

ASX: LVH MARKET RELEASE

LiveHire December Quarterly Report and Appendix 4C

21 January 2020 | Melbourne, Victoria

- Quarterly cash receipts were \$1.4 million (42% QoQ growth from September quarter). 12-month trailing cash receipts rose to \$4 million, representing 54% YoY growth.
- Annualised Recurring Revenue (ARR)¹ was \$3 million, an increase of 47% YoY (11% QoQ).
- A record 15 new clients were added, bringing total clients to 99, an increase of 55% YoY (15% QoQ).
- Continued expansion into structurally growing temporary worker/contractor recruitment space via Australian Managed Service Provider (MSP), Chandler Macleod, who is deploying LiveHire at a US\$3B ASX-listed oil and gas producing client.
- Inclusion into the world’s first SAP certified intelligent Enterprise SAP cloud technology stack to be offered in ongoing conversion over time of thousands of SAP’s on-premise customers to the cloud, via US-based systems implementer Cognitus.
- Significant product advances including four new integrations with third party HR technologies, integrations with Australian and US job boards, and major advancements to LiveHire’s unique differentiators in Artificial Intelligence (“AI”) Candidate Matching and Talent Pooling.



¹ Annualised Recurring Revenue or ARR represents contracted recurring revenue components of term subscriptions normalised to a one-year period.

For personal use only

LiveHire’s purpose and investment proposition

<p>LiveHire’s purpose is to empower the flow of the world’s talent into and through organisations. 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, aiming to provide a private and secure single source of truth of data for organisations and talent. LiveHire believes that as its ecosystem grows, the value it can deliver to organisations and candidates alike continues to grow.</p>	
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, personal and instant 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.
Architecture built for rapid scale	The way that companies recruit and share talent is rapidly changing, leading people to being comfortable using the cloud to store, manage, protect, and share their career and talent data. Through its cloud platform and unified candidate profile, LiveHire continues to build a valuable ecosystem of candidates who are able to privately connect to companies (creating a “Talent Community Connection”). This “one-click” connection to a company with a single live profile creates a highly scalable platform as well as a rich and growing live ecosystem.
Large market opportunity with significant organic growth runway	With well over US\$200 billion spent on Talent Acquisition in the United States, of which only around 2.5% is attributed to the software and platform part of the market, there is a continued trend in Talent Acquisition budgets being reallocated towards technology ¹ . Within Australia there are over 4,000 companies with over 200 FTEs ² . In the United States, there are over 60,000 companies with over 200 FTEs ³ . Based on current ARR/PC, this represents a significant addressable market of over \$2 billion.
Strong Balance Sheet for growth	LiveHire has scope to pursue organic growth both domestically and internationally.
High recurring revenue and cash conversion	LiveHire’s SaaS revenue model has generated >85% annual growth in Annualised Recurring Revenue (ARR) for the past two financial years, and 100% cash conversion, as customers pay annually in advance. Contract terms are 1 – 3 years, with a greater weighting to three-year contracts expected going forward.

1) Josh Bersin: 2019 HR Technology Market 2) Australian Bureau of Statistics (ABS) 3) North American Industry Classification System (NAICS)

Disruptive talent acquisition and engagement platform LiveHire Limited (ASX: LVH) (“LiveHire” or the “Company”) today released its Quarterly Report and Appendix 4C Cash Flow Report for the period ending 31 December 2019 (Q2 FY20).

LiveHire achieved a record 15 client wins for the quarter across a range of industries. 11 client wins were achieved by the Direct Sales team who continue to deliver encouragingly solid QoQ growth, with a further four client wins derived from channel partners. New clients from the Direct Sales team for the quarter included:

- *Zenitas Healthcare*: a leading healthcare provider operating across primary care, allied health, home care and mobile health;
- *Perth Airport*: Australia’s fourth busiest airport;
- *APT Travel Group*: Australia’s largest locally owned tour company;
- *Aruma*: the largest Not-For-Profit NDIS provider in Australia;
- *Berry Street*: one of Australia’s largest Not-For-Profit child and family services organisations

Client churn declined to 2% (2 clients), demonstrating that LiveHire’s rebalancing of its client portfolio away from smaller, less-fitted clients is drawing to a close.

LiveHire also advanced its channel partner strategy during the quarter. Developments included:

- Entry into the Australian contractor recruitment space via MSP, Chandler Macleod;
- US channel partner and SAP systems implementer, Cognitus, received SAP certification on a technology bundle that includes LiveHire. This bundled solution is made possible by LiveHire's seamless integration with SAP Success Factors; and
- In December 2019, LiveHire became an approved supplier for Coupa via the CoupaLink Program. Coupa is a US-based global technology platform for Business Spend Management with a Contingent Workforce solution to help companies better source and manage contingent workers at scale, addressing the increasing reliance by companies on temporary labour and the gig economy. Coupa clients who use LiveHire will directly source contingent labour through their own company-branded community to save money and time.

Overall, LiveHire achieved solid ARR growth for the quarter of 11%, delivered through both the Australian Direct Sales and Partner channels.

Each channel continues to build strong future pipelines, up 50% from September-end.

Cash Flow

12-month trailing cash receipts rose to \$4 million, representing 54% YoY growth. Cash receipts for the quarter were \$1.4 million (42% growth on prior quarter).

Cash outflows of \$4.99 million were in line with management's expectations and the estimate from the September 2019 Appendix 4C. Net cash used in operating activities declined from the previous two quarters.

During the quarter, continued investment in the Product Development and Technology team delivered significant advances to the platform, including:

- Adding native integrations to multiple job boards in Australia and the US to increase the talent sourcing capability of the LiveHire Applicant Tracking System ("ATS") module;
- Four new integrations with best-in-breed third party HR technology software providers (Enboarder, Xref, Revelian, TestGrid) to increase clients' HR team productivity and compliance; and
- Major advancements to LiveHire's unique differentiators in AI Candidate Matching and Talent Pooling.

Cash on hand as at 31 December 2019 was \$26.9 million and the Company remains debt-free.

For personal use only

Management Commentary & Outlook

LiveHire CEO, Christy Forest, said: *“We reached a significant milestone this quarter whereby the LiveHire platform and product capability achieved product market fit across the combined organisational objective of permanent hiring, contingent hiring, and internal staff mobility. Collectively termed ‘Total Talent Management’ we are now addressing the needs and buying decisions of HR and Procurement executives across their total workforce requirements. LiveHire uniquely enables workforce management, data and AI strategy for major enterprises and outsourced providers (MSP and RPO) who have been seeking a viable total solution. Legacy and disparate solutions have not been able to address this need, nor scale at the pace of the LiveHire platform. Legacy solutions also fall well short on the user experience and interface demanded by today’s candidates and organisations.*

LiveHire is poised for exciting growth in 2020, with our channel partners, technology partners, existing clients, and prospective clients across Australasia and North America. We are delighted to unify their total talent strategy to meet the future of candidate engagement, hiring, mobility, big data and analytics.”

Appendix – Quarterly Client Wins

New clients and channel partners (as applicable) added through the quarter in industries including healthcare, travel and retail, include the following:



For more information:

John Hurst - Investor Relations

john.hurst@teneo.com +61 418 708 663

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

www.livehire.com/investor

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

About LiveHire

LiveHire is a disruptive award-winning² talent acquisition & engagement platform that revolutionises the candidate experience and enables businesses to thrive with talent on demand. Our Talent Acquisition & Engagement platform delivers a proactive sourcing and talent mobility solution called Live Talent Communities. The platform makes managing the flow of talent into and through businesses seamless, delivering value through detailed visibility of talent, shifting recruitment from reactive to proactive, improving fit, significantly 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 and Perth.

www.livehire.com

Note to market

None of the information included in this announcement should be considered individually material, unless specifically stated. All figures in this announcement are provided on an unaudited basis.

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.

² https://drivenxdesign.com/SYD17/winners_list.asp

Appendix 4C

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

Name of entity

LiveHire Limited

ABN

59 153 266 605

Quarter ended ("current quarter")

31st December 2019

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	1,426	2,430
1.2	Payments for		
	(a) research and development		
	(b) product manufacturing and operating costs	(288)	(591)
	(c) advertising and marketing	(155)	(336)
	(d) leased assets		
	(e) staff costs	(3,363)	(6,535)
	(f) administration and corporate costs	(1,181)	(2,430)
1.3	Dividends received (see note 3)		
1.4	Interest received	105	267
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other (provide details if material)		
1.9	Net cash from / (used in) operating activities	(3,455)	(7,197)
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment	(6)	(21)
	(d) investments		
	(e) intellectual property		
	(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	31	31
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	27	13

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	3	56
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		
3.6	Repayment of borrowings		
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	3	56

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	30,310	34,013
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,455)	(7,197)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	27	13

For personal use only

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

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)	3	56
4.5	Effect of movement in exchange rates on cash held	(4)	(4)
4.6	Cash and cash equivalents at end of period	26,882	26,882

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	4,117	7,610
5.2	Call deposits	22,765	22,700
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)	26,882	30,310

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

246

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:

The above relates to payment of Directors' salaries, superannuation and fees.

For personal use only

7. Financing facilities

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.

- 7.1 Loan facilities
- 7.2 Credit standby arrangements
- 7.3 Other (please specify)
- 7.4 **Total financing facilities**

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000

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)	(3,455)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	26,882
8.3	Unused finance facilities available at quarter end (Item 7.5)	
8.4	Total available funding (Item 8.2 + Item 8.3)	26,882
8.5	Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	7.8

- 8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

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:

--

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:

--

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:

--

For personal use only

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: 21st January 2020

Authorised by: Ben Malone, Chief Financial Officer
(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.