

Appendix 4D

For the half year ended 31 December 2022

LiveHire Limited

ABN 59 153 266 605

RESULTS FOR ANNOUNCEMENT TO THE MARKET

For the half year ended 31 December 2022 ("current reporting period")

	31-Dec-22	31-Dec-21		% Change from 6 months ended 31-Dec-21
	A\$	A\$		
Revenue from ordinary activities	3,967,728	3,542,622	Up	12%
Profit / (Loss) from ordinary activities after tax attributable to members	(7,199,630)	(5,786,171)	Up	(24)%
Net Profit / (Loss) for the period attributable to members	(7,199,630)	(5,786,171)	Up	(24)%

Dividend information

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

	31-Dec-22	31-Dec-21
	Cents	Cents
Net tangible assets per security	0.0291	0.0343

Other information requiring disclosure to comply with Listing Rule 4.2A.3 is contained in, and should be read in conjunction with, the notes to the Interim Financial Report and the Directors' Report for the half-year ended 31 December 2022. Information should be read in conjunction with LiveHire Limited's 2022 Annual Report and the attached Interim Financial Report. The Interim Financial Report has been reviewed by Ernst & Young, with the Independent Auditor's Review Report included in the Interim Financial Report.

For personal use only

For personal use only

This page has been left blank intentionally

For personal use only

LIVEHIRE LIMITED

(ASX:LVH)

ABN: 59 153 266 605

Interim Financial Report

For the half-year ended 31 December 2022

Contents

Corporate Directory	2
Directors' Report	3
Auditor's Independence Declaration	9
Consolidated Statement of Profit or Loss and Other Comprehensive Income	10
Consolidated Statement of Financial Position	11
Consolidated Statement of Changes in Equity	12
Consolidated Statement of Cash Flows	13
Notes to the Financial Statements	14
Directors' Declaration	24
Independent Auditor's Review Report	25

Corporate Directory

Directors and Officers

Andrew Rutherford	- Non-Executive Director and Chairman (appointed Director 25 October 2022 and Chairman 31 January 2023)
Michael Rennie	- Non- Executive Director (Chairman until 31 January 2023)
Christy Forest	- Chief Executive Officer and Executive Director
Antonluigi Gozzi	- Executive Director (resigned 22 February 2023)
Lesa Francis	- Non-Executive Director (resigned 31 January 2023)
Cris Buningh	- Non-Executive Director
Ben Brooks	- Chief Financial Officer
Charly Duffy	- Company Secretary

Principal Registered Office

Level 5, 90 Queen Street
Melbourne VIC 3000

T: +61 (03) 9021 0657

Website: www.livehire.com

Domicile and Country of Incorporation

Australia

Australian Business Number

ABN 59 153 266 605

Auditors

Ernst & Young

8 Exhibition Street

Melbourne VIC 3000

Website: www.ey.com.au

Share Registry

Automic

Level 5, 126 Phillip Street

Sydney NSW 2000

Website: www.automic.com.au

Securities Exchange

Australian Securities Exchange Limited (ASX)

ASX Code - LVH (Ordinary Shares)

Directors' Report

The Directors submit their report of LiveHire Limited ('LiveHire' or 'Group') for the half year ended 31 December 2022 ('Period').

1. BOARD OF DIRECTORS

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

Directors	Position
Andrew Rutherford	Non-Executive Director and Chairman (appointed Director 25 October 2022 and Chairman 31 January 2023)
Michael Rennie	Non-Executive Director (Chairman until 31 January 2023)
Christy Forest	Chief Executive Officer & Executive Director
Antonluigi Gozzi	Executive Director (resigned 22 February 2023)
Lesa Francis	Non-Executive Director (resigned 31 January 2023)
Cris Buningh	Non-Executive Director

2. PRINCIPAL ACTIVITIES

During the period, the principal continuing activities of the Group consisted of:

- Optimisation of the go to market strategy to align our business structure to the multi-channel growth strategy across ANZ and North America.
- Directing critical efforts towards scaling large Ideal Client Profile (ICP) clients for highest return on investment in North America.
- Launch of a 'turbo team' in North America to implement and accelerate revenues for large and super deals, to enhance successful adoption of the LiveHire technology.
- Development of the Total Workforce Management solution with SAP, integrating both SAP SuccessFactors and SAP Fieldglass to deliver a total talent solution.
- Continued product development of the LiveHire Talent Acquisition & Engagement Platform, including:
 - General Data Protection Regulation (GDPR) Compliance to meet global data privacy and protection legislation.
 - Security Compliance to meet independent security audits and obtain certification.
 - Vendor Management System (VMS) integrations to integrate with contractor management systems and enable US expansion at scale with large clients.
 - Continued investment in platform features including Interview Booking, Sensitive Data/Information Management, Advanced Analytics, and continued investment in infrastructure and scale.

Directors' Report

- A strategic review being announced in December 2022, to ensure focus on highest return initiatives and identify cash conservation to preserve capital and acceleration to breakeven. Review will be concluded by March 2023.
- Current status of strategic review includes:
 - Cost reductions – the business has actioned almost half of the targeted 20% run rate cost cuts.
 - Proposed Arrived acquisition – enhances LiveHire's competitiveness by unlocking new clients who require shift scheduling and expands our addressable market in key industry verticals (including healthcare, manufacturing and retail).
 - Change in technology leadership – appointment of experienced US based executive will continue to build best practice technology to maximise revenue opportunities.

Purpose & Growth Strategy

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

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

For personal use only

Directors' Report

Capital preservation to realise opportunity	LiveHire will continue to pursue organic growth both domestically and internationally and look at initiatives to maximise agility and alignment to the Company's revenue opportunities.
---	---

3. REVIEW OF OPERATIONS

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

SaaS business:

- Annualised Recurring Revenue (ARR) of \$6.0m as at 31 December 2022 (\$4.9m in prior corresponding period (PCP)) represented an increase of 21% year on year (YoY).
- Client revenue retention was above plan with Net Revenue Retention (NRR) rate %² (rolling 12mths) finishing at 93% as at 31 December 2022 (99% PCP). This reduction was expected due to the expiration of transient impacts of COVID as well as the Company's decision to focus on clients better aligned with the Ideal Client Profile (ICP).
- New sales growth for the 6mths ended 31 December 2022 saw 15 clients added including IntoWork Australia, Infinite Aged Care, Victorian YMCA and Mackillop Family Services.
- Closing clients of 179 (155 PCP) represented an increase of 15% YoY.

Direct Sourcing business:

- Partner led strategy continues with TAPFIN delivering first client, a Fortune 100 global sports manufacturer and retailer.
- Focused preparation for successful implementation of large key clients, with the Fortune 100 global sports manufacturer & retailer and a Fortune 100 global oil & gas client launching in early 2023.
- Total partners has grown to 26 partners as at 31 December 2022 (20 PCP).
- Addition of 15 new clients was offset by proactive churn of 15 non-ICP clients in the last 12mths which has resulted in client numbers consistent with PCP at 24.
- Direct sourcing revenue of \$0.9m (\$1.1m PCP) represented a decrease of 20% YoY due to the cessation of COVID related role activity. Underlying direct sourcing revenue (excluding COVID activity) of \$0.7m (\$0.3m PCP) represented an increase of 99% YoY.

Business operations:

- Total Talent Community Connections (TCCs) of 7.0m as at 31 December 2022 (5.1m PCP) represented an increase of 37% YoY. 2.5m of TCCs are North American connections (up 39% YoY).
- Revenue from contracts with clients for the 6mth period of \$4.0m (\$3.5m PCP) represented an increase of 12% YoY.

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

Directors' Report

- Cash receipts from customers for the 6mth period of \$5.2m (\$3.5m PCP) represented an increase of 46% YoY, with rolling 12mth receipts of \$9.4m (\$6.9m PCP) representing a 36% increase YoY.
- Capital raise of approx. \$10.1m and strong cash receipts from customers result in closing cash of \$11.2m and debt free. Receipt of \$1.1m R&D incentive in January 2023 provides additional cash boost.
- Share based payment expense of \$1.6m (\$1.9m PCP) represented a decrease of 16% YoY. The expense is lower this period due to the timing of rights issues being split across October and December 2022 (October 2021 in PCP). As expense recognition commences at issue date, only a small portion of the expense from the December 2022 issue was recognised in the period.
- Products & Technology efforts were mostly dedicated to providing enabling technologies which deliver competitive advantages for new Partners and Clients in North America. There was a particular focus on GDPR and security compliance, as well as Platform Scalability and Productivity features for large recruitment teams. Collectively these new features have created significant leverage for our clients, both in North America and in ANZ resulting in increased productivity and hiring effectiveness for their recruiting teams.

Board changes – October 2022 saw the appointment of Andrew Rutherford as Non-Executive Director. In January 2023 it was announced that Michael Rennie would be stepping down as Chairman and replaced by Andrew Rutherford. Michael will continue to stay on as Non-Executive Director. In January 2023 Lesa Francis advised that she would be stepping down from her duties as at 31 January 2023.

Antonluigi Gozzi, LiveHire Founder, Executive Director and current Chief Products and Technology Officer, has transitioned out of the executive role effective 22 February 2023 and will remain employed until 8 July 2023. Antonluigi has also resigned from his Board of Directors' position at LiveHire effective 22 February 2023.

Refer to the ASX announcement on 23 February 2023 for further details on these matters.

4. FINANCIAL PERFORMANCE

The financial results of the Group for the half year ended 31 December 2022 are:

	31-Dec-22	30-Jun-22	% Change
Cash and cash equivalents (\$)	11,199,581	7,330,324	53%
Net assets (\$)	13,785,616	9,546,959	44%

	31-Dec-22	31-Dec-21	% Change
Revenue from contracts with customers (\$)	3,967,728	3,542,622	12%
Net loss after tax (\$)	(7,199,630)	(5,786,171)	(24)%
Loss per share (\$)	(0.022)	(0.019)	(16)%

Directors' Report

5. LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

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

A strategic review is being undertaken with a focus on the preservation of capital and acceleration to breakeven by:

- Optimisation of go to market strategy that further aligns with top partners and opportunities provided by them with the goal of accelerating revenue generation.
- A best practice review of technology architecture to maximise agility and alignment to LiveHire's revenue opportunities.
- Comprehensive reassessment of investments within LiveHire's key geographies and market segments to focus on the most attractive growth and margin opportunities.

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

Risk	Response
Failure to scale and commercialise at a sufficient rate.	To execute the Group growth strategy, the Group continues to optimise go to market strategy that aligns our strong team and business structure to execute on the multi-channel growth strategy across ANZ and the US. Furthermore we will continue to invest in areas which will accelerate revenues in direct sourcing. The Group also continues to invest in the platform to maintain competitiveness globally.
Data Security and Privacy	LiveHire understands the critical importance of maintaining client and candidate trust. The Group has achieved ISO 270001 and SOC 2 Type 1 & 2 certification through its investment in security and compliance, including a robust privacy compliance framework, data security polices and processes and an experienced General Counsel and Information Security Officer

Directors' Report

6. AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Independence Declaration by the lead auditor under Section 307C is included on the following page to these half year financial statements.

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



Andrew Rutherford
Chairman

Melbourne, 28th February 2023



**Building a better
working world**

Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
ey.com/au

Auditor's Independence Declaration to the Directors of LiveHire Limited

As lead auditor for the review of the half-year financial report of LiveHire Limited for the half-year ended 31 December 2022, I declare to the best of my knowledge and belief, there have been:

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

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

Ernst & Young

Amy Hudson
Partner
28 February 2023

For personal use only

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Notes	31-Dec-22 \$	31-Dec-21 \$
Revenue from continuing operations			
Revenue from contracts with customers	5	3,967,728	3,542,622
Other Income	5	316,296	182,555
Interest income	5	117,808	10,059
Total revenue and other income		4,401,832	3,735,236
Expenses			
Employee benefits expense	6	(6,342,316)	(5,029,158)
Operating expenses	6	(2,844,699)	(1,799,551)
Share based payment expense	13	(1,602,053)	(1,897,370)
Earnings (Loss) before interest, tax, depreciation and amortisation		(6,387,236)	(4,990,843)
Depreciation and amortisation expense	6	(724,679)	(754,166)
Earnings (Loss) before interest and tax (EBIT)		(7,111,915)	(5,745,009)
Interest expense	6	(38,746)	(36,970)
Loss before income tax		(7,150,661)	(5,781,979)
Income tax expense		(48,969)	(4,192)
Loss after income tax		(7,199,630)	(5,786,171)
Items that may be reclassified subsequently to the income statement			
Exchange differences on translation of foreign operations, net of tax		(80,007)	(6,011)
Other comprehensive income for the period, net of tax		(80,007)	(6,011)
Total comprehensive loss for the period		(7,279,637)	(5,792,182)
Loss per share attributable to ordinary equity holders			
- Basic loss per share		(0.022)	(0.019)
- Diluted loss per share		(0.022)	(0.019)

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

Consolidated Statement of Financial Position

	Notes	31-Dec-22 \$	30-Jun-22 \$
ASSETS			
Current assets			
Cash and cash equivalents		11,199,581	7,330,324
Trade and other receivables	7	2,767,787	2,659,908
Prepaid Expenditure		479,034	536,769
Contract acquisition costs		247,432	282,160
Total current assets		14,693,834	10,809,161
Non-current assets			
Plant and equipment		243,792	226,674
Intangible assets	8	3,981,253	3,774,482
Contract acquisition costs		278,507	291,901
Right-of-use assets	9	561,634	314,867
Total non-current assets		5,065,186	4,607,924
Total assets		19,759,020	15,417,085
LIABILITIES			
Current liabilities			
Trade and other payables	10	1,470,422	1,856,875
Provisions		1,310,812	1,169,583
Lease liabilities	9	342,160	226,227
Deferred revenue		2,420,932	2,341,605
Total current liabilities		5,544,326	5,594,290
Non-current liabilities			
Provisions		129,406	109,371
Lease liabilities	9	299,672	166,465
Total non-current liabilities		429,078	275,836
Total liabilities		5,973,404	5,870,126
Net assets		13,785,616	9,546,959
EQUITY			
Issued capital	11	73,078,598	63,162,357
Reserves	12	17,942,474	16,420,428
Accumulated losses		(77,235,456)	(70,035,826)
Total equity		13,785,616	9,546,959

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

Consolidated Statement of Changes in Equity

	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total Equity \$
At 1 July 2022	63,162,357	16,420,428	(70,035,826)	9,546,959
Comprehensive loss:				
Loss for the period	-	-	(7,199,630)	(7,199,630)
Other comprehensive loss	-	(80,007)	-	(80,007)
Total comprehensive loss for the period	-	(80,007)	(7,199,630)	(7,279,637)
Transactions with owners in their capacity as owners:				
Contributions of equity	10,135,816	-	-	10,135,816
Total transactions with owners in their capacity as owners:	10,135,816	-	-	10,135,816
Share issue transaction costs	(219,575)	-	-	(219,575)
Share based payment expense	-	1,602,053	-	1,602,053
At 31 December 2022	73,078,598	17,942,474	(77,235,456)	13,785,616
	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total Equity \$
At 1 July 2021	62,321,651	13,154,210	(58,030,937)	17,444,924
Comprehensive loss:				
Loss for the period	-	-	(5,786,171)	(5,786,171)
Other comprehensive loss	-	(6,011)	-	(6,011)
Total comprehensive loss for the period	-	(6,011)	(5,786,171)	(5,792,182)
Transactions with owners in their capacity as owners:				
Contributions of equity	398,146	-	-	398,146
Total transactions with owners in their capacity as owners:	398,146	-	-	398,146
Share based payment expense	-	1,897,370	-	1,897,370
At 31 December 2021	62,719,797	15,045,569	(63,817,108)	13,948,258

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

Consolidated Statement of Cash Flows

Notes	31-Dec-22	31-Dec-21
	\$	\$
Cash flows from operating activities		
Receipts from customers	5,163,571	3,537,882
Payment to suppliers and employees	(9,629,073)	(6,682,622)
Receipt of interest	87,728	12,438
Payment of interest	(38,746)	(36,970)
Receipt of Research & Development Tax Incentive	-	468,466
Net cash outflow from operating activities	(4,416,520)	(2,700,806)
Cash flows from investing activities		
Payment for intangible assets	(1,208,209)	(1,011,757)
Payment for plant and equipment	(89,231)	(28,142)
Proceeds from other non-current financial assets	-	(6,058)
Receipt of Research & Development Tax Incentive	-	383,235
Net cash outflow from investing activities	(1,297,440)	(662,722)
Cash flows from financing activities		
Proceeds from the issue of shares	10,135,816	398,146
Transaction costs of issue of shares	(219,575)	-
Payment of principal portion of lease liabilities	(243,028)	(178,065)
Net cash inflow / (outflow) from financing activities	9,673,213	220,081
Net increase / (decrease) in cash and cash equivalents	3,959,253	(3,143,447)
Cash and cash equivalents at the beginning of the period	7,330,324	14,415,868
Effects of exchange rate changes on cash and cash equivalents	(89,996)	20,827
Cash and cash equivalents at the end of the period	11,199,581	11,293,248

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

Notes to the Financial Statements

1. CORPORATE INFORMATION

The financial statements of LiveHire Limited (referred to as 'LiveHire' or the 'Group') for the half year ended 31 December 2022 (the 'Period') were authorised for issue in accordance with a resolution of the directors on 28th February 2023 and covers LiveHire and all entities controlled by the Group as required by the *Corporations Act 2001*. LiveHire is a for-profit entity.

The financial statements are presented in Australian dollars.

LiveHire is a Group limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange (listed on ASX on 8 June 2016).

The address of the registered office and principal place of business is Level 5, 90 Queen Street, Melbourne VIC 3000.

2. BASIS OF PREPARATION

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

Basis of Preparation

The interim consolidated financial statements for the half-year ended 31 December 2022 have been prepared in accordance with AASB134 Interim Financial Reporting and the Australian Corporations Act 2001.

These half-year financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the entity as the full financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2022 and any public announcements made by LiveHire Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the *Australian Corporations Act 2001*.

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

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

Notes to the Financial Statements

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

The accounts have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

KEY JUDGEMENTS AND ESTIMATES

In preparing its half-year financial report, the Group has used significant judgements and estimates. These are consistent with those applied in the Group's 2022 Annual Report. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events that management believes to be reasonable under the circumstances. The judgements and estimates used in relation to Intangible Assets, Leases and Share-Based Payments when preparing the financial statements for the period ended 31 December 2022 are consistent with those disclosed in our previous year end report, dated 30 June 2022, other than share based payments made to consultants as disclosed in Note 13.

3. CHANGES IN ACCOUNTING POLICIES

No changes were made to accounting policies during this period.

4. SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer.

Activities in the operating segments are identified by management based on the manner in which resources are allocated, the nature of the resources provided and the identity of service line manager and area of income and expenditure. Discrete financial information about each of these areas is reported to the executive management team on a monthly basis.

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

Notes to the Financial Statements

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

	31-Dec-22	31-Dec-21
	\$	\$
APAC	2,992,292	2,264,671
North America	975,436	1,277,951
	<u>3,967,728</u>	<u>3,542,622</u>

Single customer revenue of \$687,812 (approx 17% of total revenue) (31 December 2021: \$1,261,882)

5. REVENUE FROM CONTRACTS WITH CUSTOMERS AND OTHER INCOME

	31-Dec-22	31-Dec-21
	\$	\$
Revenue from contracts with customers		
- Hosting and Maintenance fees	2,815,594	2,229,986
- Implementation fees	194,478	142,147
- Integration fees	47,538	41,799
- Professional Services fees	53,322	53,051
- Direct Sourcing revenue	856,796	1,075,639
Total Revenue from contracts with customers	<u>3,967,728</u>	<u>3,542,622</u>
Other income		
- Research & Development Tax Incentive	316,296	182,555
Total Other income	<u>316,296</u>	<u>182,555</u>
- Interest Income	117,808	10,059
Total revenue and other income	<u>4,401,832</u>	<u>3,735,236</u>

Notes to the Financial Statements

6. EXPENSES

	31-Dec-22	31-Dec-21
	\$	\$
Loss before income tax includes the following specific expenses		
Employee benefits expense		
- Salaries and wages	6,329,676	4,970,813
- Capitalisation of employee benefits	(1,088,014)	(923,377)
- Superannuation contributions	534,424	396,532
- Payroll tax	405,254	360,916
- Employee entitlement accrual	160,976	224,274
	6,342,316	5,029,158
Operating expenses		
- Advertising and marketing expenses	245,614	207,915
- Consultants and contractor fees	620,809	421,936
- Capitalisation of consultants and contractor fees	(120,195)	(88,381)
- Technology related expenses	1,080,053	773,045
- Operating and administration expenses	1,018,418	485,036
	2,844,699	1,799,551
Depreciation and amortisation expenses		
- Depreciation of fixed assets	72,261	67,291
- Depreciation of right-of-use assets	137,475	169,435
- Amortisation of software development asset	514,943	517,440
	724,679	754,166
Finance expense		
- Interest expense on lease liabilities	38,746	36,970
	38,746	36,970

7. TRADE AND OTHER RECEIVABLES

	31-Dec-22	30-Jun-22
	\$	\$
Trade receivables	1,106,726	1,831,717
Research & Development Tax Incentive	1,630,178	827,388
Accrued interest	30,883	803
Total trade and other receivables	2,767,787	2,659,908

The carrying amount of trade and other receivables is a reasonable approximation of fair value.

Notes to the Financial Statements

8. INTANGIBLE ASSETS

Software consists of capitalised developments costs being an internally generated intangible asset, refer to the 30 June 2022 financial report for additional detail.

	31-Dec-22	30-Jun-22
	\$	\$
<u>Software development</u>		
Cost	13,916,808	12,708,599
R&D Tax Incentive	(3,862,323)	(3,375,828)
Accumulated amortisation	(6,073,232)	(5,558,289)
Total software development	3,981,253	3,774,482

9. LEASES

	Right of use assets	Lease liabilities
	\$	\$
As at 30 June 2021	552,885	648,957
Additions	56,893	56,893
Depreciation expense	(294,911)	-
Interest expense	-	67,408
Payments	-	(380,566)
As at 30 June 2022	314,867	392,692
Additions	384,242	384,242
Depreciation expense	(137,475)	-
Interest expense	-	38,746
Payments	-	(173,848)
As at 31 December 2022	561,634	641,832

	31-Dec-22	30-Jun-22
	\$	\$
<u>Lease Liabilities</u>		
Current lease liability	342,160	226,227
Non-Current lease liability	299,672	166,465
Total Lease Liability as at 31 December 2022	641,832	392,692

Notes to the Financial Statements

10. TRADE AND OTHER PAYABLES

	<u>31-Dec-22</u>	<u>30-Jun-22</u>
	\$	\$
CURRENT		
<u>Unsecured liabilities</u>		
Trade payables	517,456	502,740
Employee commissions payable	162,278	529,928
Sundry payables and accrued expenses	358,122	357,729
Payroll tax payable	44,136	137,569
PAYG payable	248,806	208,773
Superannuation payable	78,027	65,294
GST receivable / (payable)	61,597	54,842
	<u>1,470,422</u>	<u>1,856,875</u>

Terms and conditions relating to trade and other payables:

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

The carrying amount of trade and other payables is a reasonable approximation of fair value.

11. ISSUED CAPITAL

a) Issued and fully paid

	<u>31-Dec-22</u>		<u>30-Jun-22</u>	
	\$	No.	\$	No.
Ordinary shares	73,078,598	336,784,530	63,162,357	295,048,591

Notes to the Financial Statements

b) Movement Reconciliation

ORDINARY SHARES	Date	Quantity	Issue price	\$
Balance 30 June 2021		294,052,098		62,321,651
- Loan back shares repayments	8/07/2021			196,016
- Exercise of performance rights	13/09/2021	790,202		
- Loan back shares repayments	29/09/2021			62,751
- Loan back shares repayments	11/10/2021			19,640
- Loan back shares repayments	19/10/2021			119,739
- Exercise of performance rights	1/12/2021	962,457		
Balance 31 December 2021		295,804,757		62,719,797
Balance 30 June 2022		295,048,591		63,162,357
- Share issue transaction costs	31/08/2022			(219,575)
- Loan back shares repayments	31/08/2022			6,219
- Issue of shares - entitlement offer	1/09/2022	42,150,611	\$ 0.24	10,116,147
- Exercise of performance rights	2/09/2022	1,146,961		
- Cashless buyback of Loan Back Shares	14/10/2022	(2,331,576)		
- Exercise of performance rights	8/12/2022	769,943		
- Employee share sale pending reimbursement	28/12/2022			13,450
Balance 31 December 2022		336,784,530		73,078,598

In September 2022 the Company completed a \$10.1 million fully underwritten non-renounceable Entitlement Offer of approximately 42 million shares at \$0.24 per share. All new shares were offered on the basis of 1 New Share for every 7 Shares held by eligible Shareholders on the Record Date. The funds raised will continue to assist in expanding US operations, expand into the European direct sourcing market, and ensure working capital coverage. Transactions costs with respect to the share issue related to legal, advisor and administration costs.

Notes to the Financial Statements

12. RESERVES

The share-based payment reserve is used to accumulate amounts received on the issue of options and records items recognised as expenses on valuation of incentive-based shares.

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

	Share-Based payments reserve	Currency translation reserve	Total
	\$	\$	\$
Balance at 30 June 2021	13,147,104	7,106	13,154,210
Share-based payment expense	3,341,033	-	3,341,033
Foreign currency translation differences	-	(74,815)	(74,815)
Balance at 30 June 2022	16,488,137	(67,709)	16,420,428
Share-based payment expense	1,602,053	-	1,602,053
Foreign currency translation differences	-	(80,007)	(80,007)
Balance at 31 December 2022	18,090,190	(147,716)	17,942,474

Notes to the Financial Statements

13. SHARE-BASED PAYMENTS

	31-Dec-22	31-Dec-21
	\$	\$
Share-based payment expense recognised during the year		
Options issued to employees	168,560	84,538
Shares issued under employee share scheme	-	1,217
	168,560	85,755
Performance and Service rights issued to employees, contractors and consultants	1,433,493	1,811,615
	1,602,053	1,897,370

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

- Instruments issued to employees and contractors were performance rights based on performance and tenure in the previous financial year. These are short term and subject to time-based vesting conditions.
- Instruments issued to executives included service rights and short- and long-term incentives (including options). These are subject to both time and performance based vesting conditions. Options are valued independently using a Black-Scholes or Monte Carlo simulation option pricing methodology. Long term incentives will only vest if future share price hurdles are met.
- Performance rights were issued to consultants for services to be provided over a specified term ending 31 March 2024. These have long term vesting conditions based on achieving share price hurdles. The Group has rebutted the presumption that the fair value of the services received could be reliably measured and has measured the services received using the fair value of the performance rights issued using Monte Carlo simulation option pricing models over the period for which the services have been received. This expense will not reverse should the market-based performance hurdles not be achieved.

14. DIVIDENDS

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

15. CONTINGENCIES

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

Notes to the Financial Statements

16. SUBSEQUENT EVENTS

LiveHire has signed a Binding Term Sheet on a strategic US-based shift scheduling technology business acquisition of Arrived Workforce Connections Inc (Arrived). The acquisition will allow LiveHire to further penetrate existing Direct Sourcing clients and win new customers that require shift scheduling as part of their total workforce management solution. The proposed acquisition is subject to the completion of due diligence, execution of an asset sale agreement and LiveHire shareholder approval.

The consideration for the acquisition is US \$2m in LiveHire shares at completion (each with an issue price of A\$0.35) plus US \$2m in contingent scrip consideration (each with an issue price of the lesser of the 15-day VWAP of LiveHire shares and A\$0.35). All consideration is to be paid in LiveHire shares with no cash consideration payable to Arrived.

Following completion of the proposed acquisition, Jennifer Byrne, Chief Executive Officer of Arrived will join LiveHire's executive team as the Company's new global Chief Product and Technology Officer.

Refer to the ASX announcement on 23 February 2023 for further details on these matters.

17. RELATED PARTY DISCLOSURES

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

Directors' Declaration

The Directors of the Group declare that:

- (a) The financial statements and notes of the Group are in accordance with the *Corporations Act 2001*, and:
- (i) give a true and fair view of the Company's financial position as at 31 December 2022 and its performance for the half year ended on that date.
 - (ii) comply with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.
- (b) In the Directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

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



Andrew Rutherford
Chairman

Melbourne, 28th February 2023



**Building a better
working world**

Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
ey.com/au

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

Conclusion

We have reviewed the accompanying half-year financial report of LiveHire Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of significant accounting policies and other explanatory information, and the directors' declaration.

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

- a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2022 and of its consolidated financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the half-year financial report

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

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

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

For personal use only



**Building a better
working world**

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

A handwritten signature in grey ink that reads "Ernst & Young".

Ernst & Young

A handwritten signature in grey ink that reads "Amy Hudson".

Amy Hudson
Partner
Melbourne
28 February 2023