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LiveHire (ASX:LVH) Quarterly Activities Report: Q2 2024

30 January 2024

Webinar to be scheduled for Tuesday the 6th of February, 10am to 11am (AEDT).

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Empowering the flow of the world's talent

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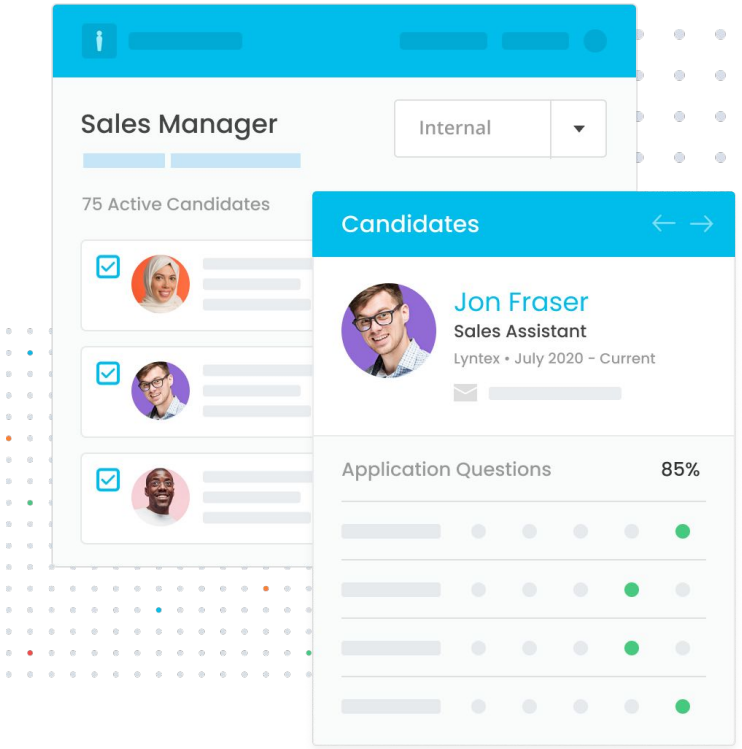
Strategic Reset Gaining Traction



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We continue to gain momentum in our key initiatives to accelerate to break even

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Conserve liquidity through rigorous cost reductions.

- Q2 positive Net Operating Cashflow [2] of $0.8m includes R&D refund of $1.4m.
- Continued reduction in cost base[1] from an annualised run rate of ~$22m in Q223 to ~$13m in Q224.

~42% ⇩
reduction in operating outflows[1] since Q223

Focus on partners and clients who fit ideal profile to maximise return.

- Existing direct sourcing client, Enbridge, demonstrating direct sourcing product fit.
- New TAPFIN direct sourcing client, a Fortune 100 global medical device and healthcare company, launched within just 3 weeks of contract signing.

38% ⇧
Of contingent hires at Enbridge sourced through LiveHire

Review capital structure and ownership.

- Secured additional funding to provide additional headroom and financial agility in the current economic cycle.

6.6m ⇧
Closing cash in Dec '23
~$3m funding from Lighter Capital

1 Operating payments as per the 1.2 Payments in Appendix 4C
2 Net operating cash movement (inc, R&D funds).

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Highlights from the Quarter

LiveHire: Q2 24 Highlights

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1. Closing cash balance for the quarter of $6.6m; achieving first ever positive net operating cashflow in quarter of $0.8m and net operating cashburn (exc, R&D)[1] ($0.5m) in Q2 24 (slide 8).

2. LiveHire again passes third party due diligence securing additional funding of ~$3m from Lighter Capital.

3. LiveHire Direct Sourcing catches stride in ramping of Ideal Client Profile (ICP) clients; F100 global medical device and healthcare company win, launched within 3 weeks of contract signing. (slides 10 and 11).

4. LiveHire SaaS business delivers a strong sales quarter which was offset by planned churn in Q2 24 (refer to slide 15).

5. LiveHire successfully completed its Beeline integration and now has 4 SAP FieldGlass clients fully integrated. (refer to slide 17).

[1] Net operating cashburn - reflects operating cashburn (excludes govt subsidies such as R&D refunds and interest)

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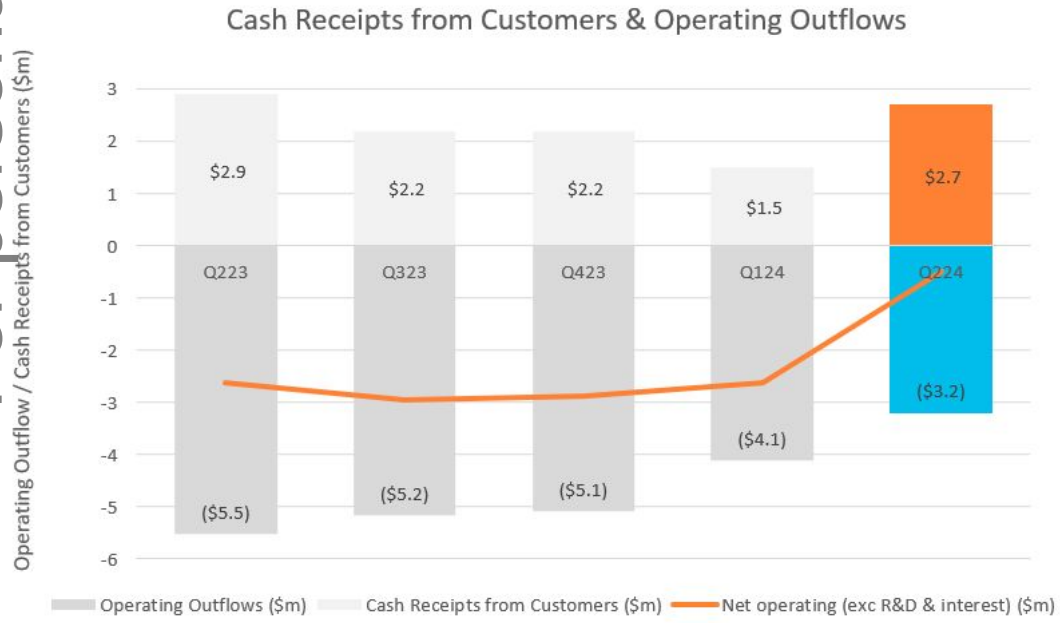
Cash Performance

Q2 net operating cash flow (exc R&D & interest) down to ($0.5m) in line with plan

Cash Performance	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	YOY
Cash Receipts from Customers ($m) *(App. 4C 1.1)*	$2.949	$2.209	$2.184	$1.524	$2.663	(10%)
Operating Outflows ($m) *(App. 4C 1.2)*	($5.533)	($5.167)	($5.090)	($4.119)	($3.198)	42%
Net Operating Cash Flow (exc R&D & interest) ($m)	**($2.584)**	**($2.958)**	**($2.906)**	**($2.595)**	**($0.535)**	**79%**
Operating Cash Flow ($m)[1]	($2.533)	($2.171)	($3.554)	($2.569)	$0.831	133%
Total Cash Flow ($m)	($2.695)	($2.299)	($3.439)[2]	($1.579)	$2.691[3]	200%
Closing Cash ($m)	**$11.200**	**$8.901**	**$5.462**	**$3.883**	**$6.574**	**(41%)**



Operating cash flow shows substantial improvement:

- ✓ Net operating cashburn (exc R&D and interest) for Q2 24 of ($0.5m) down ~80% from ($2.6m) in Q1 24:
  - ✓ Strong cash receipts quarter of $2.7m due to improved collection and large client 3 year upfront payment ~$0.5m.
  - ✓ Operating outflows down 42% over prior year as cost base continues to settle post restructuring.
  - ✓ R&D funds received from ATO (~$1.4m) in Q2 24.
  - ✓ After R&D and interest, an **operating cash positive result of $0.8m achieved.**

- ✓ Funding arrangements entered into in Q2 24 resulted in a total net cash increase of $2.7m to reach a **closing cash balance of $6.6m**:
  - ✓ Secured debt funding for ~$2.9m with Lighter Capital through two tranches (refer to Appendix for payment schedule - slide 23). Related transaction costs (~$60k) to be paid in Q3 24.
  - ✓ R&D financing funds repaid to Radium Capital (~$1.0m).
  - ✓ Net cash inflow from financing activities of $1.8m.

[1] Operating Cash Flow - reflects Net Cash from Operating Activities as per the Appendix 4C (this includes govt subsidies such as R&D refunds)
[2] Total cash flow for Q4 23 includes ~$1m+ in restructuring costs and acquisition costs for Arrived.
[3] Total cash inflow for Q2 24 includes $2.9m in debt funding through Lighter Capital loan arrangement. Refer 21/12/23 ASX announcement for details.

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Direct Sourcing Business Performance

QoQ growth 20% due to focus on high-return clients

Contingent Hiring	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	YOY
Closing Clients	24	25	12	10	11	(54%)
Revenue ($m) (Transactional)	$0.386	$0.342	$0.348	$0.168	$0.202	(48%)
Avg Revenue per Client ($m)	$0.016	$0.014	$0.029	$0.017	$0.018	13%

Focus from Jul-23 on high returning clients and exit of IMG, leading to healthy 20% growth QoQ on stable portfolio.

Direct Sourcing focused on ramping revenue in key strategic clients and quick client implementation of new client:

- ✓ Revenue increased by 20% QoQ to $0.2m for Q2 24, driven by the improvement in placement numbers at the key strategic clients.
- ✓ New Super size[1] TAPFIN client, a Fortune 100 global medical device and health care company signed in Nov 23. Onboarding accelerated with go-live on the LiveHire platform in record time. New client is an SAP Fieldglass client, continuing to strengthen that partnership and show momentum.
- ✓ Ramping Revenue: Three key strategic clients (Fortune 100 global sports manufacturer & retailer, Fortune 100 global oil & gas client, and Major global oil & gas company) in "pay per placement" model have seen continued growth in placement numbers and positive trendline in placements to positions (program penetration). (refer to slide 11)
- ✓ 85% of our mid-late stage sales pipeline[2] is aligned to strategic partners who fit our ideal profile.

[1] Refer to Appendix for definition of tiering for Direct Sourcing.

[2] There is no guarantee that the pipeline opportunities will result in binding contracts or material revenue for the company.

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Cornerstone Clients on 'per placement' revenue model increased number of placements by 81%

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Key Insights:

- Increase in starts comes off the back of strong progress in offers from late Q1 and Q2 24 and has resulted in 241% increase in revenue across the key clients from Q1 24.
- Decrease in hiring activity is normal leading up to and around holiday season in December, therefore positions to work have largely stayed consistent rather than increased on Q1 24.

Consolidation of metrics for 3 key clients[1] QoQ:

Consolidated Metrics	Q1 24	Q2 24	% Var
Positions	256	256	0%
Submissions	1,251	1,222	(2%)
Interviews	240	265	10%
Offers	44	47	8%
Offers to Positions (%)	17%	18%	9%
Starts	**27**	**49**	**81%**

3 Key Clients as referenced in previous ASX releases:

Fortune 100 global sports manufacturer & retailer launched on the 6th of February 2023.
Fortune 100 global oil & gas client launched on the 6th March 2023.
Major oil & gas company launched 25th June 2023.

Excludes Enbridge which is an annual subscription.

Key trends of success metrics:

✓ Offers as a % of positions has steadied at 18% in Q2 24 v 17% in Q1 24, a slight improvement in program penetration and placement conversion - this is the most important indicator for revenue ramping.

✓ Underlying success metrics that lead to placements and revenue are up:
- Interviews up 10% to 265 in Q2 24, from 240 in Q1 24.
- Offers up 8% to 47 in Q2 24, from 44 in Q1 24.
- Starts up 81% to 49 in Q2 24, from 27 in Q1 24.

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[1] 3 key clients as referenced in previous ASX releases (refer to above).

Note: The information included on this slide is sourced from internal reporting systems of LiveHire.

Enbridge's Journey to Successful Contingent Direct Sourcing

Enbridge Inc. is a multinational pipeline and energy company headquartered in Alberta, Canada.

Opportunity

- Leverage the strength of the brand to enhance the quality and speed of hires, while also reducing costs and delivering world-class outcomes for hiring managers.
- Integrate LiveHire with their vendor management system (VMS), SAP Fieldglass
- Craft a well-organized plan that established a robust and synergistic combination of payrolling, technology and curation.

Outcomes

Enbridge has successfully built a private talent community with over 11,000 candidates, with 8,000 of these candidates joining organically, indicating the strong appeal of Enbridge's brand and its ability to attract talent.

Since launching the initiative, they've achieved impressive results, including rapidly expanding the candidate base and sourcing 38% of their placements. This success highlights the effectiveness of branded talent communities in securing quality hires.

Our results

11,000
Candidates in the Enbridge talent community

21%
Approx. cost savings against market rates compared to traditionally sourced workers

38%
Of contingent hires are directly sourced through the program

7 minute
SMS response time from Enbridge candidates to recruiter

"Our outsourced curation team has hit the ground running, utilizing LiveHire and creating a huge candidate pool. It's been very successful and the numbers have been astounding."

Eric Osterhout
Senior Specialist, Category Management -Contingent Labor, Enbridge.

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SaaS Business Performance

SaaS: we introduced 9 new clients in the quarter, including 2 SAP integrations

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Why do clients choose LiveHire?

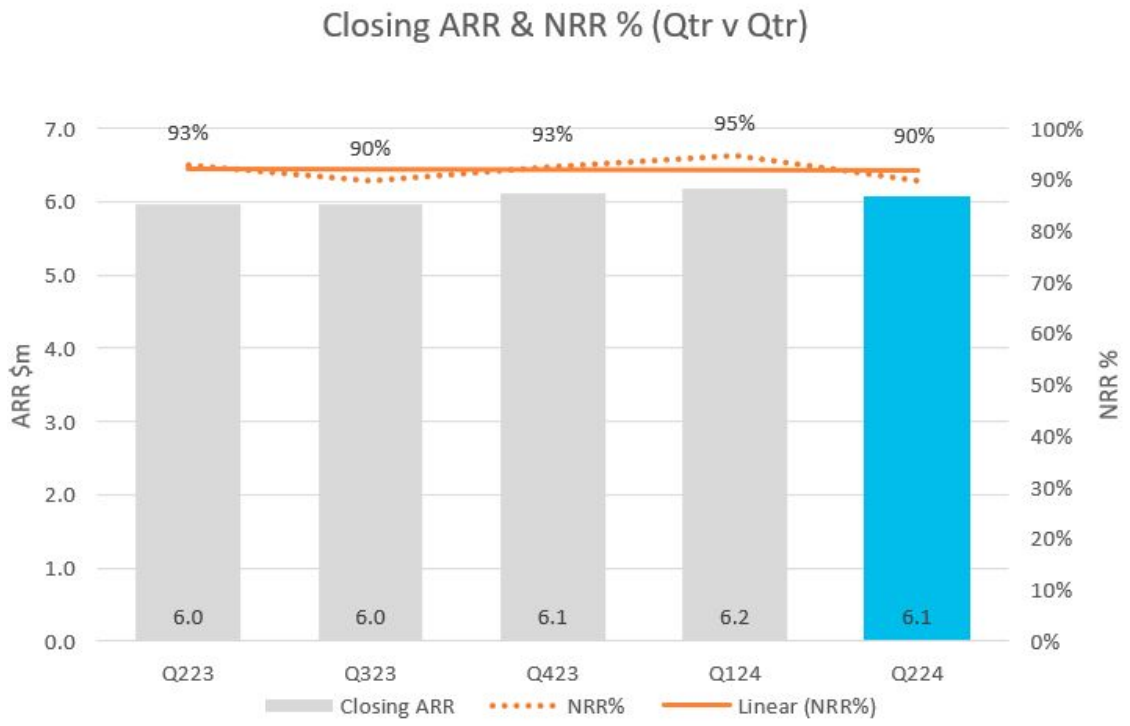
We chose Livehire because we believe that they can really make a difference to our business.

Steve Horn

L&D Manager, LaserBond

Strong SaaS sales quarter offset by expected Q2 churn in challenging market

Permanent Hiring	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	YOY
Closing Clients	179	179	185	183	184	3%
Closing ARR[1] ($m) (Annualised)	$5.956	$5.966	$6.121	$6.189	$6.074	2%
NRR rate % (Rolling 12mths)	93%	90%	93%	95%	90%	(3%)



Focus on larger price point deals through SAP coming to fruition, anticipated Q2 North America churn offsets this:

- ✓ Closing ARR for Q2 24 of $6.1m, down 2% on Q1 24, and up 2% YoY.
- ✓ Client revenue retention suffered from expected churn of the final IMG subsidiary exit, a NA SaaS client - NRR% rolling 12mths of 90%, down 5% on Q1 24.
- ✓ Normalised SaaS metrics excluding IMG subsidiary exit:
  - ARR growth of 2% up from Q1 24.
  - NRR% rolling 12mths of 93%.
- ✓ 184 total clients, added 9 new clients (including two SAP clients at high price points), 8 losses in quarter. Client feedback to LiveHire conveys challenges with recent economic conditions.
- ✓ 104 client opportunities (v 115 in Q1 24); 18 at proposal stage (v 23 in Q1 24) with significantly higher price points than existing client average, via growing partnership with SAP.

[1] Closing ARR includes the movement in foreign exchange rate for APAC SaaS clients who are contracted in foreign currency.

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Business insights and the market opportunity

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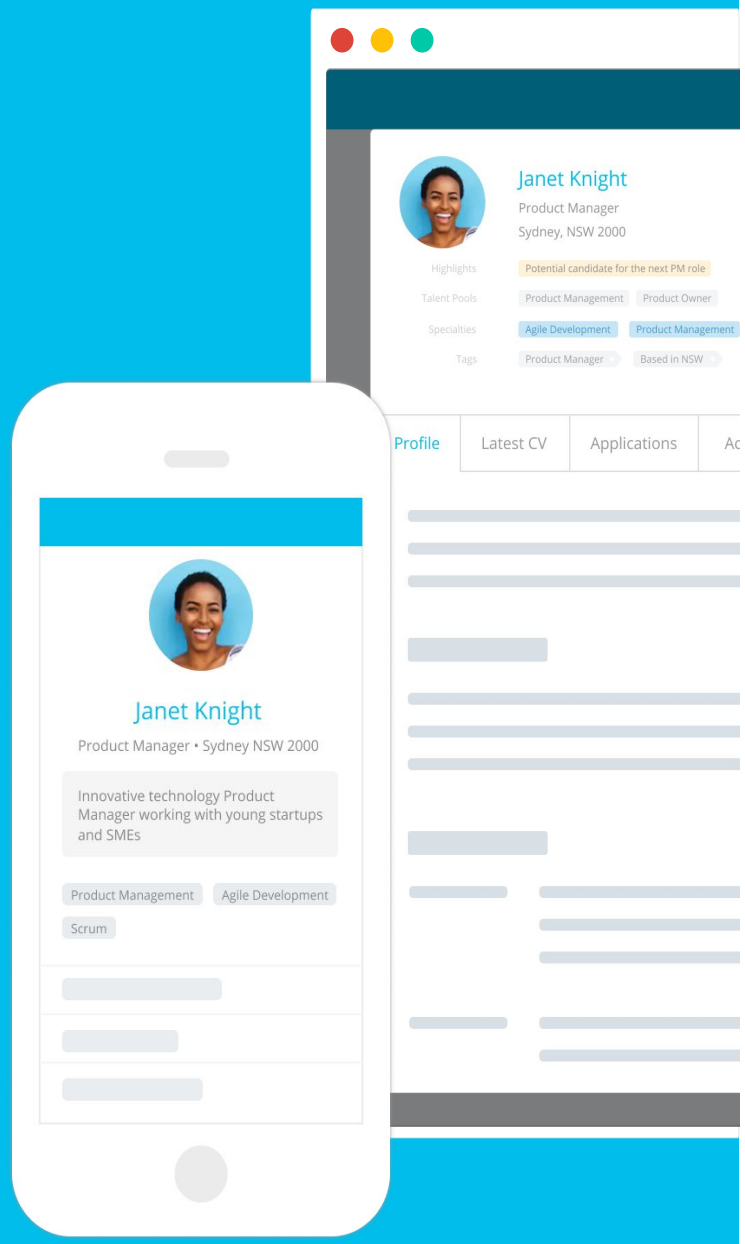

Product and Technology Updates

The focus in Q2 has been to drive recruiter productivity and candidate engagement, complete major partner integration projects, and pilot new resourcing models that will support CY 2024 strategic roadmap priorities including AI.

NPS scores for the quarter remain solidly in positive territory, reflecting continued customer loyalty. Scores are derived from surveys of current customers measured on a scale of -100 to +100. From the most recent survey, "*it's really exciting to be a part of LiveHire, it is a very useful product*"

Significant progress across partner integrations:

- **Beeline VMS integration completed with scheduled go-live with major client in early Feb,**
- **Fieldglass VMS integrations in production with core functionality with four clients.**
- **Multiple additional integrations either enhanced or added to our partner ecosystem, such as HumanForce.**

Development team released 11 new features and 32 feature uplifts for the quarter:

- **Nine of the eleven new features increase recruiter productivity, including more granular search and filter options, increasing candidate sourcing and engagement velocity.**
- **Two new features and eight feature uplifts support 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.**
- **Eight feature uplifts enhanced 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:

- **Promote the use of Generative AI through "LiveAI", LiveHire's new AI Assistant, to help recruiters quickly deliver high-value, personalized engagement experiences with candidates all the way from initial sourcing to offer.**
- **Expand our current use of AI models to better match candidates to all kinds of roles, including those that are traditionally hard to fill.**

Partner News

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The SAP partnership continues to strengthen. During this quarter we signed 3 new SAP deals (2 in Australia with SAP SuccessFactors and 1 direct sourcing in the US with SAP Fieldglass. That brings our total to 8 SAP SuccessFactors deals and 4 SAP Fieldglass deals.

In November TAPFIN and LiveHire announced the signing of our third joint account - a Fortune 100 medical device and healthcare leader. This new client has approximately US$700 million in contingent labor total spend. Click here to view the media release.

LiveHire announced our new integration with Beeline's Extended Workforce Platform in November. This strategic partnership combines LiveHire's talent sourcing and engagement capabilities with Beeline's powerful vendor management system (VMS). Click here to view the media release.

LiveHire's Addressable Market & Current Progress

	Direct Sourcing market	SaaS market
	Contingent hiring sold to procurement/finance	**Permanent hiring sold to HR**
Competitive value proposition	• Disintermediate the ~20%[5] mark-ups paid on temporary employees • Reducing mark-ups to realise savings • Plus faster, better hires	By creating a pre-existing talent community clients can*: • Reduce time to hire from 25 days to 7 days • Increase recruiter efficiency with AI from 50 to 3 candidates • Reduce per hire cost from $5,800 to $2,500 (*Vodafone client example)
Market Focus	North America	Australia & New Zealand
Estimated size of market	• $US80b+[1] spend in the US on MSPs • LiveHire's fee @ 1-2% could indicate an $US800m+ TAM	• 4,000 companies[2] • $100m potential tech spend • Large, medium, small
Go to market	Via partners who have a strong financial incentive to introduce to sell the solution to their clients	Direct sales force
Current consolidated position	7 Strategic Partners (IPP) (as at Dec 2023) 11 clients Examples of clients: Allstate, Enbridge[4]	184 clients (as at Dec 2023) Example of clients: Komatsu, Jemena, Serco, Kinetic

[1]MSP Global Landscape Summary 2020: $US86B MSP in US in 2019, LVH assumes technology costs of 1-2%. [2]ABS Counts of Australian Businesses, including Entries and Exits 2020, 4,160 companies with 200+ employees
[3] Data provided by ContactAffix as at March 2020, referencing NZ companies with 250+FTE [4]The Ian Martin Group managing the student contract program for Enbridge Inc. [5] https://www.headcountmgmt.com/everything-but-staffing

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Influencing the market globally

A snapshot of events and content released this quarter

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Australia
New Zealand
North America

To promote the launch of LiveOnboard we hosted a webinar with international business thought leader and author David Burkus.

Improve Intake Meetings webinar with international speaker and thought leader Barbara Bruno for ANZ audience

International social recruiting expert Joel Lalgee was the guest speaker at our October Mastering Social Recruiting webinar.

LiveHire's CPTO Jennifer Byrne participated in the Talent Belt's Direct Sourcing Forum Fall Webinar: An Insider's Guide to Artificial Intelligence

Joint webinar with TAPFIN the topic was 5 Truths Behind Direct Sourcing.

LiveHire sponsored the Club VMSA Vision West event and Karen Gonzalez presented a session titled Direct Sourcing- Everything you need to know before launching

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Appendices

Appendix 4C - Breakdown of Cash Outflows relating to Operating Activities

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Breakdown of Cash Outflows	Q1 24 ($A'000)	Q2 24 ($A'000)	YTD ($A'000)
1. Cash outflows from operating activities:			
1.2 Payments for:			
(a) Research & development	$0	$0	$0
(b) Product manufacturing & operating costs	($475)	($522)	($997)
(c) Advertising & marketing	($153)	($53)	($206)
(d) Leased assets	$0	$0	$0
(e) Staff costs	($2,608)	($2,084)	($4,692)
(f) Administration & corporate costs	($882)	($539)	($1,421)
Total cash outflows from operating activities	**($4,118)**	**($3,198)**	**($7,316)**

Related Party Payments of $130k for Q2 24 include amounts relating to executive Directors salaries and NED fees.

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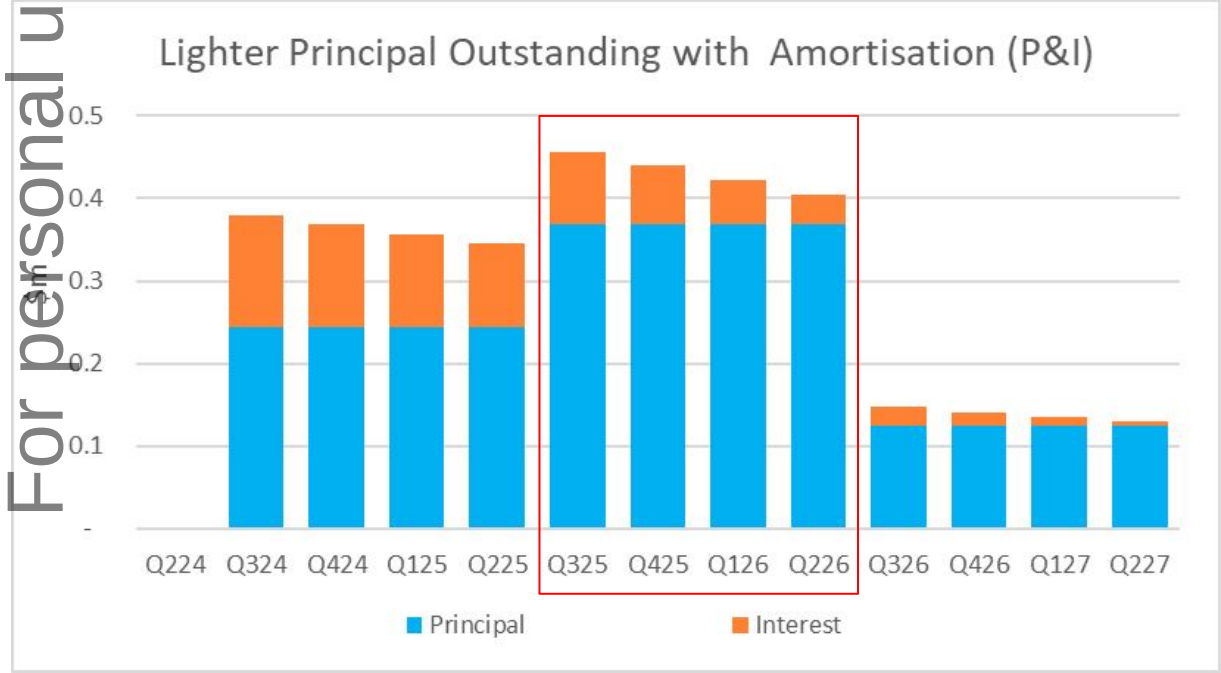
Lighter Capital Amortisation Schedule: Principal and Interest & Outstanding Balance

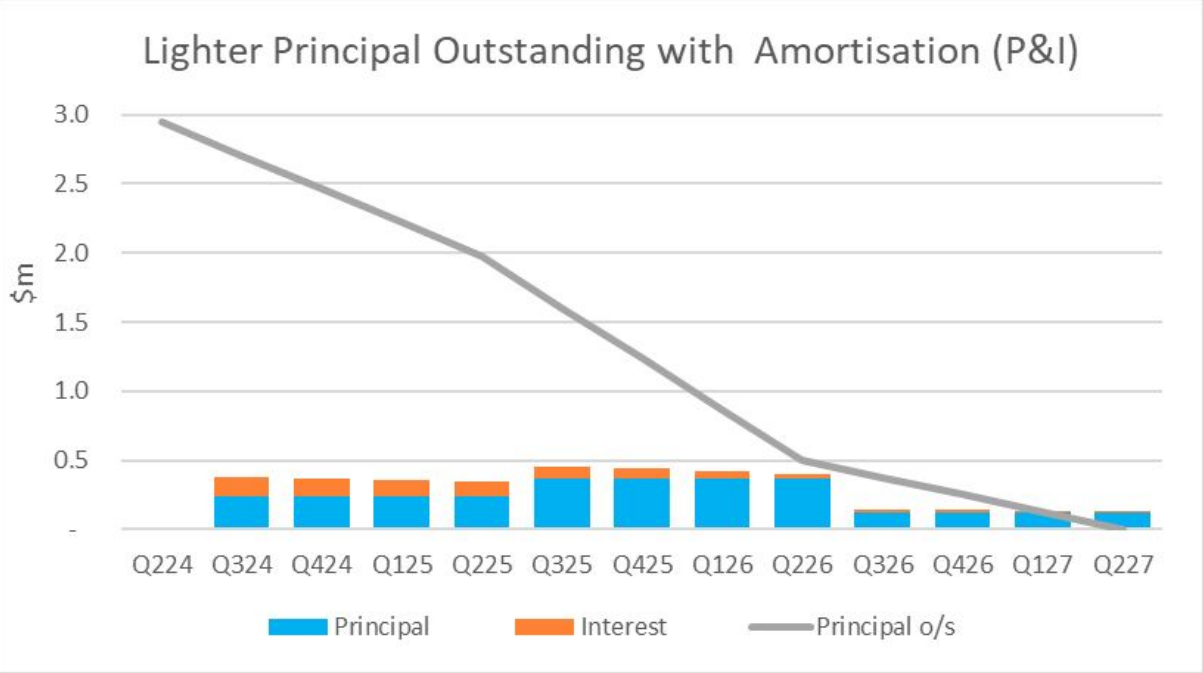
Lighter loan of ~$3m (inc, 2 tranches), refer to below for indicative cash flow impact of principal and interest payments:

- AUD tranche will be interest only for the first 12mths and principal with interest for remaining 24mths, 36mth term and floor interest rate of ~19%
- USD tranche will be principal and interest for the 24mth term and floor interest rate of ~19%. Interest below is based on the floor rate of 19%.

(Q325 to Q226 is higher due to principal payments being made on both tranches).

Cash Impact	Q224	Q324	Q424	Q125	Q225	Q325	Q425	Q126	Q226	Q326	Q426	Q127	Q227
Principal		0.2	0.2	0.2	0.2	0.4	0.4	0.4	0.4	0.1	0.1	0.1	0.1
Interest		0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0
Principal o/s	**3.0**	**2.7**	**2.5**	**2.2**	**2.0**	**1.6**	**1.2**	**0.9**	**0.5**	**0.4**	**0.3**	**0.1**	**-**





Note the interest rate used in the indicative calculations above has been assumed as the floor interest rate for both tranches ~19% and the exchange rate conversion from USD to AUD for the US tranche was 1.50.

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Direct Sourcing client tiers and Ideal partners and clients defined

In an emerging Direct Sourcing market LiveHire continues to gain invaluable insights into our partners and clients, along with a definition of success at scale.

Description	Key Learning
Size of clients - categorised into 4 types based on program size.	1) Super - EACV (Estimated Annual Contract Value) range - $400k to $2m 2) Large - EACV range - $200k to $400k 3) Medium - EACV range - $100k to $200k 4) Project - EACV range - $30k to $750k
Ideal Partner Profile (IPP)	1) MSPs and Staffing Suppliers with strong end client relationships 2) Focus on partners who make direct sourcing a #1 / #2 business priority 3) Focus on partners with proven ability to curate and deliver hiring outcomes 4) Partnered approach to achieving steady state ramp in 18 months or less
Ideal Client Profile (ICP)	1) Committed to launch and scale a full direct sourcing program 2) An executive sponsor within the end client, leading the internal change management required 3) A transparent 3-way partnership between the end client, the curator and LiveHire 4) Partnered approach to achieving steady state ramp in 18 months or less

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LiveHire's Performance Metrics - Glossary

Below we explain a handful of the headline performance metrics, and inputs into key metrics, that we use every day to manage and drive LiveHire's performance.

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Monthly Recurring Revenue
Monthly recurring revenue is a point in time monthly view of LiveHire's recurring revenue components. This is a combination of fixed monthly recurring revenue streams, variable monthly recurring revenue streams, and monthly recognised recurring revenue streams for upfront paying clients.

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

Opening ARR
Opening ARR represents the ARR at the beginning of the period.

New Business ARR
New Business ARR represents the ARR derived from new clients secured in that period.

ARR Churn – Customer Losses
ARR Churn represents the value of ARR which was not renewed by clients lost in that period.

Net Revenue Retention (NRR) rate %
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.

ARR Churn
ARR Churn Customer Losses + Net Upsell ARR

Closing ARR
Closing ARR represents the ARR at the end of the period and is calculated as:
Opening ARR + New Business ARR + Net Upsell ARR - Churn ARR Customer Losses.

Churn %
ARR Churn as a percentage of Opening ARR.

Annualised Recurring Revenue Per Client (ARRPC)
ARRPC is calculated as: Closing ARR / number of clients
ARRPC is a key metric and can be grown by securing higher value clients, and by adding new products and functionality to provide more value to clients.

Client
A client is defined as being an entity from which ARR is generated at a point in time.

Talent Community Connection (TCC)
A talent community connection (TCC) represents a connection between a company and an employment candidate on the LiveHire platform. An individual candidate may join multiple talent communities resulting in multiple TCCs per candidate. TCCs include unclaimed candidate profiles created by a company or its service providers or by the candidate through a job application process. TCCs may also include claimed candidate profiles that remain on the platform available to be connected with live talent communities after being archived by their only active company connection.

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LiveHire's Financial Metrics - Glossary

Below we explain a handful of the headline performance metrics, and inputs into key metrics, that we use every day to manage and drive LiveHire's performance.

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Recurring Revenue
Recurring revenue is the component of statutory reported operating revenue that relates to recurring revenue streams earned during the period being reported on. Recurring revenue streams include hosting fees, user licence fees and ongoing support and maintenance fees.

Non-Recurring Revenue
Non-recurring revenue is the component of statutory reported operating revenue that relates to one-off revenue streams earned during the period being reported on. This predominantly consists of upfront implementation and integrations fees as well as professional services fees.

Management EBITDA
EBITDA excluding Share Based Payments and R&D rebate income, and prior to the transfer of certain costs to the software development asset. It provides a normalised view that excludes significant non-cash expenses, income not considered part of core operations, and includes all salary costs (including those able to be capitalised under the applicable accounting standards).

Ideal Client Profile (ICP)
Clients who are committed to the structure, scale and change management of a deal to be successful over time

Applications
Applications is the total number of candidates submitting applications for roles on the LiveHire platform in the quarter (excluding applications for Covid roles which are in final decline). Applications generally predetermine next quarter's revenue.

Statutory EBITDA
EBITDA including Share Based Payments and R&D rebate income, and after the transfer of certain costs to the software development asset.

Annual Cash Burn excluding financing activities
Cash Burn excluding financing activities is calculated as operating and investing cash flows as reported in the statutory cash flow statement.

It does not include net cashflows from financing activities (e.g. capital raise).

Estimated Annual Contract Value (EACV) - Direct Sourcing
EACV refers to the expected annual contract value that a direct sourcing client will pay LiveHire when the client is at full ramp. LiveHire expects the client to take 18-24mths to ramp to this rate of use. Ramping may also be impacted by forex movements.

Management's assumption on EACV per client is still being determined based on consultation with our strategic partners.

Opportunities Live
Organisations that have had a discovery meeting and / or demonstration of the product and are in active consideration of the LiveHire solution.

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Get In Touch

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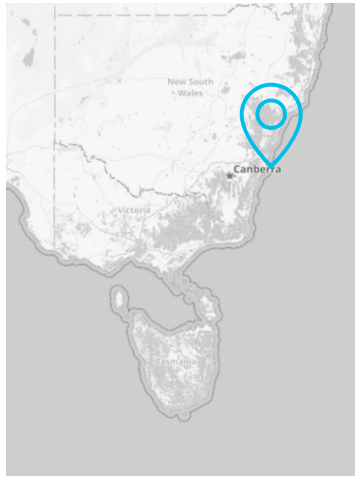
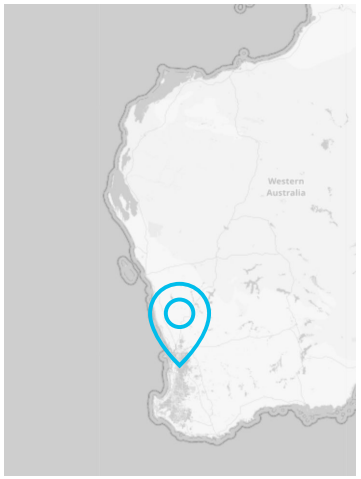
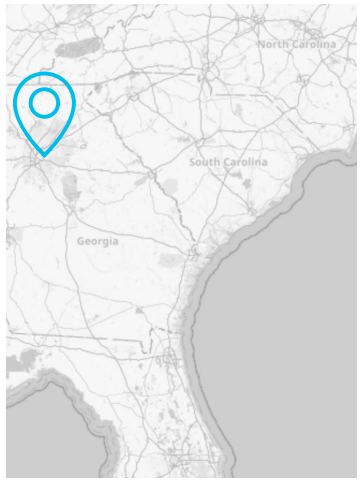


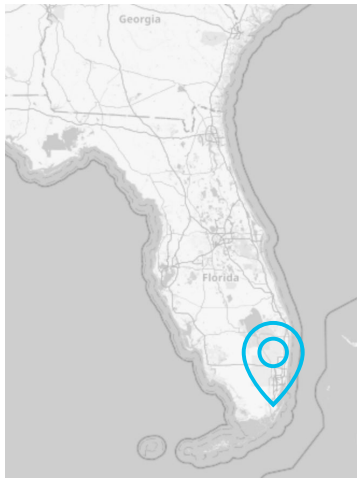
Sydney, AU



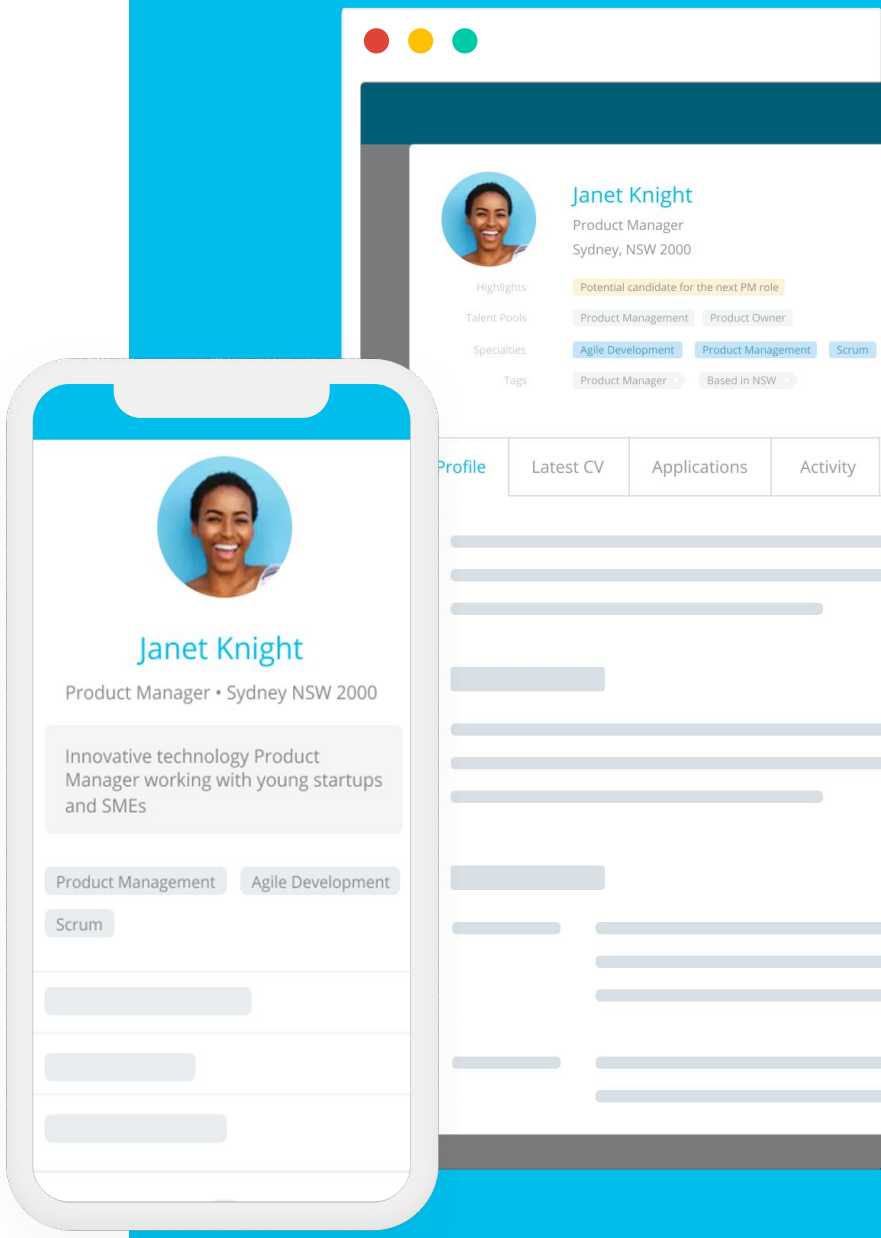
Perth, AU



Atlanta, USA



Miami, USA



Melbourne

Level 19, 15 William Street,
Melbourne, VIC 3000

livehire

Appendix 4C

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

Name of entity

LiveHire Limited

ABN	**Quarter ended ("current quarter")**
59 153 266 605	31st December 2023

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	2,663	4,187
1.2	Payments for		
	(a) research and development		
	(b) product manufacturing and operating costs	(522)	(997)
	(c) advertising and marketing	(53)	(206)
	(d) leased assets		
	(e) staff costs	(2,084)	(4,692)
	(f) administration and corporate costs	(539)	(1,421)
1.3	Dividends received (see note 3)		
1.4	Interest received	41	81
1.5	Interest and other costs of finance paid	(42)	(57)
1.6	Income taxes paid		
1.7	Government grants and tax incentives	1,367	1,367
1.8	Other – staff termination costs		
1.9	**Net cash from / (used in) operating activities**	**831**	**(1,738)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(g) entities		
	(h) businesses		
	(i) property, plant and equipment	0	(8)
	(j) investments		
	(k) intellectual property		
	(l) other non-current assets		

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Consolidated statement of cash flows		Current quarter $A'000	Year to date $A'000
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(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**	**0**	**(8)**

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	2,909	3,921
3.6	Repayment of borrowings	(1,012)	(1,012)
3.7	Transaction costs related to loans and borrowings	(3)	(3)
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	**Net cash from / (used in) financing activities**	**1,894**	**2,906**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	3,883	5,462
4.2	Net cash from / (used in) operating activities (item 1.9 above)	831	(1,738)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	0	(8)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,894	2,906

Consolidated statement of cash flows		Current quarter $A'000	Year to date $A'000
4.5	Effect of movement in exchange rates on cash held	(34)	(48)
4.6	**Cash and cash equivalents at end of period**	**6,574**	**6,574**

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	5,910	3,182
5.2	Call deposits	664	701
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)**	**6,574**	**3,883**

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	130
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:

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

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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.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	2,909	2,909
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	**Total financing facilities**	**2,909**	**2,909**

7.5	**Unused financing facilities available at quarter end**	0

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.

Description: Lighter Capital - Secured debt funding.

Lender: Lighter Capital, Inc.

The funding agreement with Lighter includes two tranches:

- Tranche 1 – loan amount of AUD$1m, maturity 36 months, interest rate of 3 month BBSY +14.68%, with a 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 USD$1.3m (~AUD2m), maturity 24 months, interest rate of WSJ Prime +10.5%, with a floor of 19% pa. Repayments will be principal and interest for the duration of 24 months.

In addition to the above LiveHire has agreed to issue Lighter warrants of 0.2% of the Company's fully diluted shares outstanding as at the date of issue of the Warrants, each with an exercise price of AUD$0.07, and a 5 year exercise period. The Warrants will be issued on or before 29 February 2024.

No additional financing facilities entered or proposed to be entered into after quarter end.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	831
8.2	Cash and cash equivalents at quarter end (Item 4.6)	6,574
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	6,574
8.5	**Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**	N/A

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.

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:

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 2024

Authorised by: Ben Brooks, 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.

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