260,000	288,165	In line with expectation
General & Administration	1,500,000	1,483,004	In line with expectation
Cost of the Offer	673,082	670,803	In line with expectation
Cash Reserve & Working Capital	566,918	780,468	Above expectation
Total expenditure	6,000,000	5,990,689	

Related Party Transactions

During Q2 FY23 the following payments were made to related parties as disclosed in Item 6 of Appendix 4C.

SALARIES AND SUPERANNUATION PAID TO DIRECTORS	AMOUNT
Andrew Hornby, Managing Director	\$ 74,375
Alison Gaines, Non-executive Chair	\$ 17,213
David Buckingham, Non-executive Director	\$ 13,388
Conor O'Brien, Non-executive Director	\$ -
Total	\$ 104,976

This announcement has been approved by The Board of Directors of Hiremii.

Ends

About

Hiremii Limited (ASX: HMI) is a technology-driven full-service recruitment company with two core business components; Hiremii Technology, a cloud-based platform which uses machine learning and artificial intelligence to automate and improve recruitment and onboarding processes, pre-vetting and shortlisting candidates based on employers' specific requirements, and Inverse Group, a growing recruitment business that provides specialist white collar recruitment services to the energy, resources and technology sectors.

To learn more please visit: www.hiremii.com

Investor Enquiries: info@hiremii.com

Forward looking statement

Certain information in this document refers to the intentions of Hiremii, but these are not intended to be forecasts, forward looking statements or statements about the future matters for the purposes of the Corporations Act or any other applicable law. The occurrence of the events in the future are subject to risk, uncertainties and other actions that may cause Hiremii's actual results, performance or achievements to differ from those referred to in this document. Accordingly, Hiremii and its affiliates and their directors, officers, employees and agents do not give any assurance or guarantee that the occurrence of these events referred to in the document will actually occur as contemplated.

Statements contained in this document, including but not limited to those regarding the possible or assumed future costs, performance, dividends, returns, revenue, exchange rates, potential growth of Hiremii, industry growth or other projections and any estimated company earnings are or may be forward looking statements. Forward-looking statements can generally be identified by the use of words such as 'project', 'foresee', 'plan', 'expect', 'aim', 'intend', 'anticipate', 'believe', 'estimate', 'may', 'should', 'will' or similar expressions. These statements relate to future events and expectations and as such involve known and unknown risks and significant uncertainties, many of which are outside the control of Hiremii. Actual results, performance, actions and developments of Hiremii may differ materially from those expressed or implied by the forward-looking statements in this document.

Such forward-looking statements speak only as of the date of this document. There can be no assurance that actual outcomes will not differ materially from these statements. To the maximum extent permitted by law, Hiremii and any of its affiliates and their directors, officers, employees, agents, associates and advisers:

- disclaim any obligations or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumptions;
- do not make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information in this document, or likelihood of fulfilment of any forward-looking statement or any event or results expressed or implied in any forward-looking statement; and
- disclaim all responsibility and liability for these forward-looking statements (including, without limitation, liability for negligence).



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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

HIREMII LIMITED

ABN

48 642 994 214

Quarter ended ("current quarter")

31 December 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	5,433	10,223
1.2	Payments for		
	(a) research and development	(0)	(1)
	(b) product manufacturing and operating costs	(4,060)	(8,446)
	(c) advertising and marketing	(6)	(12)
	(d) leased assets	-	-
	(e) staff costs	(553)	(1,047)
	(f) administration and corporate costs	(118)	(322)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	9	9
1.5	Interest and other costs of finance paid	(24)	(33)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other		
	Change in PAYG cycle ATO		(661)
	Tax payment plans	392	162
1.9	Net cash from / (used in) operating activities	1,072	(127)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	(138)
	(c) property, plant and equipment	(3)	(3)
	(d) investments	-	-
	(e) intellectual property	(31)	(59)
	(f) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	3	3
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(31)	(197)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5 Proceeds from borrowings	-	146
3.6 Repayment of borrowings	(110)	(151)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	(110)	(5)

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	1,126	2,386
4.2 Net cash from / (used in) operating activities (item 1.9 above)	1,072	(127)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(31)	(197)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(110)	(5)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,057	2,057

5.	Reconciliation of cash and cash equivalents	Current quarter \$A'000	Previous quarter \$A'000
	at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1	Bank balances	2,057	1,126
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,057	1,126

6	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	\$ 105
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7 Financing facilities	Total facility amount at quarter end A'000	Amount drawn at quarter end A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8 Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	1,072
8.2 Cash and cash equivalents at quarter end (item 4.6)	2,057
8.3 Unused finance facilities available at quarter end (item 7.5)	0
8.4 Total available funding (item 8.2 + item 8.3)	2,057
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 January 2023

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

Notes

- 1 This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
- 2 If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
- 3 Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
- 4 If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
- 5 If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.