

LiveHire (ASX:LVH) 2021 Full Year Results:

30 August 2021

livehire

Empowering the flow of the world's talent

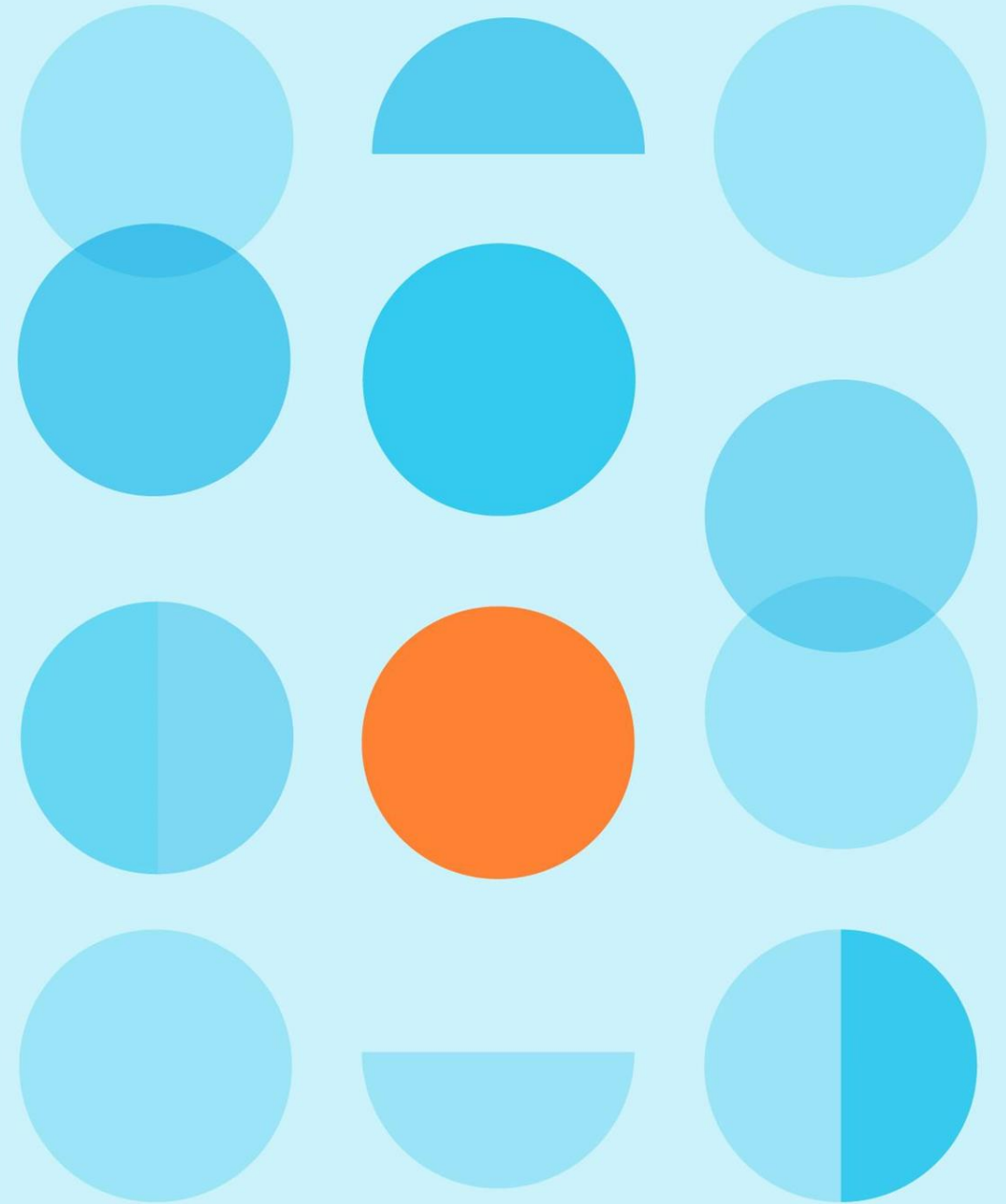


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High Level Overview



Strong year delivering across all key business drivers ensures solid momentum into FY22

Key Performance Metrics:

Direct Sourcing Performance:	FY19	FY20	FY21	YOY % Var
Closing Partners	0	2	14	700%
Closing Clients (Logos)	0	2	14	700%
Clients EACV ¹ (\$m)	\$0.000	\$0.600	\$4.200	700%
Revenue (\$m)	\$0.000	\$0.007	\$1.398	NM

SaaS Performance:	FY19	FY20	FY21	YOY % Var
Closing Clients (Logos)	79	110	138	25%
Closing ARR Revenue (\$m)	\$2.533	\$3.496	\$4.322	24%
Recurring revenue % of Total SaaS	75%	84%	90%	6%

Financial Performance:	FY19	FY20	FY21	YOY % Var
Total Customer Revenue (\$m)	\$2.623	\$3.456	\$5.533	60%
EBITDA Statutory (\$m)	(\$13.636)	(\$13.266)	(\$6.451)	51%
Operating Cash Burn (\$m)	(\$11.136)	(\$12.912)	(\$6.669)	48%
Total Cash Burn (\$m) ³	\$3.940	(\$13.033)	(\$6.565)	50%
Closing Cash (\$m)	\$34.013	\$20.981	\$14.416	(31)%

¹ EACV - Estimated Annual Contract Value based on average of management's estimate of \$300k (refer to glossary for calculation) per client at full ramp, LiveHire expects to take 12-18mths to ramp to this rate of use.

² EACV \$300k x number in pipeline at opportunities live

³ FY19 total cash burn includes a capital raise of \$15m, net cash impact \$14.4m

Direct Sourcing client and revenue exceed expectations:

- ✓ 14 clients and partners to close the year. Both were up 12 from the PCP
- ✓ Clients EACV of \$4.2m up from \$0.6m in 12mths, with \$15m+² in the pipeline at Opportunities Live
- ✓ A diverse mix of partners includes 9 staffing, 2 MSP, 2 consulting and 1 VMS
- ✓ Revenue exceeds plan due to spike in Covid hiring which will reduce next quarter, as plan resumes to normal growth
- ✓ FY22 Qtr to Date (QTD) progress:
 - Partners - 2 signed in line with plan
 - Clients - 3 signed in line with plan (Client EACV now at ~\$5m)

SaaS business continues to perform strongly across key drivers:

- ✓ Recurring revenue up 24% on PCP
- ✓ 90% of total revenue is recurring (up 6% on PCP), this has been supported with a focus on multi year ARR (\$) sales which were 91% for the period (up from 36% in the PCP) and
- ✓ NRR rate % (12mth rolling) for the period is 91% (up from 80% PCP); net upsell for the period continues to be strong up \$250k on PCP

Financial indicators tracking to plan and TCC's grow strongly:

- ✓ Strong balance sheet and fully funded to execute on strategy with \$14.4m in bank
- ✓ Strong revenue from contracts with customers up 60% on PCP, driven by \$1.4m direct sourcing
- ✓ Cost minimisation initiatives continue to gain traction with operating cash burn of (\$6.9m) down 48% on PCP and an improvement in EBITDA of 51% on PCP
- ✓ Total TCC's for the period of 4.2m was up 92% on PCP (2.2m)
 - ANZ TCC's of 2.8m, up 58% from PCP
 - North American TCC's of 1.4m, up 350% from PCP (33% of TCC's, 18% PCP)

Contingent Target Market Opportunity

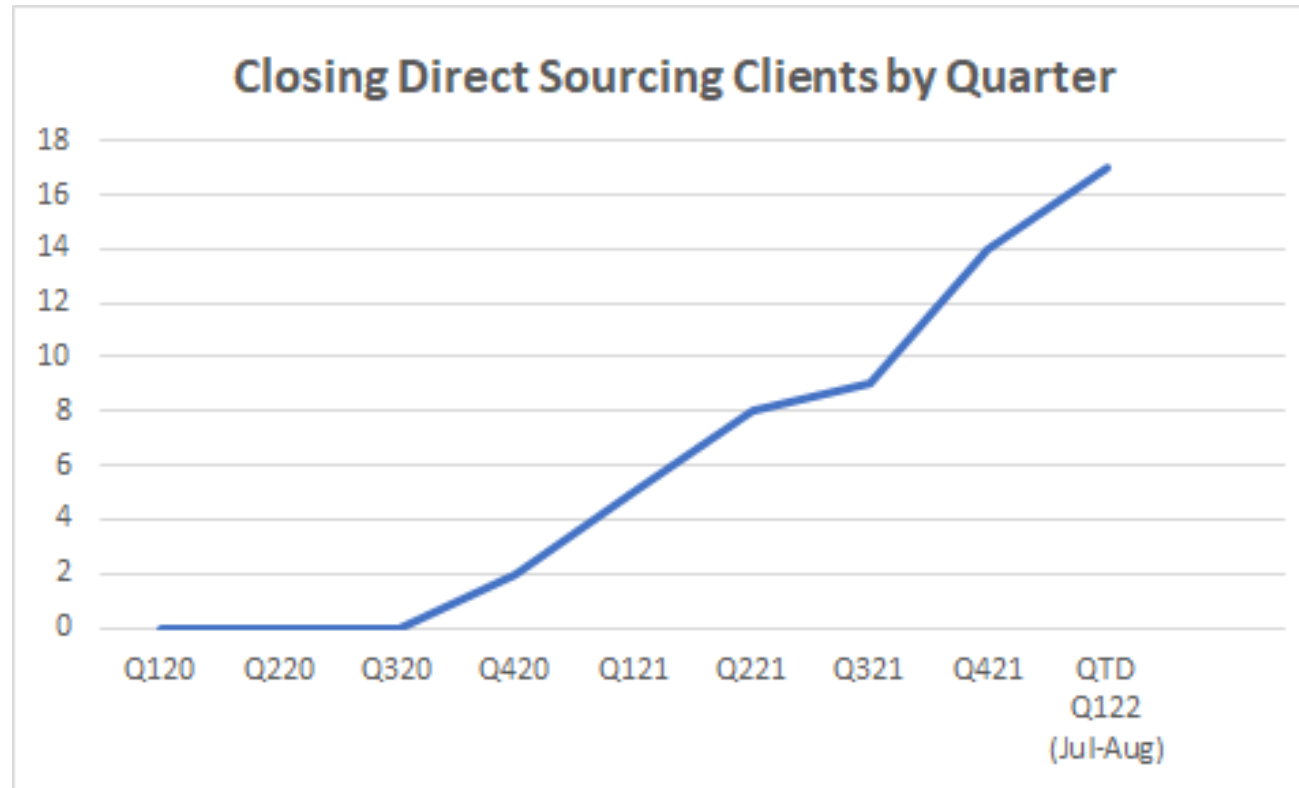


Direct Sourcing

Exponentially grows Quarter in Quarter:

The LiveHire Talent Cloud is primed to and is already disrupting the US\$15b+¹, contingent labour Managed Service Provider (MSP) market.

The foundations for growth are now strategically set, with 16 certified partners, with ~70% actively managing the contingent labour requirements of 50+ large enterprise clients each.



Direct Sourcing

Contingent Target Market Opportunity in North America:

Identified Market	Partners 70+ (Target over 3 years) ¹	Clients 1,000+ ¹	Clients EACV (AUD) \$1b+ ²
Pipeline	25+	50+	\$15m+
Signed	14 FY21 2 FY22 QTD	14 FY21 3 FY22 QTD	\$5m+

Full contracted revenue (EACV) based on average \$300k per client at full ramp¹.
LiveHire expects to take 12-18mths to ramp to this rate of use.

Investment Thesis:

Huge Opportunity \$1b+² tech spend; SIA research³ indicates that 60% of large enterprises will consider adopting Direct Sourcing strategies in the next 2 years.

After 18mths in North America market, a strong foundation has been built to take advantage of this growth.

Technology is commercially proven & externally evaluated by Ardent Partners⁴, who ranked it as “market leading” in 2021 Digital Staffing Platforms Technology Advisor for Direct Sourcing report.

LiveHire goes to market with staffing firms offering; clients can see an average 50% reduction in cost to hire and partners see improved economics.

Business Overview



Direct Sourcing: introduced 13 new clients in diverse industries and named a 'market leading' technology by Ardent Partners...

Client	About
Fortune 100 Global Consumer Corporation	A major Fortune 100 global consumer focussed corporation with a large global contingent workforce.
Global Technology Leader	Provides advanced robotic systems for minimally invasive care and surgery in 67 countries with 8,000 employees.
Airport Operations and Services	One of the largest airport operations and services providers in Canada.
Major US Logistics & Delivery	US logistics & delivery arm of top US retailer, operating as an independent subsidiary to provide same-day delivery for more than 55,000 products.
Global Automotive Business	Global automotive business with 27,000+ employees, providing auto auctions and wholesales services, financial services, media and software.
Hiregenics	Hiregenics supports more than 55 clients providing a wide range of workforce management solutions to its global 1000 customers.

Direct Sourcing: introduced 13 new clients in diverse industries and named a 'market leading' technology by Ardent Partners.

Ardent | Partners



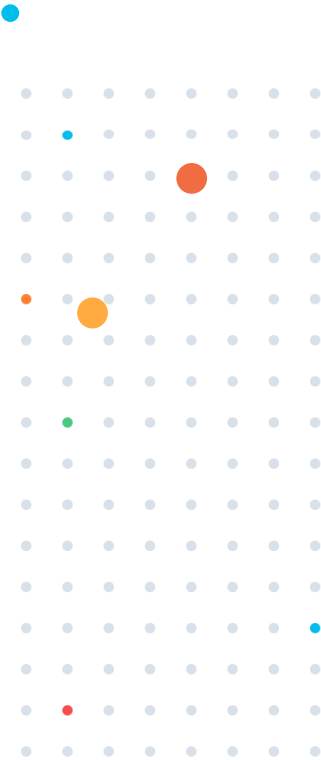
LiveHire's frictionless end-to-end platform was ranked as a "Market Leader" due to its near-unrivalled candidate nurture functionality, robust branded direct sourcing offerings, and real-time workflow engine.

Christopher J. Dwyer
VP of Research, Ardent Partners



High5 is pleased to announce a strategic partnership with LiveHire. Through our complimentary offerings, High5 and LiveHire are bringing innovative direct sourcing solutions as a best-in-class, unrivaled, global service to our customers and talent.

Ben Thakur
Principal, High5



SaaS: We introduced 45 new clients during the year including...



M2P engineering opted for Livehire due to its front end user experience and the level of intuition it possesses. Being in an industry that can be fast paced, competitive and receive higher volumes of applicants, being able to be organised and systematic was very appealing. LiveHire's ability to build talent pools away from job boards was also extremely appealing.

Alicia Fistonich



We chose LiveHire because of the intuitive system layout - making it easier for our Hiring Managers to take more of an active role in the recruitment process. We're also excited to explore how it will improve our candidate experience

Alex Foxworthy - Talent Acquisition Lead

Financials



Strong Performance across all Key Business Drivers

Key Performance Metrics (\$m):	FY20	FY21	YOY % Var
SaaS Business			
Opening ARR	2.533	3.496	38.0%
New Business ARR	1.466	1.125	(23.3)%
Net upsell/(downsell) ARR	(0.050)	0.210	518.6%
Churn ARR	(0.453)	(0.509)	(12.3)%
Closing ARR	3.496	4.322	23.6%
NRR rate % (12mth rolling)	80.1%	91.4%	11.3%
Closing clients	110	138	25.5%
Direct Sourcing Business			
Closing Partners	2	14	700.0%
Closing Clients (Logos)	2	14	700.0%
Total Revenue	6,900	1,397,552	20154.0%
Talent Community Connections			
Total	2,185,232	4,201,687	92.3%
ANZ	1,790,493	2,819,717	57.5%
North America	394,739	1,381,970	350.1%

Strong performance across key SaaS business drivers:

- ✓ Closing ARR up 24% on PCP to \$4.3m
- ✓ NRR rate % (12mth rolling) for the period is 91% (up from 80% PCP)
- ✓ Net upsell for the period continues to be strong up \$250k on PCP
- ✓ Clients at 138 for the period, up 25% from 110 PCP

Direct Sourcing – performance exceeded expectations :

- ✓ Closing partners 14, up from 2 on PCP
- ✓ Closing clients 14, up from 2 on PCP (6 of the 13 new clients for FY21 were signed in the last 6 weeks of the FY21)
- ✓ Revenue \$1.4m, up from \$7k on PCP

Talent Community Connections:

- ✓ Total TCC's almost doubled, increased by 92% from 2.2m to 4.2m
- ✓ ANZ TCC's up 58% on PCP from 1.8m to 2.8m
- ✓ North American TCC's up 350% on PCP from 400k to 1.4m

Strong Balance Sheet to support future growth

Cash Performance (\$m):	FY20	FY21	YOY % Var
Closing Cash	20.981	14.416	(31.3)%
Receipts Rolling 12 mths	4.473	5.758	28.7%
Cashburn	(13.033)	(6.565)	49.6%
Cash Inflows	5.192	6.322	21.7%
Cash Outflows	(18.224)	(12.878)	29.3%
Balance Sheet (\$m):			
Current Assets	22.027	17.260	(21.6)%
Non Current Assets	5.836	4.580	(21.5)%
Total Assets	27.863	21.840	(21.6)%
Current Liabilities	3.193	3.889	(21.8)%
Non Current Liabilities	0.729	0.507	30.5%
Total Liabilities	3.922	4.395	(12.1)%
Net Assets	23.941	17.445	(27.1)%
Issued Capital	61.913	62.322	(0.7)%
Reserves	11.766	13.154	(11.8)%
Accumulated Losses	(49.738)	(58.031)	(16.7)%
Total Equity	23.941	17.445	(27.1)%

Delivering Solid Operational Financial Performance

Profit & Loss Statement (\$m):		FY20	FY21	YOY % Var
SaaS Recurring Revenue		2.889	3.715	28.60%
SaaS Non Recurring Revenue		0.560	0.421	(24.80)%
Total SaaS Revenue		3.449	4.136	19.90%
% Recurring Revenue		83.80%	89.80%	
Total Direct Sourcing Revenue		0.007	1.398	NM
Operating Revenue ¹		3.456	5.533	60.10%
Operating Expenses ²		(16.435)	(12.477)	24.10%
EBITDA - Management ³		(12.978)	(6.944)	46.50%
Share based payments expense ⁴		(2.308)	(1.386)	40.00%
R&D rebate / Government grant income ⁵		0.050	0.793	NM
Software development capitalisation ⁶		1.971	1.085	(44.90)%
EBITDA - Statutory		(13.266)	(6.451)	51.40%
Interest & Other		0.245	(0.049)	(119.90)%
Depreciation & Amortisation		(1.624)	(1.793)	(10.40)%
Exchange differences		0.005	0.002	(63.60)%
Net (Loss) - Statutory		(14.640)	(8.291)	43.40%

1. Operating Revenue

Revenue excluding R&D rebate income and interest income.

2. Operating Expenditure

Expenditure excluding non-cash share-based payments expense and depreciation & amortisation, and including software development expenditure (both expensed and capitalised).

3. EBITDA

Earnings before interest, tax, depreciation and amortisation.

4. Share-based payments expense

Share-based payments is a non-cash cost relating to the value attributed to equity based employee benefits.

5. R&D rebate / government grant income

R&D rebates and government grants / subsidy are considered to be outside of operating revenue for management reporting purposes. This number includes the P&L portion of R&D rebates received and cashflow assistance.

6. Capitalisation of software development

Software development costs attributed to the Statutory Profit & Loss are impacted by the amount capitalised to the value of Intangible Assets under the relevant accounting standards.

Strategy



LiveHires Addressable Market & Current Progress

	Direct Sourcing market	SaaS market	
	Contingent hiring sold to procurement/finance	Permanent hiring sold to HR	+ Internal mobility 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)	- Know all skills & use AI to search and move talent into internal roles - Communicate seamlessly by SMS - Avoid turnover through poor internal job markets
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 companies² \$100m potential tech spend - Large, medium, small	1,000+ companies³ \$10m potential tech spend - Large, medium
Go to market	Via partners who have a strong financial incentive to introduce to sell the solution to their clients	Direct sales force	
Current position	14 partners (as at June 2021) 14 clients Examples of clients: Ontario Ministry of Health, Global Professional Services Firm, Enbridge⁴	Permanent Hiring: 138 total subscription clients (as at June 2021) Example of clients: Vodafone, University of Newcastle, BabyBunting	Internal Mobility: 4 clients Examples of clients: Large state governments

Appendices



Statutory Balance Sheet

Balance Sheet – Statutory (\$m):	FY20	FY21	YOY % Var
ASSETS			
Current Assets			
Cash & cash equivalents	20.981	14.416	(31.3)%
Trade & other receivables	1.046	2.844	171.8%
Total Current Assets	22.027	17.260	(21.6)%
Non-Current Assets			
Plant & equipment	0.341	0.281	(17.5)%
Intangible assets	4.364	3.516	(19.4)%
Right- of-use Assets	0.892	0.553	(38.0)%
Contract Acquisition Costs	0.160	0.151	(5.6)%
Other non-current financial assets	0.081	0.080	(0.8)%
Total Non-Current Assets	5.836	4.580	(21.5)%
TOTAL ASSETS	27.863	21.840	(21.6)%
LIABILITIES			
Current Liabilities			
Trade & other payables	0.651	1.027	(57.8)%
Provisions	0.601	0.793	(32.0)%
Deferred revenue	1.600	1.788	(11.8)%
Lease Liabilities – Current	0.341	0.280	17.9%
Total Current Liabilities	3.193	3.889	(21.8)%
Non-Current Liabilities			
Provisions	0.109	0.138	(27.0)%
Lease Liabilities – Non-Current	0.620	0.369	40.6%
Total Non-Current Liabilities	0.729	0.507	30.5%
TOTAL LIABILITIES	3.922	4.395	(12.1)%
NET ASSETS	23.941	17.445	(27.1)%
EQUITY			
Issued capital	61.913	62.322	0.7%
Reserves	11.766	13.154	11.8%
Accumulated losses	(49.738)	(58.031)	16.7%
Total Equity	23.941	17.445	(27.1)%

Statutory Cashflow:

Cashflow Statement - Statutory (\$m):	FY20	FY21	YOY % Var
Cashflow from Operating Activities			
Receipts from customers	4.473	5.758	28.7%
Payments to suppliers and employees	(15.819)	(11.316)	(28.5)%
Interest received	0.409	0.097	(26.6)%
Interest expense	(0.147)	(0.108)	(76.4)%
Government Grants	0.050	0.050	0.0%
Total Cashflow from Operating Activities	(11.034)	(5.519)	(50.0)%
Cashflow from Investing Activities			
Payment for intangible assets ¹	(1.971)	(1.085)	(44.9)%
Receipt/(Payment) for other non-current financial asset ²	0.104	0.000	NM
Payment for PPE	(0.013)	(0.065)	397.1%
Total Cashflow from Investing Activities	(1.880)	(1.150)	(38.9)%
Cashflow from Financing Activities			
Proceeds from the issue of shares	0.155	0.409	163.4%
Payment of principal portion of lease liabilities	(0.269)	(0.313)	16.2%
Total Cashflow from Financing Activities	(0.114)	0.096	184.6
Net Cashflow	(13.027)	(6.573)	49.5%
Cash Balances			
Cash and cash equivalents at beginning of period	34.013	20.981	(38.3)%
Effect of exchange rate changes on cash	(0.006)	0.008	(253.1)%
Cash and cash equivalents at end of period	20.981	14.416	(31.3)%

1. Payment for intangible assets

In the statutory cash flow statement payments for intangible assets are separately identified. However, in the Appendix 4C these costs are included as payments to suppliers and employees. The reason for this difference in treatment is due to the fact that capitalised salaries are processed bi-annually as a statutory adjustment, and are subject to detailed documentation and audit review, which does not occur on a quarterly basis.

2. Receipts from other non-current financial assets

Term Deposits in relation to corporate credit card facility and bank guarantees on property leases.

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.

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 $(\text{Opening ARR} + \text{upsell ARR} - \text{downsell ARR} - \text{churn / lost ARR}) / \text{Opening ARR}$. 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:
 $\text{Opening ARR} + \text{New Business ARR} + \text{Net Upsell ARR} - \text{Churn ARR Customer Losses}$.

Churn %

ARR Churn as a percentage of Opening ARR.

Annualised Recurring Revenue Per Client (ARRPC)

ARRPC is calculated as: $\text{Closing ARR} / \text{number of clients}$

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.

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.

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).

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 12-18mths to ramp to this rate of use.

Management's assumption of an average of \$300k EACV per client has been calculated on a blended sales basis across the paybooks (in \$US) of the companies Livehire intends to target and the LiveHire fee (%) that would be calculated across each paybook. The size of each paybook was assumed in USD and has been converted to AUD based on an exchange rate of 1.33.

Opportunities Live

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

Get In Touch



www.livehire.com



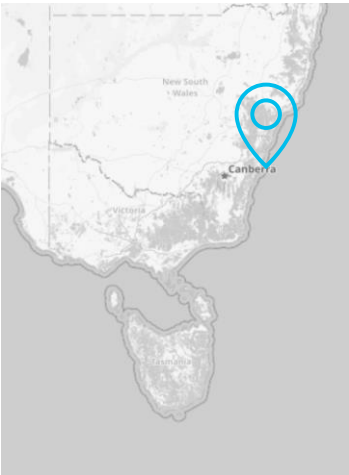
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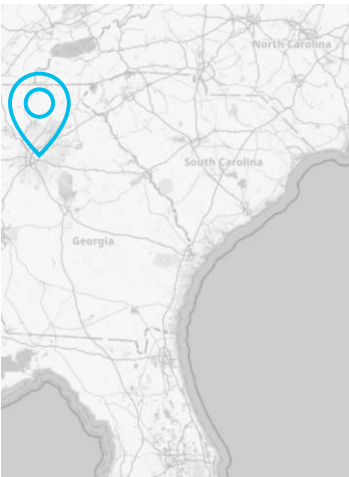
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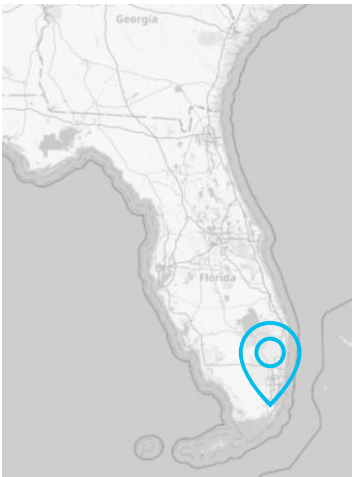
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