



hiremii

Quarterly Q1
Activities 20
REPORT 24

For the quarter ended 30 September 2023
Appendix 4C Quarterly Cash Flow Report

Q1 FY24 Quarterly Activities Report & Appendix 4C**Sourcd AI Co-Pilot Product in User Testing;
Record revenues in Recruitment**

Hiremii Limited (ASX:HMI) (“Hiremii” or “the Company”) an AI technology company with near term technology opportunities and growth in recruitment subsidiary, Inverse Group, is pleased to provide an overview of its activities to accompany the Appendix 4C cashflow statement for the Quarter ended 30 September 2023 (“Q1 FY24”, “Reporting Period”, “Quarter”).

Note - these results are unaudited. All figures A\$ unless otherwise stated.

Q1 FY24 Highlights

- Q1 FY24 revenue of \$6.921m, a significant increase of 43% from the prior comparative period ("PcP") (Q1 FY23 revenue: \$4.826m) and up 10.6% quarter-on-quarter ("q-o-q") versus Q4 FY23 revenue of \$6.255m.
- Gross Margin held at 10.7% (Q4 FY23 11.7%) with 20% growth in permanent placement revenue q-o-q.
- Gross Profit of \$742k for the Quarter, up 33% on PcP (Q1 FY23: \$560K) and 1.2% q-o-q (Q4 FY23 \$733k).
- Record quarterly cash receipts of \$7.512m, up 14.6% in Q1 FY24 from \$6.554m in Q4 FY23.
- Sourcd co-pilot product in testing with internal and external users with launch expected in October.
- A \$2m financing facility was announced on 17 October 2023. The facility will provide working capital as required to grow the revenue and profitability in the recruiting division.
- Operating cash was impacted by \$239k as ATO payment cycles were reduced to weekly after strong growth in revenue and ATO payment plan amounts paid of \$210k.

Commenting on the achievements over the quarter, Managing Director, Andrew Hornby, said:

"We are delighted to present another strong set of quarterly results in recruiting from Inverse Group, following the positive momentum gained during the year. Achieving our revenue target of \$6.921m and gross profit of \$0.742m in our first quarter, we are well on track to achieve our ambitious FY24 targets.

Our technology team has been busy over the period, finalising the development of our recruiter co-pilot product, Sourcd, which leverages generative AI to scale personalised outreach and engagement

with candidates. We have only recently seen similar products launched in the US, which validates our strategy around improving early engagement with candidates using efficiencies of generative AI.

The team also launched our beta version of Videofy which is available on our site and will be the focus of an upcoming sales and marketing campaign. The product is cutting-edge, fusing a large language model (LLM) with the latest in AI video generation. Not only does this give candidates the opportunity to bring their CV or "story" to life, it brings a tremendous opportunity to 'change the game' in how traditional CVs are curated by candidates and for employers.

We are extremely excited by the products in development and the opportunity to lever our existing proprietary AI for shortlist as we continue our focus on recruitment automation."

Sourcd co-pilot product in user testing with Videofy, our unique, industry-first product, available online pre the official launch

The development of our **Sourcd co-pilot** product is now complete and is in internal and external user testing. The slightly delayed launch now includes added features, which have been brought forward from version 2.0. **Sourcd** will enable users to create AI assisted content with full control and personalisation, with features including; tailored templates, customisable tone & language, skills and role title inputs and message enhancement, with external platform integrations to be generated as required.

Sourcd will be marketed to talent acquisition professionals from recruitment agencies, small and large multi national enterprises, and is agnostic to industry, sector and location. Our team have been hard at work on the go-to-market strategy, leveraging their background in successful SaaS start-ups.

Videofy, our ground-breaking AI avatar-based video tool enables users to transform their traditional format CVs into creative presentations, and is now available online. A sales and marketing launch is in planning and current engagement with prospective early adopters is under way. This is an exciting, game-changing technology with a two sided market place opportunity.

Videofy version 1.0 is designed for candidates and includes the ability for users to select their avatar, video layout, and provide key data for client review. The product is a breakthrough in avoiding bias as it has the option to remove gender references and removes many potential cues for discrimination, while delivering vital capability information. Further advancements are in design through feedback sessions with both prospective and current users. We have welcomed a number of test users to use the tool and look forward to full market launch shortly.

Inverse Group delivers record revenue with a 27% increase in contractors in Q1 FY24

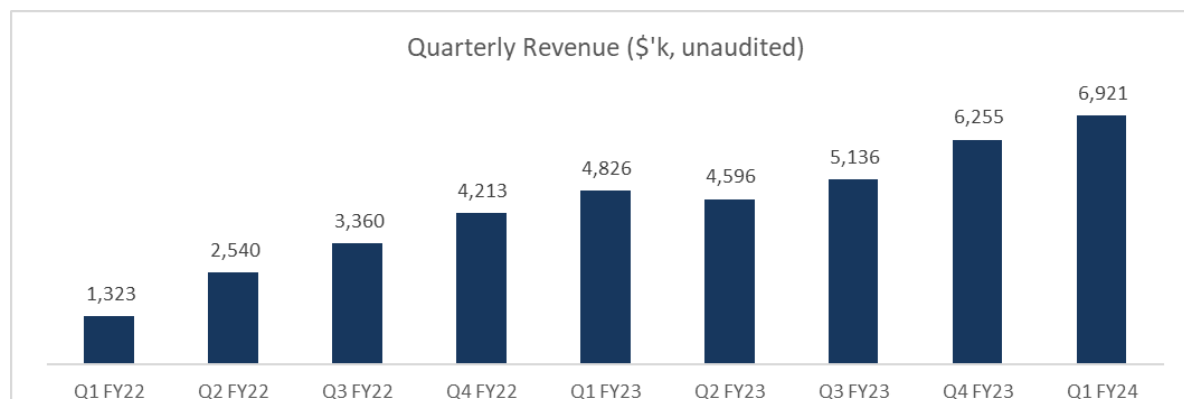
We continue to see demand from our clients in the energy and resources sectors, providing confidence for the remainder of the financial year. Our focus has been on delivering efficiency gains with our existing portfolio and where we see the opportunity, engaging new clients - particularly in energy transition and large, well funded resource companies that are deploying significant capital over the coming 12 months and beyond.

Due to the continued growth of our contractor book, increasing by 27% on the previous quarter, a decision was made to support future growth using a working capital finance agreement (announced on 17 October 2023) with specialist provider Octete Finance. This is an important step for the recruiting division and increases our competitiveness when contending for the larger volumes of work we are continuing to see on offer.

Financial Update

(Note - all financials for FY24 are unaudited)

Revenue in Q1 FY24 of \$6.921m was an increase of 43% on the PcP, driven by organic growth in candidate placements focused in future industry white collar roles. Revenue in Q1 FY24 also increased q-o-q by 10.6% from Q4 FY23 revenues of \$6.255m.



Revenue improved due to an increase in the number of contractors in place, with the segment continuing to show strong demand which is being addressed by Inverse Group’s growing team of seasoned recruiters. **September 2023 monthly revenue of \$2.41m was a record level**, built on a growing contractor book of long term contractors resulting from strong service levels provided by experienced recruiters.

The gross profit of \$0.742m for the Quarter improved 33% on PcP (Q1 FY23: \$0.560k) and improved by 1.2% q-o-q (Q4 FY23: \$0.733m), with permanent placement business improving strongly by 20% q-o-q. The gross margin percentage for the Quarter moderated to 10.7%, down by 1.0% q-o-q (Q4 FY23: 11.7%) resulting from more growth from lower margin contractors - a trend that is expected to be reversed over time.

The Company's net cash outflow used in operating activities was (\$328k) before outflows from a change in ATO PAYGW cycle reduction effects of \$239k, and ATO payment plan payments of \$210k. The net outflow in the Quarter was due to strong growth in contractor numbers during the second half of the Quarter leading to increased accounts receivables that will be collected during Q2 FY24, a pay run close to Quarter end, and the pre-payment of the annual insurance premium.

The receipts from customers grew to a record \$7.512m, an improvement of \$0.958k or 14.6% q-o-q on Q4 FY23 of \$6.554m. Staff costs and administrative and corporate costs were kept in line q-o-q.

Cash flows used in investing activities of \$15k for the Quarter (Q4 FY23: \$67k) related to technology investment in the Hiremii recruitment platform to increase the range of products to include Videofy and Sourcd co-pilot.

Cash flows from financing activities of \$65k for the Quarter related to insurance premium funding and office leases.

Hiremii's cash balance at 30 September 2023 was \$1.216m, down from \$1.943k in Q4 FY23, but remains healthy compared to underlying net operating cash flows and will be bolstered by the new working capital finance facility (announced to ASX on 17 October 2023) to support growth in the recruitment division.

A change in GST method to the non cash method is expected to further impact cash adversely in Q2 FY24 by approximately \$150k.

Related Party Transactions

During Q1 FY24 the following payments were made to related parties as disclosed in Item 6 of Appendix 4C.

SALARIES AND SUPERANNUATION PAID TO DIRECTORS	AMOUNT
Alison Gaines, Non-executive Chair	\$ 7,300
David Buckingham, Non-executive Director	\$ 5,977
Conor O'Brien, Non-executive Director	\$ 3,415
Andrew Hornby, Managing Director	\$ 72,046
Total	\$ 88,739

David Buckingham and Conor O'Brien were not paid their fees in cash in full in the Quarter and should shareholders approve, will accept shares after approval at the AGM for value accrued.

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

Ends

About

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

To learn more please visit: www.hiremii.com

Investor Enquiries: info@hiremii.com

Forward looking statement

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

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

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

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



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ABN 48 642 994 214

ASX:HMI

Appendix 4C

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

Name of entity

HIREMII LIMITED

ABN

48 642 994 214

Quarter ended ("current quarter")

30 September 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	7,512	7,512
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(7,001)	(7,001)
	(c) advertising and marketing	(3)	(3)
	(d) leased assets	-	-
	(e) staff costs	(655)	(655)
	(f) administration and corporate costs	(156)	(156)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	4	4
1.5	Interest and other costs of finance paid	(29)	(29)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other		
	Change in PAYG cycle ATO	(239)	(239)
	Tax payment plans	(210)	(210)
1.9	Net cash from / (used in) operating activities	(777)	(777)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	(15)	(15)
	(f) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$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	(15)	(15)

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	184	184
3.6 Repayment of borrowings	(118)	(118)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	65	65

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	1,943	1,943
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(777)	(777)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(15)	(15)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	65	65
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,216	1,216

5. Reconciliation of cash and cash equivalents	Current quarter \$A'000	Previous quarter \$A'000
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1	Bank balances	1,216
5.2	Call deposits	-
5.3	Bank overdrafts	-
5.4	Other (provide details)	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,216

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
6.1	\$89
6.2	Aggregate amount of payments to related parties and their associates included in item 2
6.2	-

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

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

8	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(777)
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,216
8.3	Unused finance facilities available at quarter end (item 7.5)	0
8.4	Total available funding (item 8.2 + item 8.3)	1,216
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.6
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
	8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: No, the last quarter operating cashflow is inflated due to the PAYG withholding payment cycle changing to weekly and the timing of the contractor payroll in relation to the quarter end. The last two quarters delivered positive operating cash flow.	
	8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: A \$2m facility was agreed as announced on 17 October 2023. The Facility will provide working capital to grow the revenue and profitability in the recruiting division.	
	8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: Yes. The Facility will support the growth of the recruitment division.	
	<i>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.</i>	

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: 19 October 2023

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

Notes

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