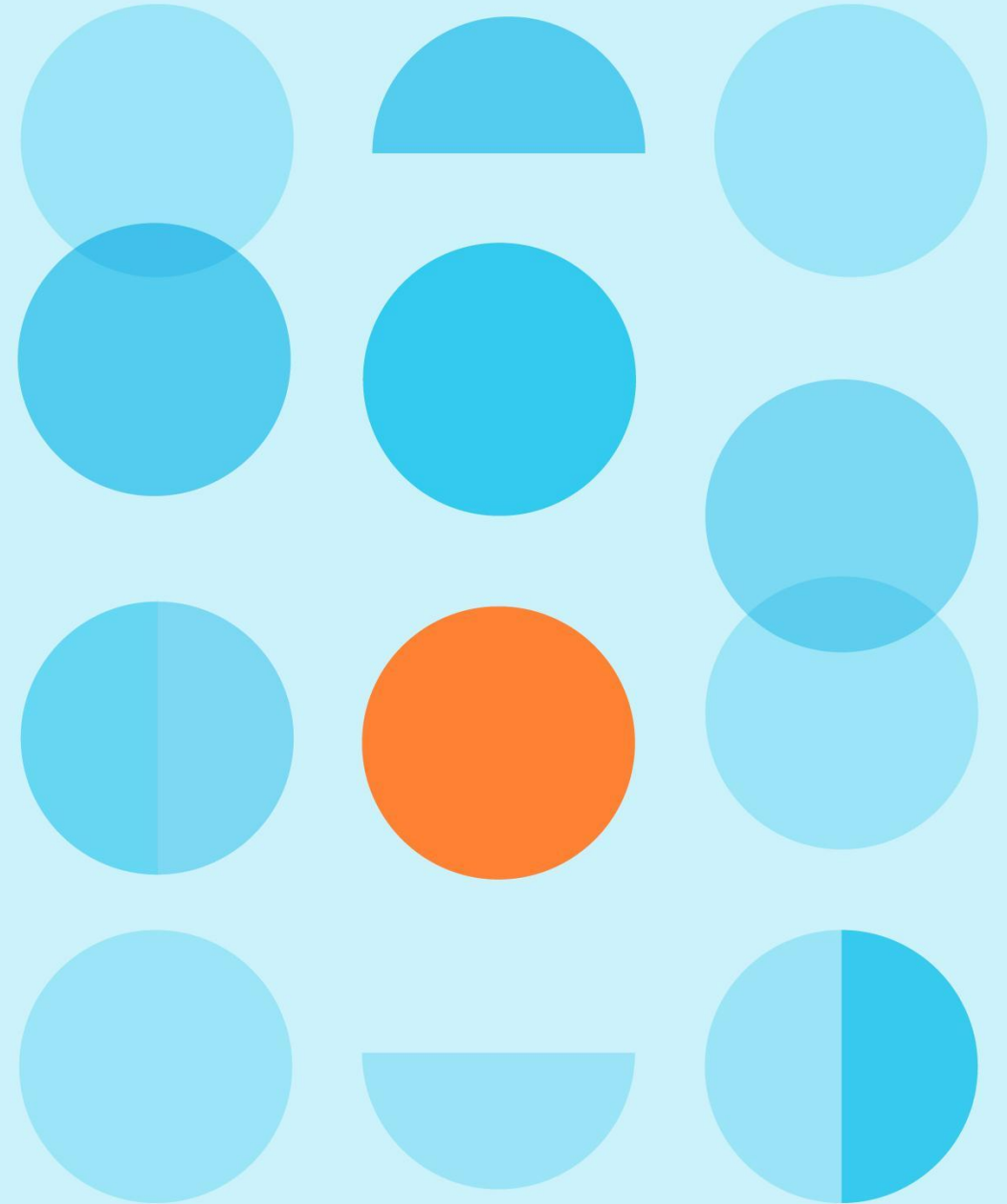


# LiveHire (ASX:LVH) Quarterly Activities Report: Q1 2022

20 October 2021

livehire

Empowering the flow of the world's talent



# LVH: Q1 22 Highlights

**Just announced!** LiveHire ranks 4th in the Top 10 Most Innovative Companies on the annual AFR Boss Most Innovative Companies list!

## **The business continues to execute on its Direct Sourcing strategy in North America:**

- ✓ Direct Sourcing quarterly revenue up 700% YOY.
- ✓ Partner base grows to 17 and is tracking to plan.
- ✓ Direct Sourcing clients close the quarter at 18 delivering an EACV<sup>1</sup> of \$5.4m and on track to deliver ~36 clients by end of FY22.
- ✓ Enhanced delivery in North America with strategic hires of two (2) senior executives to accelerate execution, open up new opportunities and convert pipeline.
- ✓ Partner enablement maturing - 66 client opportunities live; 11 of these at proposal stage.

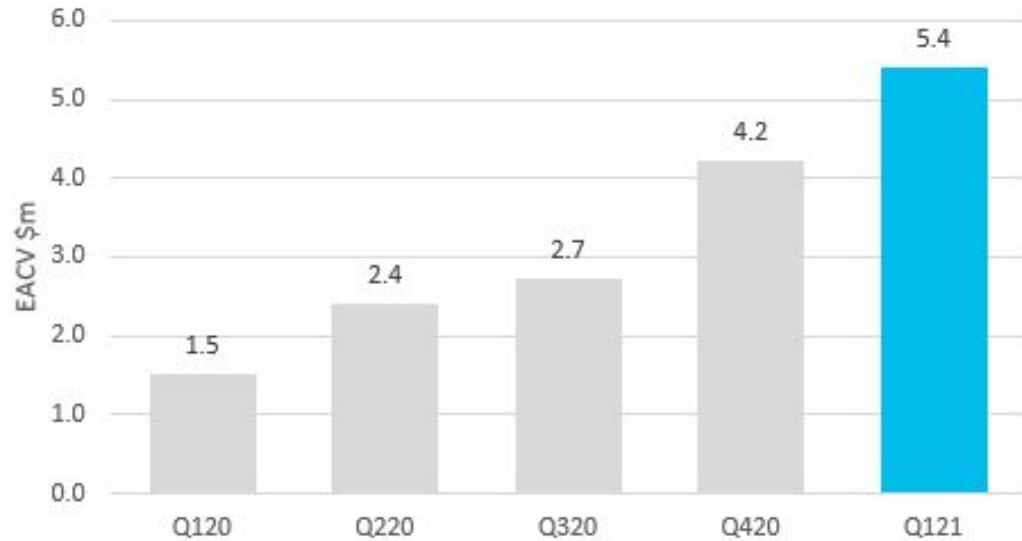
## **LVH also continues to drive solid growth across the SaaS business in ANZ and LVH powered client wins global award:**

- ✓ Client revenue retention exceeding plan with NRR rate % (rolling 12mths) moving from 91% to 96%.
- ✓ Net gain for the quarter of 3 (added 8 new clients, 5 losses in quarter) taking total to 141 clients.
- ✓ Closing ARR for the Q1 22 \$4.5m up 3.5% on Q4 21, and up 21% YOY.
- ✓ 76 client opportunities live; 27 of these at proposal stage.
- ✓ LiveHire client, Komatsu wins candE award for best candidate experience.

**Financial indicators are tracking to plan and enabling investment in North America with closing cash of \$13.2m.**

## Direct Sourcing continues to execute to strategy...

EACV (\$m)



### Direct Sourcing revenues grow 700% YOY:

- ✓ Added 3 new partners (17 in total) and tracking to plan.
- ✓ Net gain for the quarter of 4 new clients taking total clients to 18, generating EACV of \$5.4 million. This is expected to grow to 36 by the end of FY22.
- ✓ Quarterly revenues dropped from \$686k in Q421 to \$578k in Q1 22 due to the rolling off of COVID related client hires for Alberta Health.
- ✓ Partner enablement maturing - 66 client opportunities live; 11 of these at proposal stage.

Direct Sourcing Performance	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	YOY
Closing Partners	3	11	13	14	17	467%
Closing Clients (Logos)	5	8	9	14	18	260%
Revenue (\$)	\$72,344	\$242,116	\$398,136	\$686,785	\$578,997	700%
EACV (\$m) <sup>1</sup>	\$1.5	\$2.4	\$2.7	\$4.2	\$5.4	260%

<sup>1</sup> 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 12-24mths to ramp to this rate of use. Note ramping may vary due to forex rates.

<sup>2</sup> Expected growth to end of FY22 (30 June 2022) based on approx 6 new sales per quarter at EACV \$300k.

# We introduced 4 new Direct Sourcing clients and 3 new partners...



LiveHire is by far the most innovative technology leader in the market offering an effective and reliable Direct Sourcing tool. Their customer service is unmatched. The UX/UI is so clean, neat and intuitive, and allowed our recruiters to get ramped up in no time. The partnership has been seamless, and our experience with them has shown how truly passionate they are about their software.

**Manish Karani**  
CEO, ASK Consulting



We have chosen this strategic partnership with LiveHire to leverage their function-rich technology platform to better serve the People2.0 ecosystem of talent providers. LiveHire's solutions not only unlock access to talent, but also streamlines the hiring process.

**Derek Sanders**  
SVP - Enterprise Solutions,, People2.0

**PEOPLE2.0**

livehire

# Investing to accelerate in North America

## **Martin Matula – Product Implementation and Adoption**

LiveHire welcomes Martin Matula and his wealth of experience in application development, product management, and digital innovation in the US staffing, recruiting and contingent workforce space. He has a unique background in data, analytics, machine learning, AI and the application of technology and automation at many of the most successful global VMS, MSP and staffing brands. His previous strategic roles at Beeline, Adecco's Innovation Lab, and as the VP of Product Development at Opptly have provided Martin with practical experience in digital recruiting and the emerging U.S. Direct Sourcing market.

Martin most recently spent a year providing a strategic technical roadmap to ensure one of the largest Healthcare Staffing Agencies in the U.S. utilised the best available technology, data and AI solutions to address the unprecedented demand for clinicians, as hospitals scrambled to respond to the COVID-19 crisis.

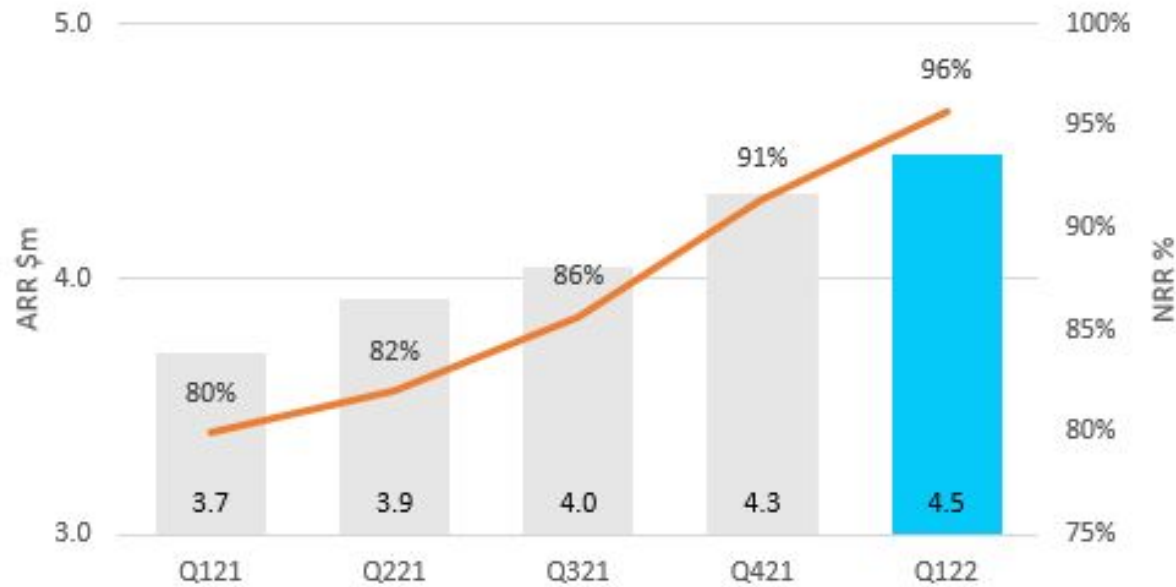
## **Chuck Young – Solutions Design and Launch**

LiveHire welcomes Chuck Young, a recognised and respected leader in the Recruitment industry with 22 years of operational, technical and advisory leadership. He founded Interactive Resources, a National IT Recruitment firm based out of Jacksonville, Florida, a leader in multiple markets across the US. Most recently, Chuck has specialised in Talent Platforms for companies in the contingent workforce space, including leading Vendor Management System Beeline.

Chuck has built private and public talent pool products, curation services, and has also helped design and manage integrations and partner ecosystems to help further the adoption of the future of work. Chuck's reputation is as a connector and business accelerator, with deep experience in and contribution to the Direct Sourcing space.

# SaaS continues growth and LVH powered client recognised globally...

Closing ARR & NRR %



**SaaS retention exceeds plan as sales pipeline grows as confidence returns:**

- ✓ Client revenue retention exceeding plan with NRR rate % (rolling 12mths) moving from 91% to 96%.
- ✓ Net gain for the quarter of 3 (added 8 new clients, 5 losses in quarter) taking total to 141 clients. Strong ARR upgrade activity exceeded the ARR losses for the quarter.
- ✓ Closing ARR for the Q1 22 \$4,473,912 up 3.5% on Q4 21, and up 21% YOY.
- ✓ 76 client opportunities live; 27 of these at proposal stage.
- ✓ Komatsu wins candE award from New York-based Talent Board for best candidate experience.

SaaS Performance	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	YOY
Closing Clients (Logos)	114	120	123	138	141	24%
NRR rate % (rolling 12 mth)	80%	82%	86%	91%	96%	20%
Closing ARR Revenue (\$m)	\$3.700	\$3.917	\$4.037	\$4.322	\$4.474	21%

# We introduced 8 new SaaS clients in the quarter, including these 6...



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## Komatsu win APAC CandE awards



Komatsu is deeply committed to encouraging the employment of a diverse workforce into our organisation. Our MD champions initiatives such as the EveryONE counts strategy and advocates for greater inclusivity in our workforce to foster innovation and give our organisation a competitive advantage through diversity of thought. We're thrilled to see that LiveHire also plays a key role in this strategy – enabling Komatsu to increase our percentage of female hires by over 30% with a more proactive, candidate-centric approach to recruitment.

**Anna Statham**

# Strong cash position enables investment into North American market to accelerate

Cash Performance	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	YOY
Quarterly Cash Receipts (\$m)	\$0.885	\$1.498	\$1.547	\$1.827	\$1.589	80%
Operating Cashburn (\$m) <sup>1</sup>	(\$2.088)	(\$1.723)	(\$1.467)	(\$1.639)	(\$1.455)	30%
Total Cashburn (\$m)	(\$1.955)	(\$1.655)	(\$1.335)	(\$1.621)	(\$1.262)	35%
Closing Cash (\$m)	\$19.026	\$17.372	\$16.037	\$14.416	\$13.154	(31%)

Financial indicators are tracking to plan and enabling investment into North America:

- ✓ Cash receipts \$1.6m for the quarter, with 12mth rolling at \$6.5m.
- ✓ Increase in operating cashburn as expected from (\$1.6m) in Q4 21 to (\$2.3m) in Q1 (excluding impact of R&D refund of \$0.8m) which reduces it to (\$1.5m), as we continue to invest in North American growth.
- ✓ TCC's for the quarter up 7% to 4.5m v 4.2m in Q4 21:
  - ANZ up 7% to 3.0m and
  - North America up 7% to 1.5m

Talent Community Connections by Region



<sup>1</sup> Operating Cashburn – reflects Net Cash from Operating Activities as per the Appendix 4C (this includes govt subsidies such as R&D refunds)

Note: None of the information included in this presentation should be considered individually material, unless specifically stated. All figures in this announcement are provided on an unaudited basis.



# Global setting very positive...

As the world recovers from the COVID pandemic, which has restructured the way people work and how employers contract and engage with employees, the sector is seeing a significant amount of transactions and investment.

According to Crunchbase the Global M&A and investment activity in Human Resources / Recruiting sector has significantly increased with \$US1.9b<sup>1</sup> being invested and / or acquired YTD calendar year 2021.

More recently WillHire was acquired by PRO Unlimited in September, 2021 who is a pioneer in contingent workforce management. <sup>2</sup>

The increased levels of investment/M&A activity coincides with the growth in the contingent labour market, which Staffing Industry Analysts (SIA) reported in September 2021 had grown in the US YOY by 26% in August 2021<sup>3</sup>.

SIA's "Talent Platform Landscape" report published September 2021 states that Talent Platforms globally processed \$US10.7 billion on a B2B basis in 2020, which over the last two years has grown YoY at 20% & 25% respectively <sup>4</sup>.

<sup>1</sup> Source: Crunchbase Data [Activity Feed | Crunchbase](#)

<sup>2</sup> <https://mergr.com/willhire-acquired-by-pro-unlimited> <https://prounlimited.com/>

<sup>3</sup> SIA report 'US Staffing Industry Pulse Survey Report' September 23 ,2021

<sup>4</sup> SIA report 'The Talent Platform Landscape' September 17,2021

# 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
<b>Competitive value proposition</b>	<ul style="list-style-type: none"> <li>Disintermediate the ~20%<sup>5</sup> mark-ups paid on temporary employees</li> <li>Reducing mark-ups to realise savings</li> <li>Plus faster, better hires</li> </ul>	By creating a pre-existing talent community clients can*: <ul style="list-style-type: none"> <li>Reduce time to hire from 25 days to 7 days</li> <li>Increase recruiter efficiency with AI from 50 to 3 candidates</li> <li>Reduce per hire cost from \$5,800 to \$2,500</li> </ul> (*Vodafone client example)	<ul style="list-style-type: none"> <li>Know all skills &amp; use AI to search and move talent into internal roles</li> <li>Communicate seamlessly by SMS</li> <li>Avoid turnover through poor internal job markets</li> </ul>
<b>Market Focus</b>	North America	Australia	New Zealand
<b>Estimated size of market</b>	<ul style="list-style-type: none"> <li>\$US80b+<sup>1</sup> spend in the US on MSPs</li> <li>LiveHire's fee @ 1-2% could indicate an \$US800m+ TAM</li> </ul>	<ul style="list-style-type: none"> <li>4,000 companies<sup>2</sup></li> <li>\$100m potential tech spend</li> <li>Large, medium, small</li> </ul>	<ul style="list-style-type: none"> <li>1,000+ companies<sup>3</sup></li> <li>\$10m potential tech spend</li> <li>Large, medium</li> </ul>
<b>Go to market</b>	Via partners who have a strong financial incentive to introduce to sell the solution to their clients	Direct sales force	
<b>Current position</b>	17 partners (as at September 2021) 18 clients Examples of clients: Ontario Ministry of Health, Global Professional Services Firm, Enbridge <sup>4</sup>	141 clients (as at September 2021) Example of clients: Vodafone, University of Newcastle, BabyBunting	4 clients Examples of clients: Large state governments

# Appendices



# 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 12-24mths to ramp to this rate of use. Ramping may also be impacted by forex movements.

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



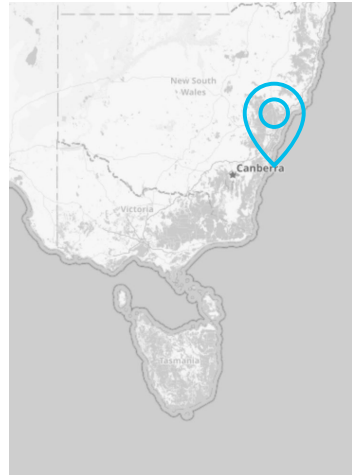
www.livehire.com



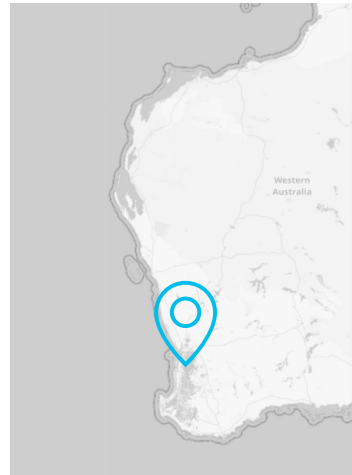
investors@livehire.com



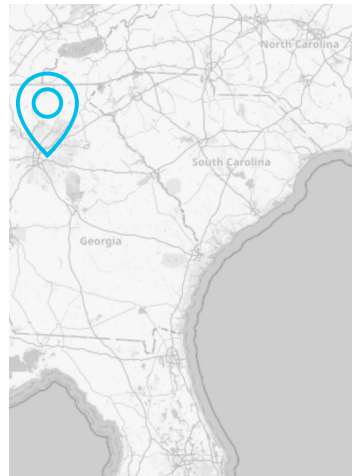
@livehireme



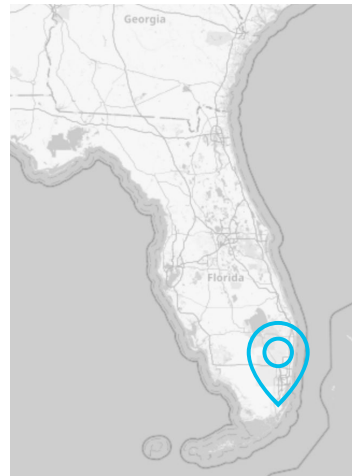
Sydney, AU



Perth, AU



Atlanta, USA

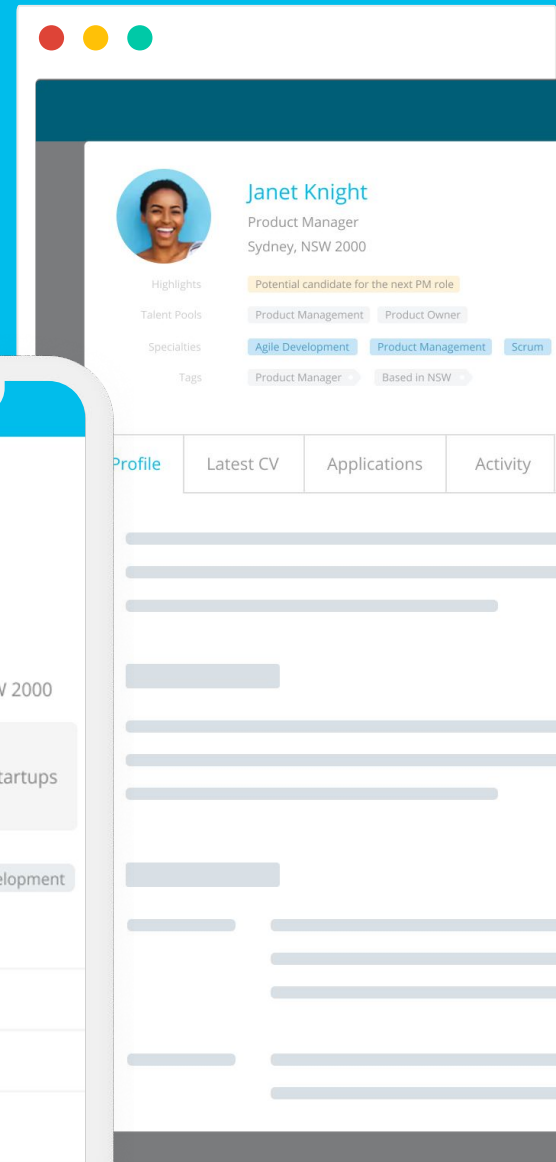
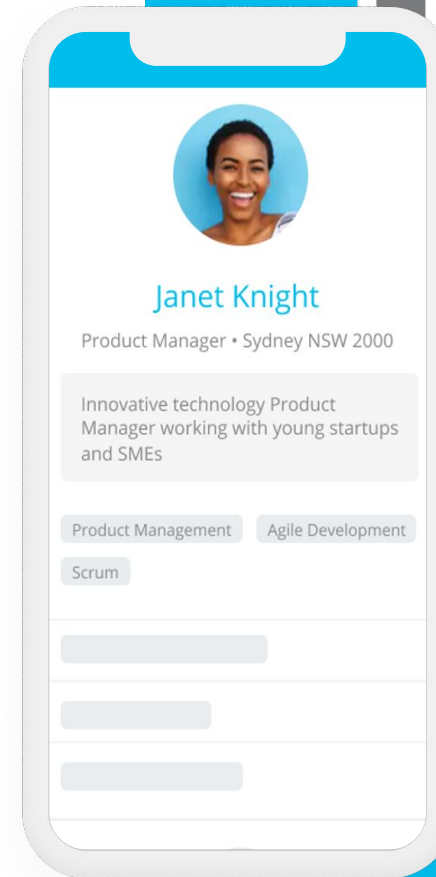


Miami, USA



## Melbourne

Level 10, 461 Bourke Street,  
Melbourne, VIC 3000



## Appendix 4C

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

**Name of entity**

LiveHire Limited

**ABN**

59 153 266 605

**Quarter ended ("current quarter")**

 30<sup>th</sup> September 2021

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,589	1,589
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(307)	(307)
(c) advertising and marketing	(107)	(107)
(d) leased assets		
(e) staff costs	(2,753)	(2,753)
(f) administration and corporate costs	(716)	(716)
1.3 Dividends received (see note 3)		
1.4 Interest received	7	7
1.5 Interest and other costs of finance paid	(20)	(20)
1.6 Income taxes paid		
1.7 Government grants and tax incentives	852	852
1.8 Other – staff termination costs		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,455)</b>	<b>(1,455)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(12)	(12)
(d) investments		
(e) intellectual property		
(f) other non-current assets		

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)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(12)</b>	<b>(12)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	259	259
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		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings	(79)	(79)
3.8	Dividends paid		
3.9	Other (provide details if material)		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>179</b>	<b>179</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	14,416	14,416
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,455)	(1,455)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(12)	(12)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	179	179



<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	25	25
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>13,154</b>	<b>13,154</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	3,815	5,077
5.2	Call deposits	9,339	9,339
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>13,154</b>	<b>14,416</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	245
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.

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

**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.*

- 7.1 Loan facilities
- 7.2 Credit standby arrangements
- 7.3 Other (please specify)
- 7.4 **Total financing facilities**

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

**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.

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**8. Estimated cash available for future operating activities****\$A'000**

8.1	Net cash from / (used in) operating activities (Item 1.9)	(1,455)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	13,154
8.3	Unused finance facilities available at quarter end (Item 7.5)	
8.4	Total available funding (Item 8.2 + Item 8.3)	13,154
8.5	<b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	9.0

*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: 20<sup>th</sup> October 2021

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.