

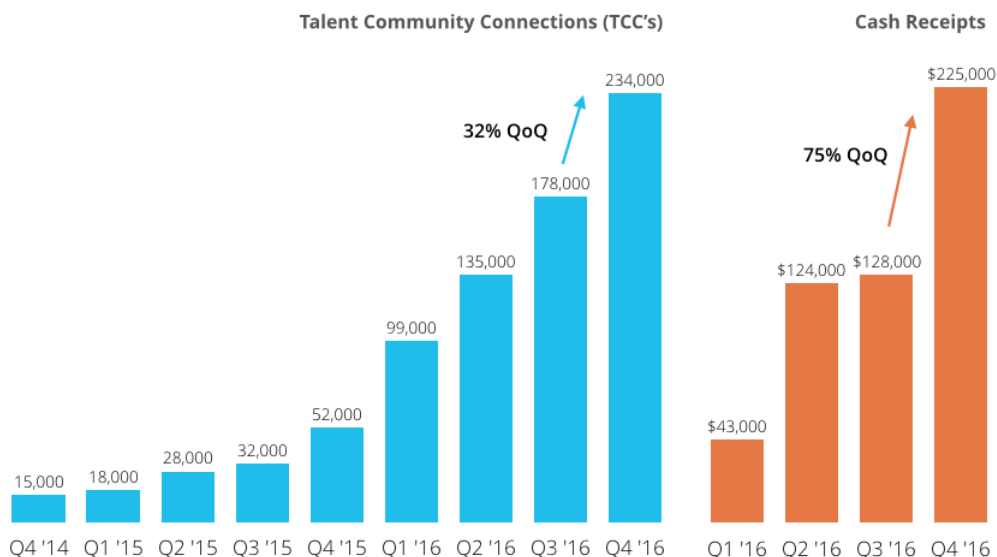
ASX Release

18 January 2017

LiveHire December Quarterly Report and Appendix 4C

December Quarter 2016 Highlights

- Talent Community Connections (**TCCs**) grew **32% QoQ to 234,000** (Q3 178,000), the 9th consecutive quarter of exponential growth (10% MoM) since launch.
- **Material growth in cash receipts up 75% QoQ to \$225,000** (Q3 \$128,000), being directly linked to continued TCC growth from existing and new clients.
- First customer led technology integration commenced with **SAP SuccessFactors**, the leading global Human Capital Management Suite, servicing over 6,000 clients.
- Launched the **LiveHire | AHRI Australian Human Resources Institute partnership**, the peak national body for HR professionals (LiveHire's key customer), endorsing and marketing the Live Talent Community platform ongoing to over 14,000 members nationally.
- **Continued to sign new clients** at a steady pace in Health Care, Aged Care, Media & Advertising, Technology, Retail, and Corporate Advisory.
- Released major product lines: **Live Talent Analytics and Live Talent Pooling**, completing the technology suite necessary for clients globally to shift from reactive to 100% proactive sourcing and recruitment.
- Company is in a strong financial position, debt free with \$7.3m cash at bank, and comfortable in achieving cash flow positive on current growth trajectory.



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Melbourne, 18th January 2017: LiveHire Limited (ASX: LVH), the Talent Community platform providing a cloud-based hiring productivity tool for companies and candidates, is pleased to release its December Quarterly Report and Cash Flow report for the period ending 31 December 2016.

"The LiveHire Ecosystem continues to scale at an exciting and disruptive pace. Talent Community Connections continue to grow exponentially, and most importantly, existing and new clients continue to realise significant return on investment when flipping from reactive to proactive recruitment.

We are now well positioned to scale the Live Talent Ecosystem even faster in 2017, with several transformational and international opportunities on the near-term horizon. LiveHire's first mover advantage and global market opportunity for Live Talent Communities remains enormous and untapped.

LiveHire's Customer Success team has done a fantastic job to support our major Cornerstone clients in expanding their Talent Community operations across their organisations. Our Development team has worked around the clock to release and evolve what we believe are the most significant developments in proactive hiring technology to date, globally.

We thank you for your continued support for LVH in helping to create a world that works."

Gigi Gozzi & Mike Haywood – Founders – LiveHire.

Looking Forward

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

- Launch of Live Talent Communities with **increasingly larger clients** nationally to drive significant new talent profile registrations.
- Continue to launch Talent Communities to **clusters of companies** in the same industry to drive further TCC growth and network effect.
- Implement with **RPO partners globally** to drive international scale.
- Continue to build out the **Technology Partner Ecosystem** to increase the functionality and offering to clients globally.
- **Integrate with major global** Human Capital Management System vendors to service the largest enterprises.
- Continually develop and evolve the Live Talent Community product to **maintain first mover advantage** and client advocacy.
- **Investing in Client Success** to help Talent Community customers implement and grow their Talent Communities fast to realise productivity gains and ROI.

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Talent Community Connections (TCCs) grew by 32% to 234,000

TCCs grew exponentially for the 9th consecutive quarter since product launch, at a rate of 10% month-on-month.

A TCC is generated when a LiveHire user chooses to privately create or connect their existing LiveHire Talent Profile to a company's Live Talent Community. That user can choose to privately connect their one profile with any number of different companies that use the LiveHire Talent Community platform for candidate communication and hiring, generating multiple TCCs (and monthly hosting fees).

Importantly, more than 50% of TCC growth this quarter came through the expansion of existing clients' Talent Communities, indicating strong and increasing adoption and usage by existing clients. The proactive recruitment model enabled by the LiveHire Talent Community Ecosystem continues to deliver significant time and cost to hire savings to clients, with significant improvements in quality of hire over the traditional and inefficient reactive recruitment model and Applicant Tracking Systems (ATS).

LiveHire has not yet begun to actively spread existing talent profiles across Talent Communities, a focus that will increase through 2017 as LiveHire increases its penetration in major industries, providing continued predictability and acceleration of LiveHire's growth of TCCs and revenue at close to zero customer (user) acquisition cost (CAC).

The LiveHire platform is now entering an exciting stage of growth and adoption across a broad number of industries. New client adoption continues to accelerate on the back of existing client success, advocacy, and proven (5x-10x) ROI.

Continued technology development in 2017 will see a focus on growing new and existing Talent Communities, further strengthening the LiveHire Ecosystem and compounding TCCs.

Cash receipts for the quarter grew by 75% to \$225,000

LiveHire's cash receipts for the quarter grew from \$128,000 to \$225,000 (+75%). TCC growth is the lead indicator for revenue growth, and as such, LiveHire's focus is very much on continued exponential TCC growth in 2017 and beyond.

Revenue growth this quarter came in a significant part from the development and expansion of existing Cornerstone Clients who have now fully established their Private Talent Communities, successfully integrating proactive sourcing into their internal

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processes and procedures, and completed the 'ramp-up' phase of their LiveHire commercial service agreements.

The LiveHire Customer Success team is dedicated to ensuring new clients achieve rapid improvements in their HR operations and productivity, post implementation, with the goal of quickly expanding their Talent Community across 100% of hires in their organisation.

LiveHire's exponential TCC growth from existing and new clients again this quarter provides further proof that the LiveHire model can permanently disrupt the traditional reactive recruitment model and supporting technologies.

LiveHire's strategic pillars of TCC growth

LiveHire's delivery against its three strategic TCC growth pillars continues to remain strong and on track.

Cornerstone clients

LiveHire's inside sales team continued to deliver wins during the quarter to the 60% of medium to large companies that employ their own in-house recruitment teams, signing and launching Talent Communities for companies operating in Health Care, Aged Care, Retail Fashion, Media and Advertising, Corporate Advisory, and Technology.

Importantly, LiveHire continues to successfully sell into divisions of large enterprises initially, then expand across organisation on the back of delivering proof of ROI (time to hire, cost to hire, quality of hire, and candidate experience). Notably:

Japara Healthcare, one of Australia's largest private sector aged care and retirement enterprises, adopted the LiveHire Talent Community platform with a phase 1 launch in Tasmania.

Amana Living, the largest aged care provider in Western Australia, launched their Live Talent Community organisation-wide.

General Pants Co. proved to be an extremely strong case study of success for LiveHire in the retail space, delivering significant improvements to candidate experience for 560 hires this quarter (25% growth from previous year) in six weeks (66% reduction on 18 weeks the previous year), and a 72% reduction in direct costs by eliminating 100% of paid

employee trials, job board advertising, and instant replacement of their previous ATS technology.

KPMG initially launched their Live Talent Community in their Enterprise division earlier in 2016, representing 10% of their annual hires. KPMG are now in the process of expanding their Talent Community portal across Deal Advisory and Management Consulting, collectively representing over 60% of their annual hires within Australia. Continued TCC growth is expected throughout 2017.

Alfred Health, the largest public hospital in Victoria with 8,500 employees, initially launched their Live Talent Community in 2016 across 40% of their annual hires. Alfred Health approved the expansion of their LiveHire Talent Community this quarter across 100% of their annual hires, displacing their incumbent ATS and integrating with SAP SuccessFactors, the world's leading Human Capital Management Suite, servicing over 6,000 clients globally. This major milestone is discussed separately later. Further TCC growth is expected early in Q2 2017.

Telstra Health

The Telstra Health Talent Community was launched in September 2016, with Q4 2016 focused on forming their internal Talent Community operations team and marketing approach. TCC growth, already in the thousands, is expected to ramp up further in Q1 2017.

Future Cornerstone Client Pipeline

LiveHire is currently engaged in advanced discussions and tenders with specific ASX25 companies and is confident of securing the first ASX25 Live Talent Community for implementation in 2017. A successful implementation with an ASX25 company is expected to provide a major step change in TCC growth for the Company, with the potential to invite millions of talent profiles to the LiveHire ecosystem, and providing a strong endorsement of the LiveHire's Talent Community platform to the largest enterprises in Australia.

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RPO channel partner program

Recruitment Processing Outsourcing (RPO) firms service 40% of medium-to-large organisations globally who choose to outsource their recruitment function. This is a major international growth channel for LiveHire.

LiveHire's first RPO partner, Randstad Sourceright (RSR), is scoping its next implementations, planned for the international markets, with first implementations expected H1 2017.

LiveHire is additionally engaged with four global RPO providers that have included the LiveHire platform as their supporting technology in proposals both nationally and internationally.

LiveHire is focused on achieving successful implementations with RPO providers, with fast results and proven return on investment (ROI). It is expected that this will be a significant catalyst for accelerated growth and international scale in 2017.

Technology Integrations

LiveHire is uniquely positioned as the trusted and central point for candidates to manage their career data live and share privately with multiple employers. As such, LiveHire becomes the central point of a Live Talent Ecosystem, where **Technology Partners** integrate with LiveHire APIs to offer additional employment SaaS functionality to LiveHire Talent Community clients, whilst expanding LiveHire's effective sales network and new client pipeline.

The LiveHire Development team made good progress with API integrations that were established during the quarter. These included: FlareHR, backed by Westpac Reinventure fund (on-boarding candidates), Sonru (video interviewing for candidates and recruiters) and Calendly (interview time management for candidates and recruiters).

LiveHire is accelerating its HR Technology Partner Ecosystem, and foresees increasing demand from large enterprise for best in breed, integrated HR tech solutions over single platforms.

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SAP Success Factors

A major milestone for the Company during the quarter was the signing and commencement of a customer led API integration with SAP SuccessFactors platform. SAP SuccessFactors is the leading Human Capital Management Suite globally, with over 6,000 customers.

Our first integration with SAP SuccessFactors in Australia represents a major milestone towards the consistent adoption of LiveHire Talent Community technology by large enterprise clients, supporting LiveHire’s local and global growth strategy.

The LiveHire ecosystem sits in a whole new category



AHRI Commercial Partnership

LiveHire partnered with the Australian Human Resources Institute (AHRI), the peak national body representing 14,000+ HR and people management professionals.

The partnership’s objective is to educate AHRI members (LiveHire’s key customer) on the benefits of Live Talent Communities for their own organisations, whilst providing members with their own private LiveHire talent profile, and quarterly industry reports using holistic data gathered from AHRI’s own Talent Community.

The AHRI LiveHire partnership is expected to continue to drive accelerated Talent Community sales demand through 2017 at a low customer acquisition cost.

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Ongoing Technology Enhancements

The LiveHire technology continued to evolve at a rapid pace during the quarter with the development and release of Live Talent Pooling and Live Talent Analytics.

Live Talent Pooling allows a company to set up, organise, visualise, and automate talent pools within their Talent Community for every role in the organisation. Clients set targets around size of Talent Pools, with LiveHire's artificial intelligence (AI) suggesting candidates for each Talent Pool ongoing, and machine learning evolves suggestions over time based on the client's actions. Live Talent Pools are underpinned by the LiveHire Ecosystems ability to keep candidate data and availability fresh, which is a world first.

Live Talent Analytics provides real-time, contextual and insightful feeds and reports on recruiter and candidate activity. The analytics allows organisations to be on top of the optimum size of its Talent Community and Talent Pools, whilst accurately observing candidate experience and flow. Importantly to demonstrate ROI, the Live Talent Analytics also assists in reporting time and cost to hire savings on an on-going basis as the Talent Community and usage grows.

For more information:

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About LiveHire

LiveHire is a productivity and collaboration platform for talent management that delivers a proactive sourcing and internal mobility solution called Live Talent Communities. The platform makes managing the flow of talent into and through businesses seamless, delivering value through perfect visibility of existing employees, and shifting recruitment of new talent from reactive to proactive, 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, Brisbane and Perth.

www.livehire.com

www.livehire.com/investor

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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:

1. 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
2. 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 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.

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Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Livehire Ltd

ABN

59 153 266 605

Quarter ended ("current quarter")

31 December 2016

| 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 | 225 | 353 |
| 1.2 Payments for | | |
| (a) staff costs | (1,546) | (2,453) |
| (b) advertising and marketing | (101) | (200) |
| (c) research and development | (67) | (210) |
| (d) leased assets | - | - |
| (e) administration and corporate costs | (148) | (375) |
| 1.3 Dividends received (see note 3) | | |
| 1.4 Interest received | | |
| 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 | (1,637) | (2,885) |

| | | |
|--|-----|-----|
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire: | | |
| (a) property, plant and equipment | (3) | (3) |
| (b) businesses (see item 10) | | |
| (c) investments | | |
| (d) intellectual property | | |
| (e) other non-current assets | | |

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| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|---|----------------------------|---------------------------------------|
| 2.2 Proceeds from disposal of: | | |
| (a) property, plant and equipment | | |
| (b) businesses (see item 10) | | |
| (c) investments | | |
| (d) intellectual property | | |
| (e) 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 | (3) | (3) |

| | | |
|---|----------|--------------|
| 3. Cash flows from financing activities | | |
| 3.1 Proceeds from issues of shares | | |
| 3.2 Proceeds from issue of convertible notes | | |
| 3.3 Proceeds from exercise of share options | | |
| 3.4 Transaction costs related to issues of shares, convertible notes or options | | |
| 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 – IPO Transaction Costs | - | (258) |
| 3.10 Net cash from / (used in) financing activities | - | (258) |

| | | |
|---|---------|---------|
| 4. Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 Cash and cash equivalents at beginning of quarter/year to date | 8,937 | 10,443 |
| 4.2 Net cash from / (used in) operating activities (item 1.9 above) | (1,637) | (2,885) |
| 4.3 Net cash from / (used in) investing activities (item 2.6 above) | (3) | (3) |
| 4.4 Net cash from / (used in) financing activities (item 3.10 above) | - | (258) |

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| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|---|--|------------------------------------|--|
| 4.5 | Effect of movement in exchange rates on cash held | | |
| 4.6 | Cash and cash equivalents at end of quarter | 7,297 | 7,297 |

| 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 | 261 | 87 |
| 5.2 | Call deposits | 7,001 | 8,797 |
| 5.3 | Bank overdrafts | - | - |
| 5.4 | Other – Deposits for Bank Guarantees | 35 | 53 |
| 5.5 | Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 7,297 | 8,937 |

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

168

Payment of Directors salaries/fees of \$168k

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

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8. Financing facilities available

Add notes as necessary for an understanding of the position

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

8.1 Loan facilities

8.2 Credit standby arrangements

8.3 Other (please specify)

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

| | |
|--|--|
| | |
|--|--|

9. Estimated cash outflows for next quarter

\$A'000

| | | |
|------------|---|--------------|
| 9.1 | Research and development | (70) |
| 9.2 | Product manufacturing and operating costs | |
| 9.3 | Advertising and marketing | (100) |
| 9.4 | Leased assets | |
| 9.5 | Staff costs | (1,150) |
| 9.6 | Administration and corporate costs | (530) |
| 9.7 | Other (provide details if material) | |
| 9.8 | Total estimated cash outflows | 1,850 |

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)

Acquisitions

Disposals

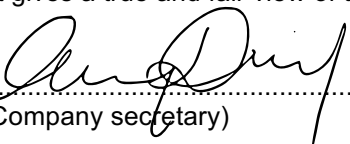
| | | | |
|------|---|--|--|
| 10.1 | Name of entity | | |
| 10.2 | Place of incorporation or registration | | |
| 10.3 | Consideration for acquisition or disposal | | |
| 10.4 | Total net assets | | |
| 10.5 | Nature of business | | |

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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.

Sign here:


.....
(Company secretary)

Date: 18 January 2017

Print name: Charly Duffy

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.