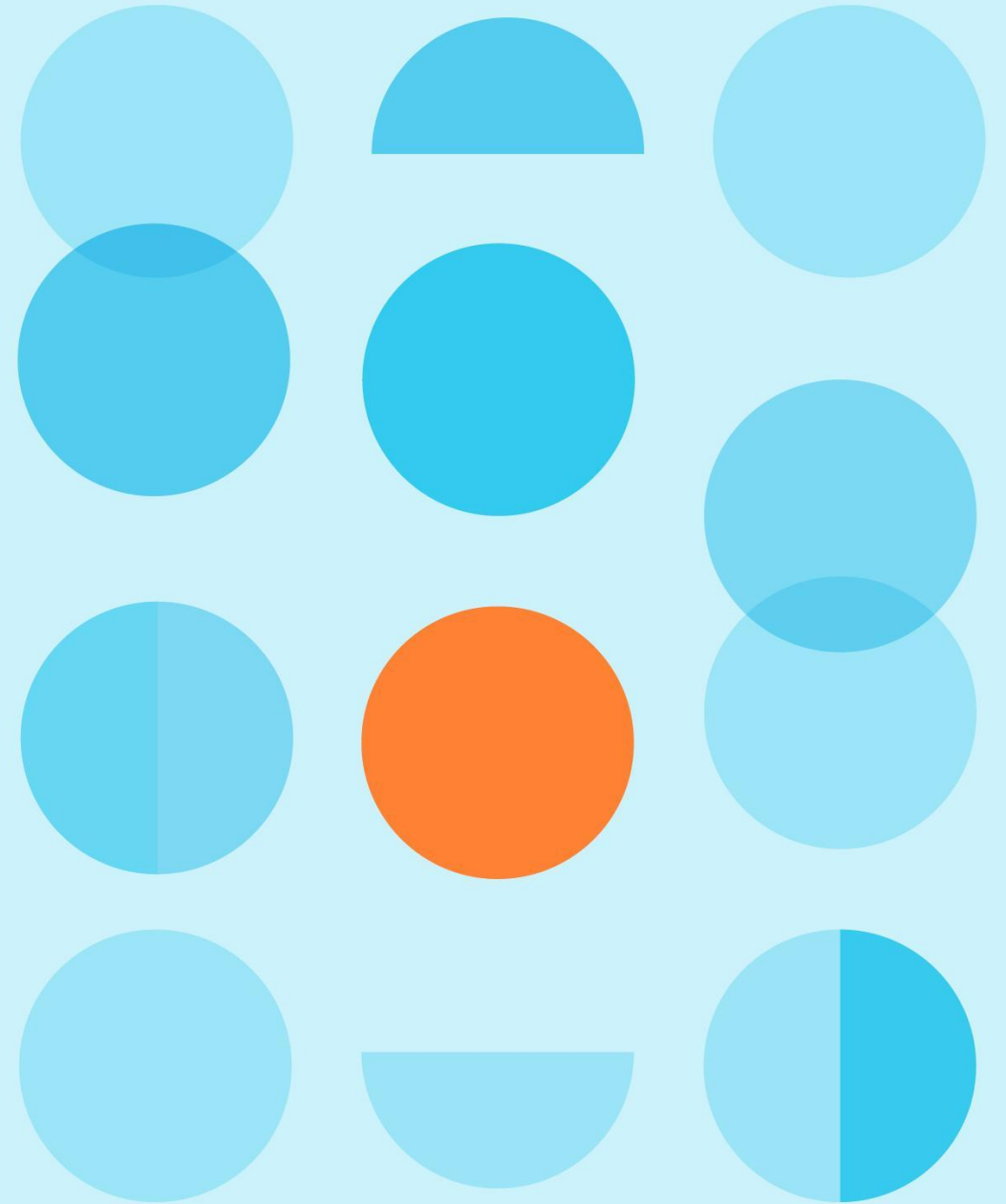


LiveHire (ASX:LVH) Quarterly Activities Report: Q2 2022

20 January 2022

livehire

Empowering the flow of the world's talent



LiveHire: Q2 22 Highlights

LiveHire Direct Sourcing continues to deliver strong growth in North America:

- ✓ Direct Sourcing quarterly revenue up 124% YOY.
- ✓ Partner base grows to 20 (up 3 on previous quarter) and is tracking to plan.
- ✓ Direct Sourcing clients close the quarter at 24 (up 6 on previous quarter) representing an EACV¹ of \$7.2m and on track to deliver ~36 clients by end of FY22².
- ✓ Top channel executive hired to expand global partner ecosystem and revenue impact.
- ✓ Pipeline continues to grow and convert - 93 client opportunities live up from 66 last quarter; 8 of these at proposal stage.

LiveHire posts record quarter in SaaS business as momentum starts to build again in the ANZ market:

- ✓ Client revenue retention exceeding plan with NRR rate % (rolling 12mths) moving from 96% to 99%.
- ✓ Net gain for the quarter of 14 (added 16 new clients, 2 losses in quarter) taking total to 154 clients.
- ✓ Closing ARR for Q2 22 \$4.9m up 10% on Q1 22, and up 26% YOY.
- ✓ 81 client opportunities live up from 76 from last quarter; 19 of these at proposal stage.

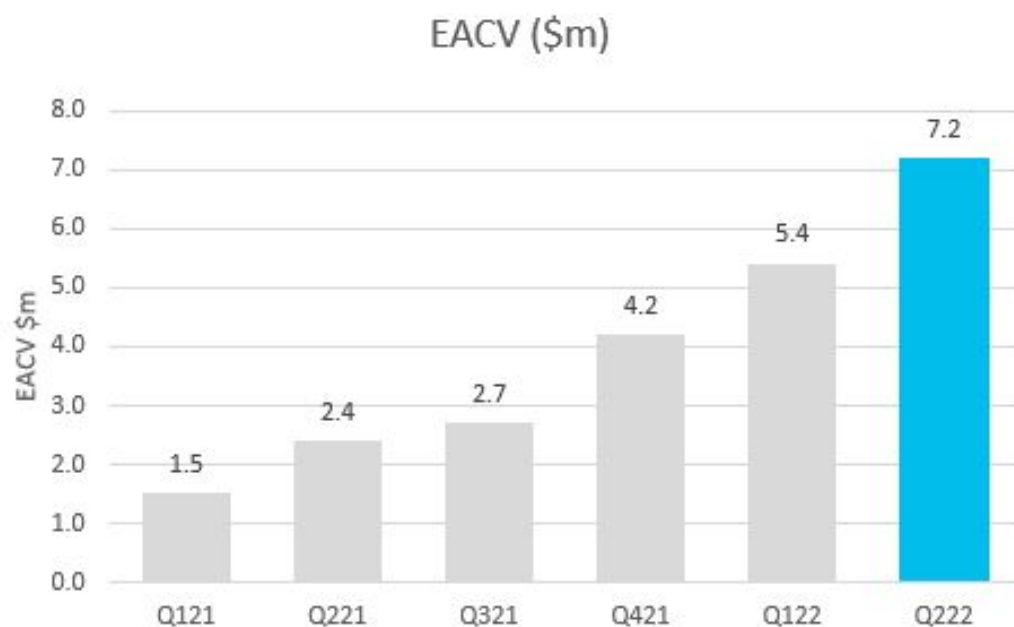
Financial indicators are tracking to plan and enabling investment in North America with closing cash of \$11.3m.

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.
Note ramping may vary due to forex rates.

² Expected growth to end of FY22 (30 June 2022) based on approx 6 net gain per quarter at EACV \$300k.

Direct Sourcing continues to deliver strong growth in clients

Direct Sourcing Performance	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	YOY
Closing Partners	11	13	14	17	20	82%
Closing Clients (Logos)	8	9	14	18	24	200%
Revenue (\$)	\$242,116	\$398,136	\$686,785	\$578,997	\$543,439	124%
EACV (\$m) ¹	\$2.4	\$2.7	\$4.2	\$5.4	\$7.2	200%



Direct Sourcing revenues grow 124% YOY:

- ✓ Added 3 new partners (20 in total) and tracking to plan.
- ✓ Net gain for the quarter of 6 new clients taking total clients to 24, representing EACV of \$7.2 million. This is expected to grow to 36 by the end of FY22².
- ✓ Underlying direct sourcing revenues continue to ramp according to plan and the one off COVID hires are coming off as expected.
- ✓ Partner enablement maturing - 93 client opportunities live; 8 of these at proposal stage.

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. Note ramping may vary due to forex rates.

² Expected growth to end of FY22 (30 June 2022) based on approx 6 net gain per quarter at EACV \$300k.

Recently introduced partners are launching new Direct Sourcing businesses with LiveHire



The partnership myBasePay has with LiveHire is a representation two companies aligned for the future trajectory of workforce management. It is critical for us to partner with organizations that have foundational proposition that improves the overall candidate experience. With myBasePay being at the forefront of the Employer of Record space, we are thrilled to partner with LiveHire who has been a pioneer in the Direct Sourcing movement. Together, our companies can create a complimented candidate lifecycle solution for enterprises everywhere.

Cesar A. Jimenez
CEO, myBasePay



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 at Broadleaf Results, Inc.



LiveHire plan to invest and accelerate growth in North America

LiveHire has now invested in a strong team to fully realise the North American growth opportunity.

Global Partners Number of staff – 2

- Mike Haywood** (Co-Founder)
- David Ghosh – SVP, Global Alliances & Channel Sales**
(Start: Jan 2021)
Recent experience as Global Channel Sales at Eightfold.ai

-
- Focus Areas**
- Deliver 3 to 4 partners per quarter
 - Build top end partnerships and alliances
-

Sales & Solutions Number of staff – 6

- Karen Gonzalez – EVP North America**
(Start: Jan 2020)
20+ yrs experience including global head of sales at Guidant & senior executive at Randstad.
- Julie Semler** (Start: Jul 2020)
15 yrs experience including Randstad and Opptly (direct sourcing competitor).
- Chuck Young** (Start: Oct 2021)
22 yrs experience specialised in Talent Platforms for companies in contingent space including Beeline (VMS).
- 3x Sales Reps**
(Start dates: late 2021)

-
- Focus Areas**
- Sales solution design
 - Direct end client sales cultivation
-

Implementation & Client Success Number of staff – 3

- Martin Matula** (Start: Jun 2021)
Previous experience included strategic roles at Beeline, Adecco's Innovation Lab and VP of Product Development at Opptly.
- 2x Client support and success**
(Start dates: late 2021, early 2022)

-
- Focus Areas**
- Accelerate ramping and land and expand execution
 - Most experienced ANZ person moving to NA
-

LiveHire plan to invest and accelerate growth in North America

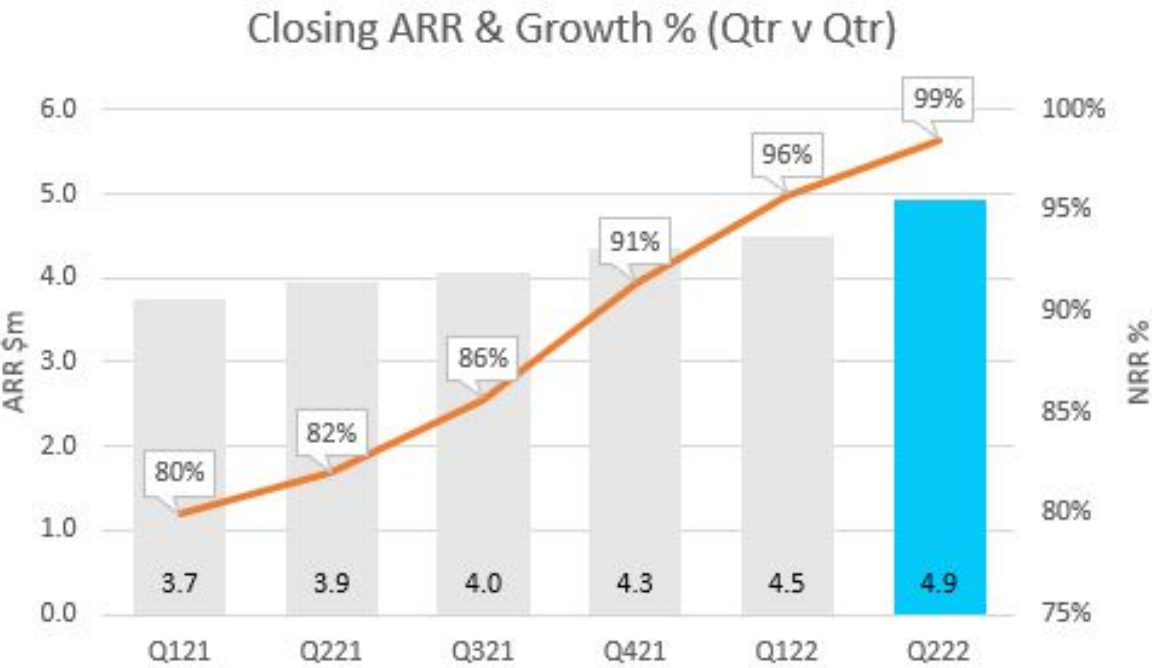
David Ghosh – Senior Vice President, Global Alliances and Channel Sales

LiveHire welcomes Dave Ghosh as the Senior Vice President, to lead the Global Alliances and Channel Sales division of the organization.

Dave brings his outstanding experience from Eightfold.ai where he led the alliances and channel sales and built their global partner ecosystem from the ground up. His vision and leadership resulted in multiple strategic alliances including SAP SuccessFactors, SAP Fieldglass, Deloitte, Accenture, Tata Consultancy Services, Oracle, Alexander Mann Solutions and many more. He built the SAP SuccessFactors strategic partnership to the level of Endorsed App status and achieved the SAP Pinnacle Award for 2021 as the top revenue generating partner.

“I truly believe in LiveHire’s vision and platform to deliver unprecedented outcomes for CHROs and Contingent Workforce leaders to solve for Managed Direct Sourcing, Talent Communities and Total Talent solutions. I couldn’t be more excited to join such a great company.” said Dave Ghosh. “

SaaS business posts record quarter off strong sales lift and impressive retention rates



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

- ✓ Client revenue retention exceeding plan with NRR rate % (rolling 12mths) moving from 96% to 99%.
- ✓ Net gain for the quarter of 14 (added 16 new clients, 2 losses in quarter) taking total to 154 clients. Strong ARR upgrade activity exceeded the ARR losses for the quarter.
- ✓ Closing ARR for the Q2 22 \$4.9m up 10% on Q1 22, and up 26% YOY.
- ✓ 81 client opportunities live; 19 of these at proposal stage.

Saas Performance	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	YOY
Closing Clients (Logos)	120	123	138	141	155	30%
NRR rate % (rolling 12 mth)	82%	86%	91%	96%	99%	21%
Closing ARR Revenue (\$m)	\$3.917	\$4.037	\$4.322	\$4.474	\$4.922	26%

We introduced 16 new SaaS clients in the quarter including



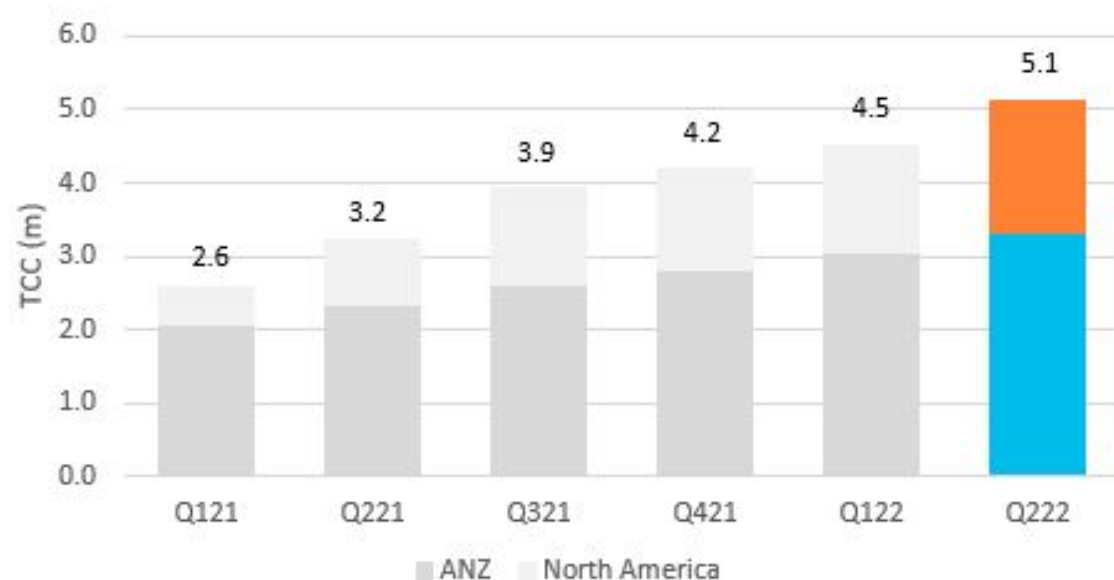
Strong cash position enables investment into North American market to accelerate

Cash Performance	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	YOY
Quarterly Cash Receipts (\$m)	\$1.498	\$1.547	\$1.827	\$1.589	\$1.948	30%
Operating Cashburn (\$m) ¹	(\$1.723)	(\$1.467)	(\$1.639)	(\$1.455)	(\$2.053)	19%
Total Cashburn (\$m)	(\$1.655)	(\$1.335)	(\$1.621)	(\$1.262)	(\$1.861)	12%
Closing Cash (\$m)	\$17.372	\$16.037	\$14.416	\$13.154	\$11.293	(35%)

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

- ✓ Cash receipts \$1.9m for the quarter up 30% YOY, with 12mth rolling at \$6.9m.
- ✓ Operating cashburn was in line with expectations at (\$2.1m) and lower than Q1 22 when normalised for the impact of R&D refund of \$0.9m, Q1 22 would have been (\$2.4m).
- ✓ TCC's for the quarter up 14% to 5.1m v 4.5m in Q1 22:
 - ANZ up 9% to 3.3m and
 - North America up 23% to 1.8m

Talent Community Connections by Region



North American industry settings 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 contingent workforce is growing significantly and M&A investment in HR technology.

Staffing Industry Analysts (SIA) reported in September 2021 that the contingent hiring sector has grown 26% YOY in the US¹.

Competitor WillHire was acquired by PRO Unlimited a leading MSP in September 2021².

According to Crunchbase the Global M&A and investment activity in Human Resources / Recruiting sector has significantly increased with \$US1.9b¹ being invested and / or acquired YTD calendar year 2021³.

¹ SIA report 'US Staffing Industry Pulse Survey Report' September 23 ,2021

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

³ Source: Crunchbase Data [Activity Feed | Crunchbase](#)

LiveHire's 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	\$US80b¹ 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	20 partners (as at December 2021) 24 clients Examples of clients: Ontario Ministry of Health, Global Professional Services Firm, Enbridge⁴	154 clients (as at December 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

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

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. 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



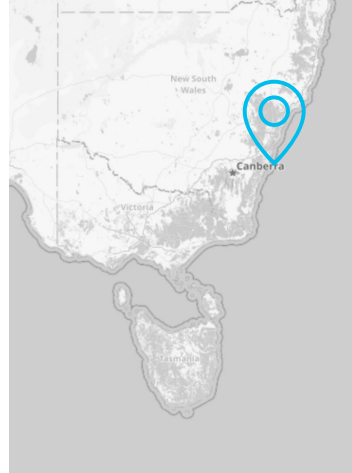
www.livehire.com



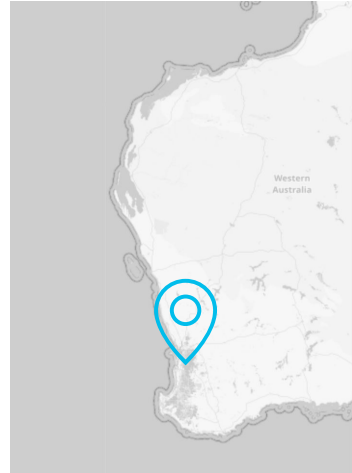
investors@livehire.com



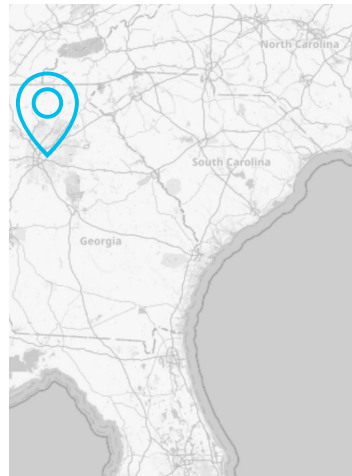
[@livehireme](https://twitter.com/livehireme)



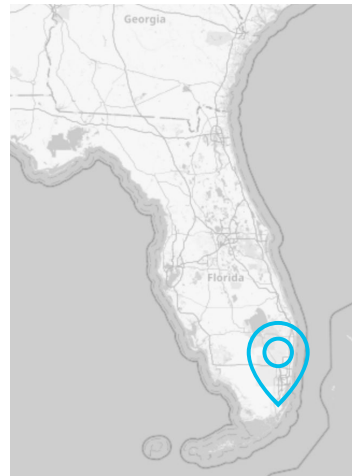
Sydney, AU



Perth, AU



Atlanta, USA

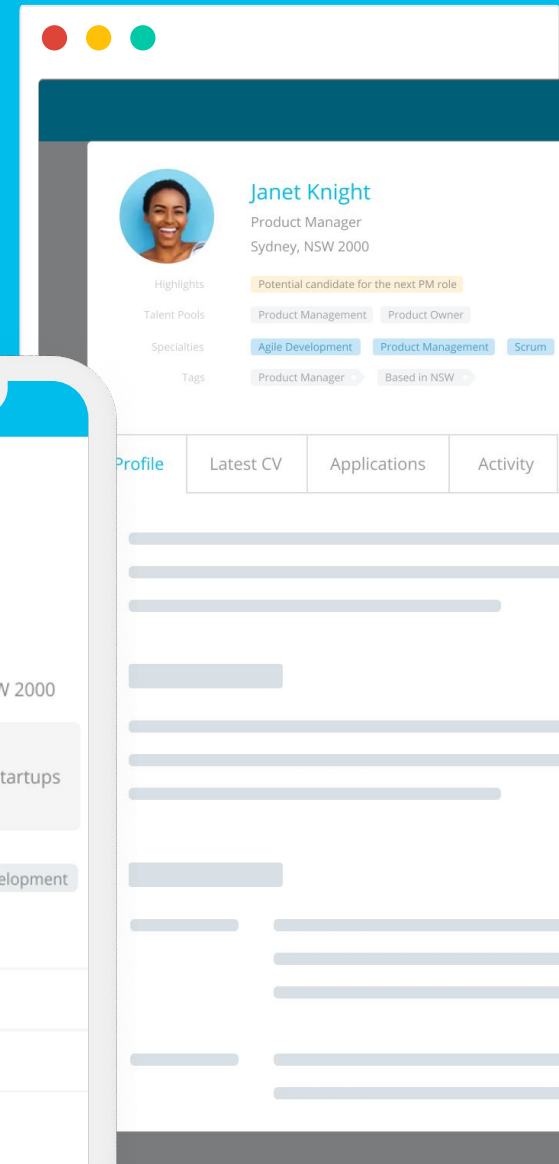
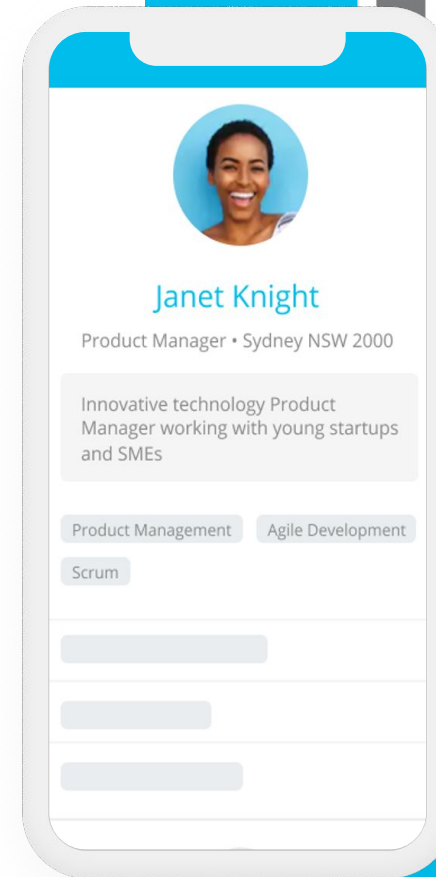


Miami, USA



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")

31st December 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date \$A'000
1. Cash flows from operating activities			
1.1 Receipts from customers		1,948	3,538
1.2 Payments for			
(a) research and development			
(b) product manufacturing and operating costs		(258)	(564)
(c) advertising and marketing		(39)	(146)
(d) leased assets			
(e) staff costs		(3,030)	(5,734)
(f) administration and corporate costs		(663)	(1,429)
1.3 Dividends received (see note 3)			
1.4 Interest received		6	12
1.5 Interest and other costs of finance paid		(17)	(37)
1.6 Income taxes paid			
1.7 Government grants and tax incentives			852
1.8 Other – staff termination costs			
1.9 Net cash from / (used in) operating activities		(2,053)	(3,508)
2. Cash flows from investing activities			
2.1 Payments to acquire:			
(a) entities			
(b) businesses			
(c) property, plant and equipment		(16)	(28)
(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	73	(6)
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	57	(34)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	139	398
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		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	139	398

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	13,154	14,416
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,053)	(3,508)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	57	(34)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	139	398

Consolidated statement of cash flows		Current quarter \$A'000	Year to date \$A'000
4.5	Effect of movement in exchange rates on cash held	(4)	21
4.6	Cash and cash equivalents at end of period	11,293	11,293

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	5,369	3,815
5.2	Call deposits	5,924	9,339
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)	11,293	13,154

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

274

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.

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.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(2,053)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	11,293
8.3 Unused finance facilities available at quarter end (Item 7.5)	
8.4 Total available funding (Item 8.2 + Item 8.3)	11,293
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	5.5

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: 20th January 2022

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.