

LiveHire (ASX:LVH) AGM Presentation

Michael Rennie (Executive Chairman)
Christy Forest (CEO & Executive Director)

17 November 2021



Empowering the flow of the world's talent

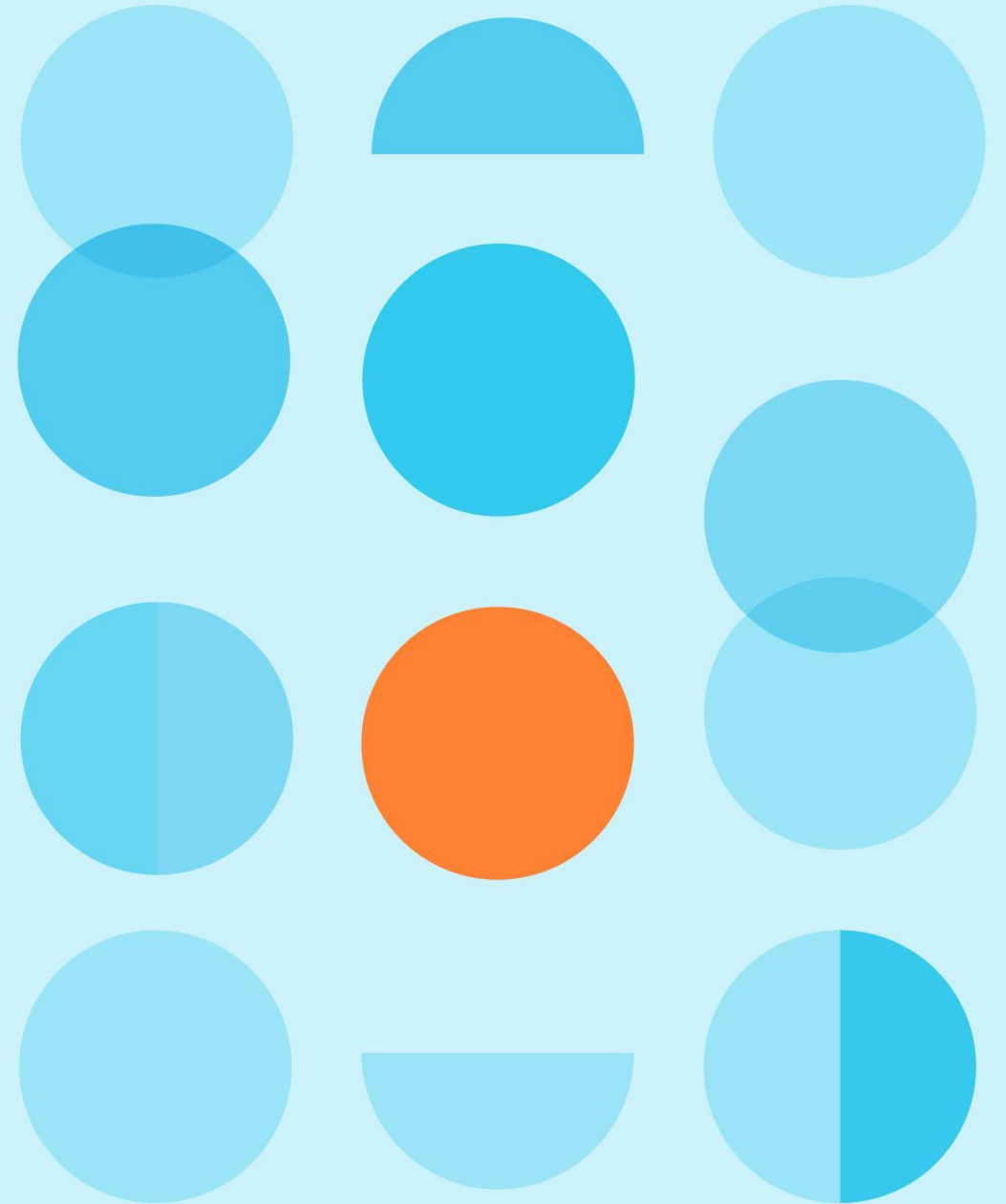


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LiveHire – What is the opportunity & what is our Solution?

LiveHire – What is the opportunity?



Global landscape ¹

Global recruitment market was valued at \$US215b+ in the year 2017 and is predicted to reach more than \$US334b+ by the end of the forecasted period in 2025, expanding at a moderate CAGR of 5.63% throughout the forecasted period.



Direct Sourcing

Contingent hiring landscape.

North America Contingent hiring Direct Sourcing

North American contingent hiring spend is US\$80 billion+²

Shift to contingent grew 11% in 2021³

60% adoption of direct sourcing expected in the next 2 years ⁴

Disintermediate the ~20% mark-ups paid on temporary employees ⁵

¹ <https://www.prnewswire.com/news-releases/recruitment-market-global-industry-to-attain-huge-value-of-us-334-28-bn-by-2025-qyresearch893326038.html#:~:text=Global%20Recruitment%20Market%3A%20Online%20Recruitment%20Based%20on%20online.sales%2Fmarketing%2C%20>

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

³ <https://staffinghub.com/staffing-and-recruiting-trends/u-s-temporary-staffing-revenue-to-exceed-pre-pandemic-level-in-2021-sia-report/>

⁴ <https://prwire.com.au/pr/97218/60-adoption-rate-of-direct-sourcing-in-the-next-two-years-says-new-report-by-staffing-industry-analysts-sia>

⁵ [Why Businesses Need to Pay Attention to Staffing Agency Markup Rates \(hcmworks.com\)](https://www.livehire.com/why-businesses-need-to-pay-attention-to-staffing-agency-markup-rates-hcmworks.com)



LiveHire – what is our unique solution?

LiveHire is a globally awarded recruitment, talent mobility and direct sourcing software platform.

Our intuitive design allows organisations to source, engage and hire permanent, contingent, alumni, and internal talent.

Our unique offering provides talent pooling and two-way SMS functionality to help organisations make faster hires while providing a highly engaged candidate and recruiter experience.



LiveHire's Three Primary Use Cases



Permanent Hires

Sell to: Recruitment.

Current Markets: Australia and New Zealand

Revenue: ARR Licence (yearly upfront).

Average Client Size: Mid: \$30k Large: \$200k²

Model Established: 2017

Clients: 148³

Client Examples: Vodafone, Alfred Health



Internal Mobility

Sell to: HR.

Current Markets: Australia and New Zealand

Revenue: Annual licence (upfront)

Average Client Size: Mid: \$30k²
Large: \$200k

Model Established: 2020

Clients: 4³

Client Examples: QLD Gov



Contingent (contractor) Hires

Sell to: Procurement.

Current Markets: US and Canada

Revenue: 1 -2% of contractor salary (monthly arrears)⁴

Average Client Size: ~\$300k/annum at full ramp¹

Model Established: 2020

Clients: 21³

Client Examples: Ian Martin Group, Enbridge⁵, Ontario Ministry of Health

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 12-24mths to ramp to this rate of use

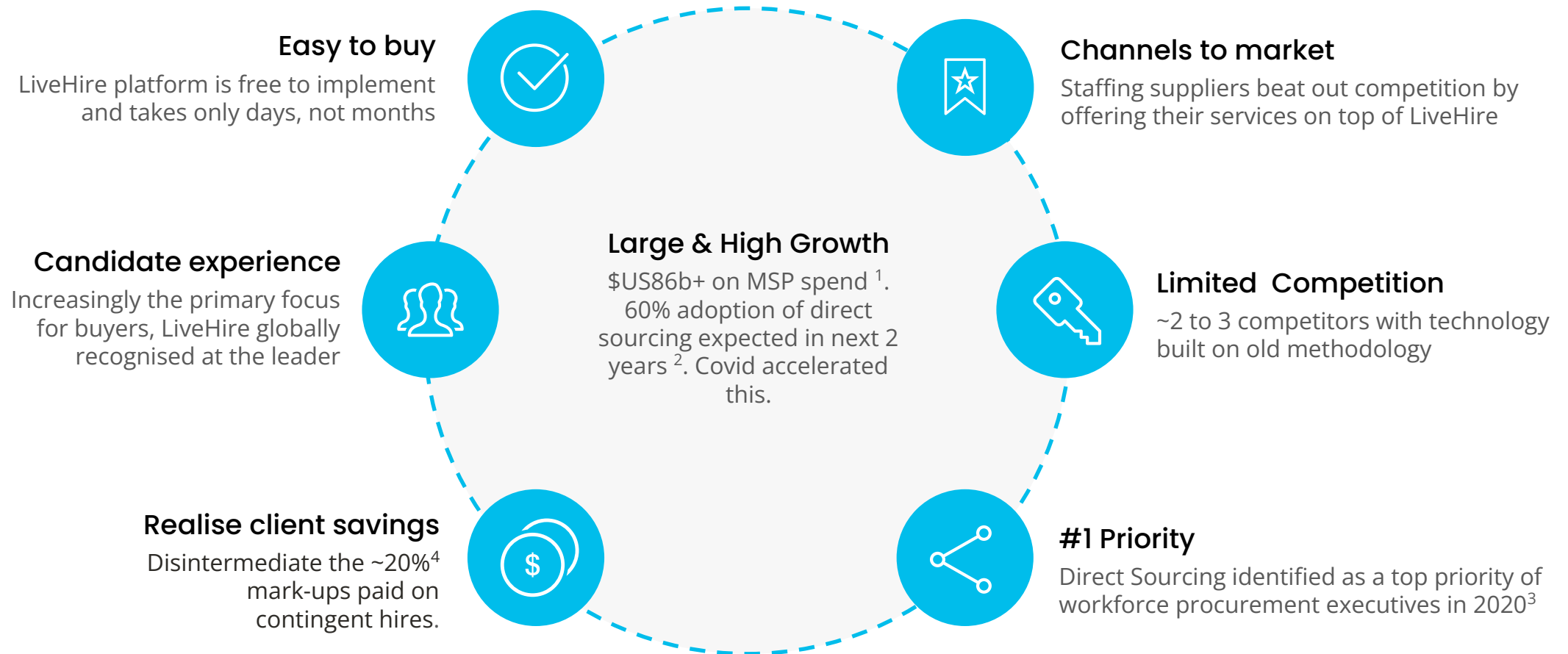
² Numbers based on LVH data.

³ Numbers as at date of report

⁴ LVH assumes technology costs of 1-2%

⁵ The Ian Martin Group managing the student contract program for Enbridge Inc.

Why the North American Contingent Workforce Market is so exciting



¹ MSP Global Landscape Summary 2020: \$US86B MSP in US in 2019

² <https://prwire.com.au/pr/97218/60-adoption-rate-of-direct-sourcing-in-the-next-two-years-says-new-report-by-staffing-industry-analysts-sig>

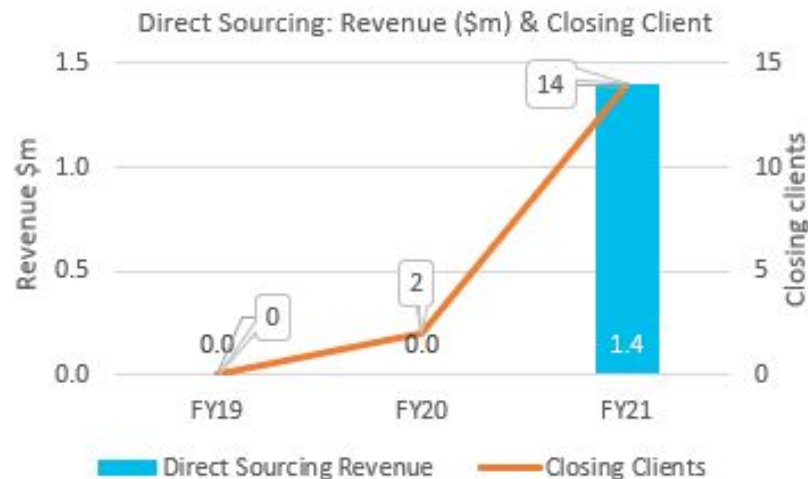
³ <https://cproising.com/2020/08/25/the-impact-of-direct-sourcing-in-2020-and-beyond-part-i/>

⁴ [Why Businesses Need to Pay Attention to Staffing Agency Markup Rates \(hcmworks.com\)](https://www.hcmworks.com/why-businesses-need-to-pay-attention-to-staffing-agency-markup-rates/)

Recap FY21



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



Direct Sourcing client & revenue exceed expectations:

- ✓ 14 clients and partners to close the year. Both up 12 from the PCP
- ✓ Aggregate clients' **EACV¹ 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 Managed Service Providers, 2 consulting and 1 Vendor Management System

SaaS performs strongly across key driver:

- ✓ Recurring revenue up 24% on PCP
- ✓ 90% of total revenue is recurring (up 6% on PCP), multi year ARR (\$) sales were 91% for the period (up from 36% in the PCP)
- ✓ NRR rate % (12mth rolling) for the period is 91% (up from 80% PCP); net upsell for the period up \$250k on PCP

Strong year 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%
NRR % 12mth rolling	80%	80%	91%	11%

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) ²	\$3.940	(\$13.033)	(\$6.565)	50%
Closing Cash (\$m)	\$34.013	\$20.981	\$14.416	(31)%

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

- ✓ Strong balance sheet and fully funded for current management plan 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)

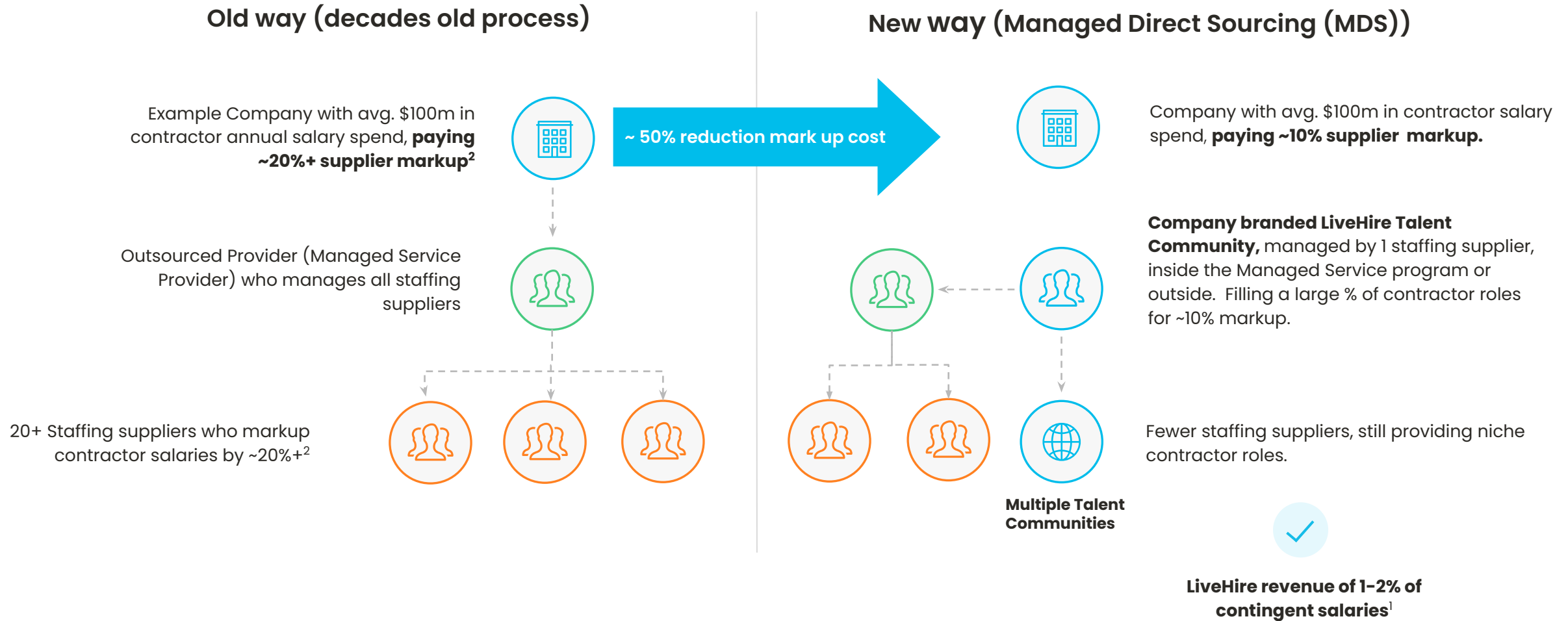
¹ EACV - Estimated Annual Contract Value based on average of management's estimate of \$300k (refer to glossary for calculation) per client at full ramp, LiveHire expects each client to take 12-24mths to ramp to this rate of use after that client implemented LiveHire.

² FY19 total cash burn Includes a capital raise of \$15m, net cash impact \$14.4m

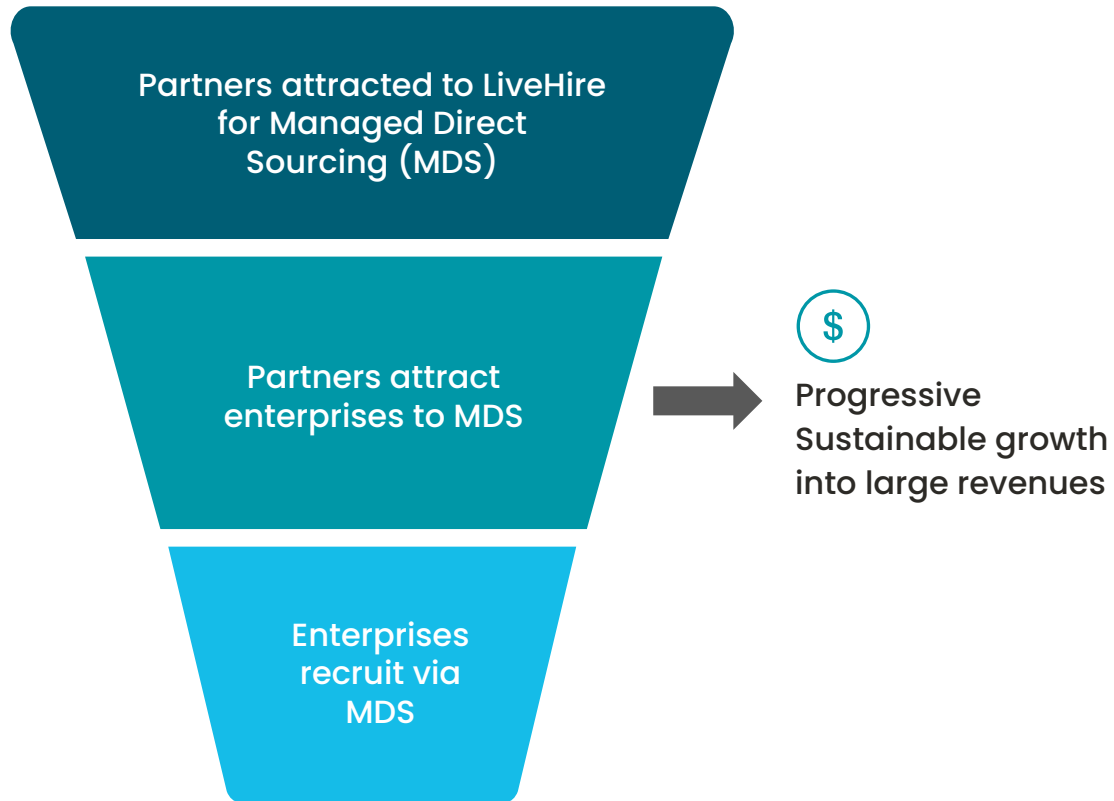
Direct Sourcing Opportunity & Case Study



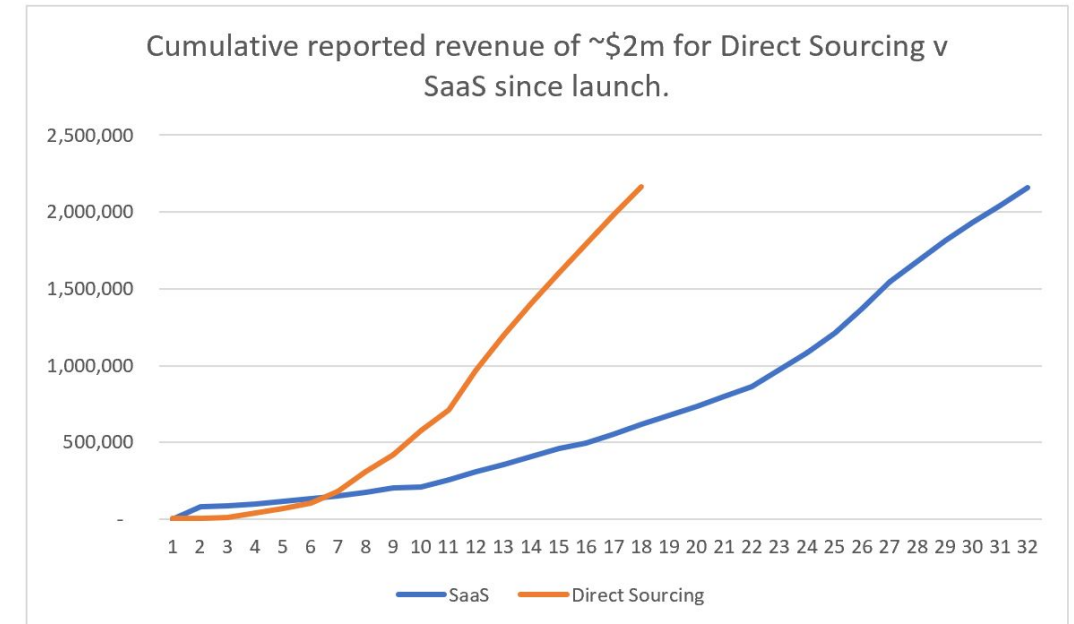
Direct Sourcing Opportunity: Disrupt \$US80b₁+ in contingent hiring spend



Direct Sourcing: Partner network expansion drives growth faster than SaaS...



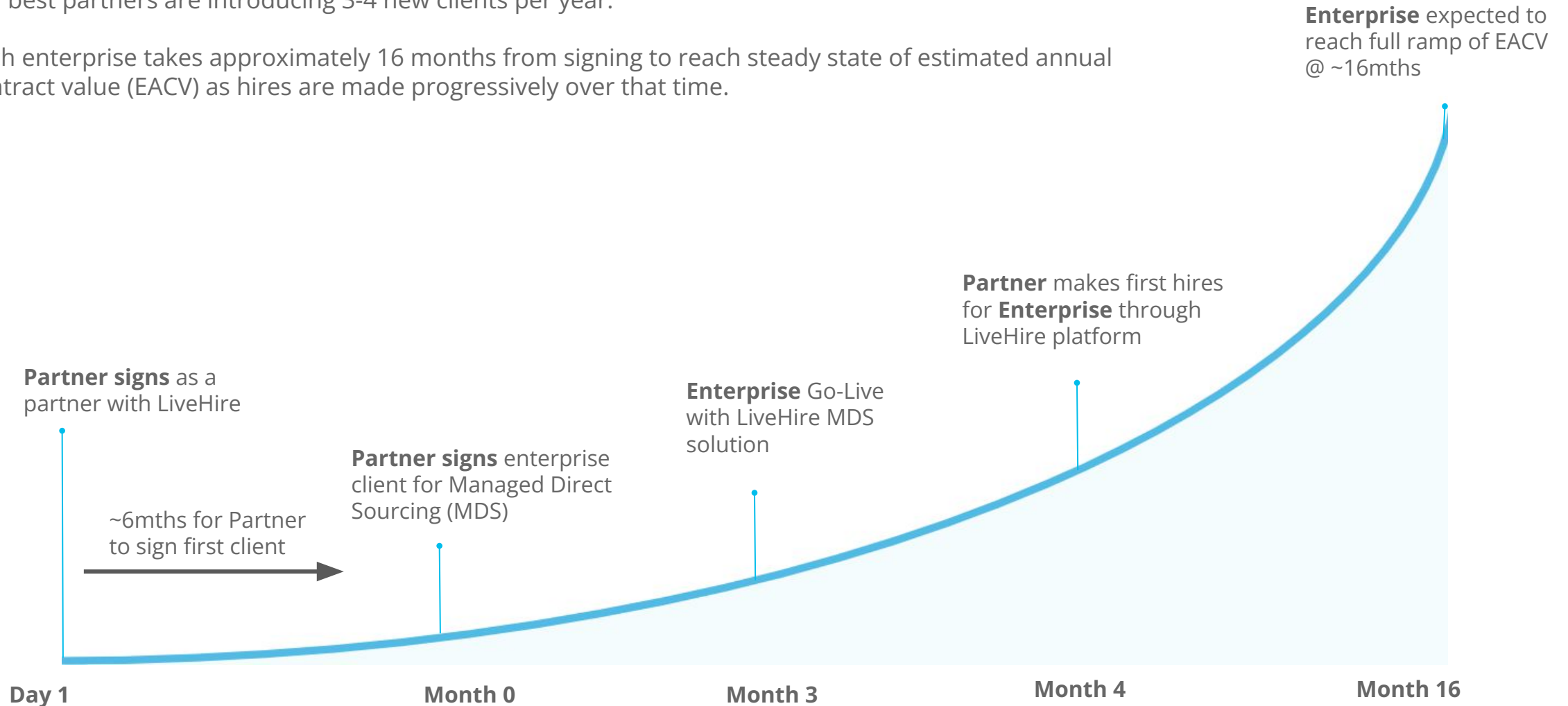
Direct Sourcing growing ~2x faster than the SaaS business.
Progress achieved with 3 partners now we have 18.



Direct Sourcing: Case Study – Leading Partner

A partner signs with LVH and then after ~6mths starts to sign enterprise clients for MDS. At steady state our best partners are introducing 3-4 new clients per year.

Each enterprise takes approximately 16 months from signing to reach steady state of estimated annual contract value (EACV) as hires are made progressively over that time.

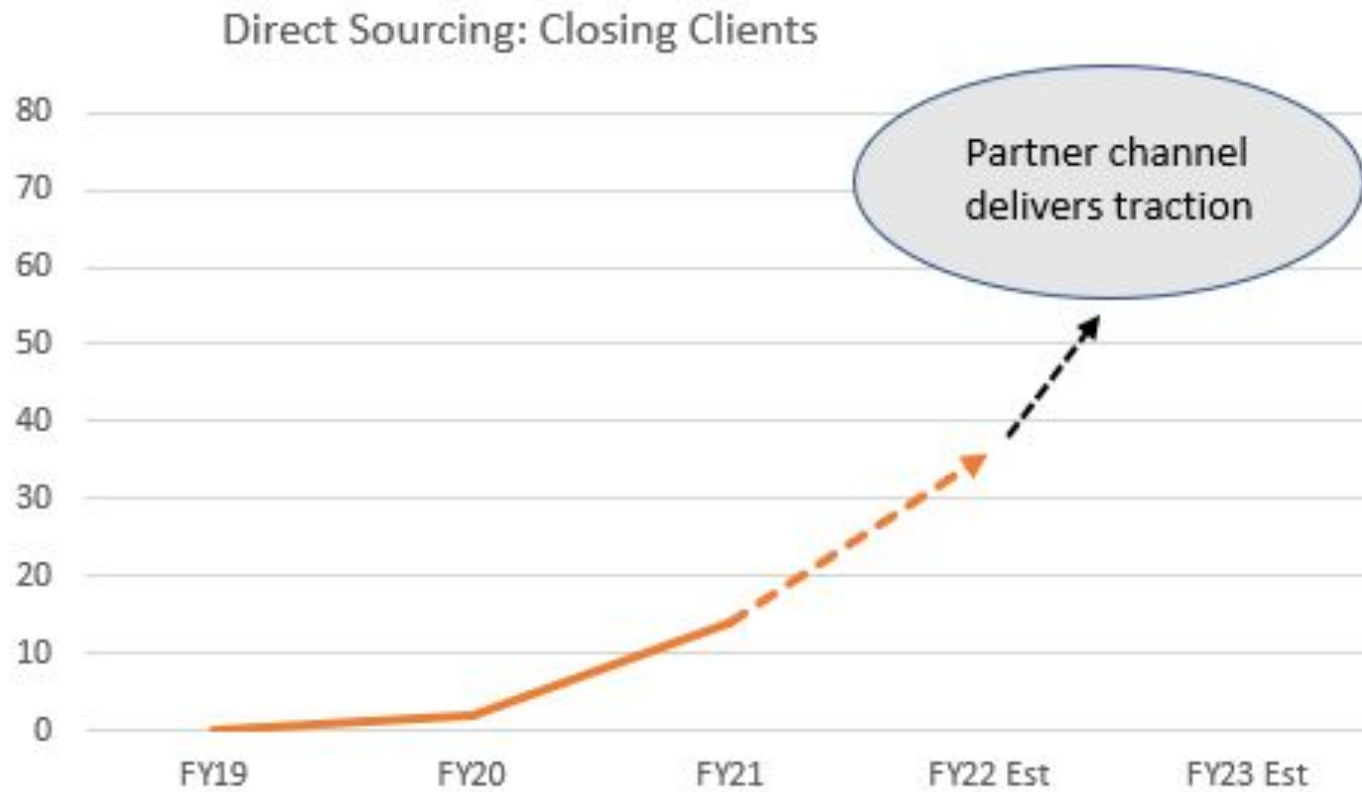


Direct Sourcing: LVH Partner pipeline and conversion to clients

	Q3 21	Q4 21	Q1 22	Now ¹
Partners	13	14	17	18
Live Opportunities	31	50	66	78
At proposal	7	10	11	11
Clients	9	14	18	21

Direct Sourcing accelerates with traction...

Increased traction from partners along with conversion of clients builds momentum into the future.



Business update: YTD 2022

(July – November 2022)



LVH: Highlights from FY22!

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 at the end of Q1 22.
- ✓ Partner base grows to 18 (up from 14 at year end FY21) and is tracking to plan.
- ✓ Direct Sourcing clients now at 21 (up from 14 at year end FY21) and on track to ~36 clients by end of FY22¹
- ✓ Partner enablement progressing with a pipeline of 78 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% as at Q1 22.
- ✓ Net gain for the year to date (as at this report) of 10 (added 17 new clients, 7 losses year to date) taking total to 148 clients.
- ✓ 98 client opportunities live; 35 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 EOQ1 22.

¹ Expected growth to end of FY22 (30 June 2022) based on approx 6 new sales per quarter.

Direct Sourcing: We have introduced 4 partners and 7 new clients in FY22...



Client & Partner



Broadleaf is excited to partner with LiveHire to grow our Managed Service Program (MSP) 2.0 offerings and further enhance our program success. LiveHire's cutting-edge platform broadens our capabilities and streamlines our sourcing process— enabling us to attract top candidates from all labor categories and employment classifications. LiveHire's AI-powered technology was adopted by our talent acquisition team for use in our internal hiring process and demonstrates proof of concept for our clients implementing an MSP. Given our initial results, we are confident that our partnership with LiveHire will enhance our next-generation of MSP service offerings and help our clients keep pace with the ever-changing talent market.

Dave Savarise

Executive Vice President, Broadleaf Results, Inc.



Our industry is rapidly evolving, our clients have been requesting access to talent as quickly and cost effectively as possible while simultaneously talent has been demanding a better and more tailored experience during their job search. LiveHire is a great solution for Matlen Silver to deliver these solutions for our clients while enhancing our services and experience for our talent.

Cameron Edwards

Vice President Strategic Partnerships, Matlen Silver



Partner

Direct Sourcing: We have introduced 7 new clients & 4 partners in FY22...



Partner



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

Partner

We currently have 21 Direct Sourcing clients across diverse industries

Clients

Hiregenics

Global Technology Leader

Airport Operations and Services

Major US Logistics & Delivery

Global Automotive Business

Software design, development, and support leader

SaaS Platform

Major Manufacturer

Broadleaf Results Inc.

Modern Computing Company

Pharmaceutical Company

Ian Martin Group

M Yachts

Global professional services firm

Ontario Ministry of Health

Alberta Health

Enbridge¹

Major IT Consulting Firm

High5

Fortune 100 Global Consumer Corporation

Major Aviation Company

¹The Ian Martin Group managing the student contract program for Enbridge Inc.

We currently have 148 SaaS clients across diverse industries...

AlfredHealth

A= N
GROUP

achieve
australia
building extraordinary lives
MY HOME MY LIFE MY CAREER MY WELL BEING



Glue.
STORE

zenitas
HEALTHCARE

AMPCONTROL®

vodafone

General Pants Co.

HARRIS FARM
MARKETS

asics
I MOVE ME

Pernod Ricard

ManpowerGroup™



Dairy
Australia

SHEIKE



iSelect

G&S ENGINEERING SERVICES
your asset performance partner
A DORA Global Group Company

MyStateBank

CAPE

St Barbara
LIMITED

frucor
SUNTORY

LITTLE
REAL ESTATE

Australian
Military Bank

THE UNIVERSITY OF
NEWCASTLE
AUSTRALIA

wsp

KOMATSU



livehire

LiveHire: globally recognised and award winning!



— FINANCIAL REVIEW BOSS —
MOST INNOVATIVE
COMPANIES

Top 10 (#4) Professional Services



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 contingent hires - Reduce 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 from poor internal job markets
Market Focus	North America	Australia	New Zealand
Estimated size of market	\$US80b+¹ spend in the US managed by MSPs - LiveHire's fee @ 1-2% indicates 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 sell the solution to their clients	Direct sales force	
Current position	18 partners (as at Nov 2021) 21 clients Examples of clients: Ontario Ministry of Health, global consumer goods company, Enbridge⁴	Permanent Hiring: 148 total subscription clients (as at Nov 2021) Example of clients: Vodafone, University of Newcastle, BabyBunting	Internal Mobility: 4 clients Examples of clients: Large state governments

¹MSP Global Landscape Summary 2020: \$US86B MSP in US in 2019, LVH assumes technology costs of 1-2%. ²ABS Counts of Australian Businesses, including Entries and Exits 2020, 4,160 companies with 200+ employees. ³Data provided by ContactAffix as at March 2020, referencing NZ companies with 250+FTE. ⁴The Ian Martin Group managing the student contract program for Enbridge Inc. ⁵[Why Businesses Need to Pay Attention to Staffing Agency Markup Rates \(hcmworks.com\)](https://hcmworks.com/why-businesses-need-to-pay-attention-to-staffing-agency-markup-rates/)

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

$\text{ARR Churn} = \text{Customer Losses} + \text{Net Upsell ARR}$

Closing ARR

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

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.

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 has targeted 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. Actual rates will vary across companies (clients) and the industries they are in. Management will provide an update when the assumed average EACV needs to be changed.

Opportunities Live

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

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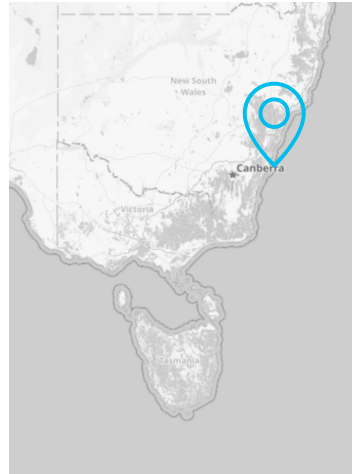
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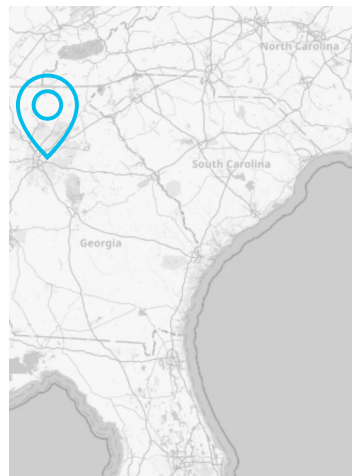
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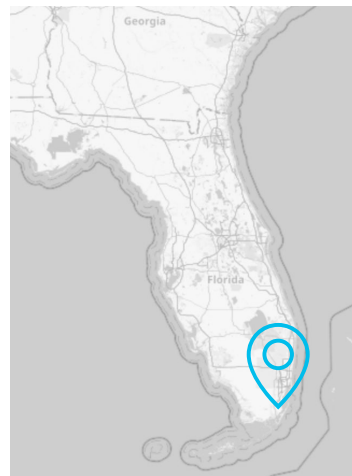
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