

ASX: LVH MARKET RELEASE

Chair Address to 2023 Annual General Meeting

28 November 2023 | Melbourne, Victoria

Thank you everyone for your attendance today. Over the past year, the Company has actively sought to better engage with shareholders, particularly through the quarterly webinars which have been well attended but also through conversations with shareholders one on one. Our communications have also deliberately taken a quite measured approach and tone so as set appropriate expectations over the company's performance and prospects while so many dimensions of the business and its environment are subject to uncertainty.

Understandably, in the context of the share price performance and quarterly announcement, there is a level of concern and frustration with the company's performance and prospects. In some cases, the expression of frustration has been accompanied by advice to the Board on what changes are appropriate to address the challenges facing the company. While we may not always agree, we have absolutely listened and taken that feedback on board. We all share the same goals, objectives and aspirations for the business.

As with other listed companies, Executive Remuneration has been a topic of some focus with shareholders. LiveHire's Nomination and Remuneration Committee debated at length the proposals that are included in the Notice of Meeting. Importantly, from a Governance Perspective, LiveHire's practices and governance arrangements are entirely consistent with ASX Corporate Governance Principle 8. That Principle's goal is to ensure remuneration is fair and responsible and it is the Committee and Board's view that this balance has been achieved.

To use the CEO's remuneration as the example. There are 3 components.

- (i) Base compensation, divided into cash salary of \$340,000 and service rights nominally valued at \$55,000 (these service rights are contractually obligated and in lieu of cash salary to conserve cash and further create alignment. The Company has a contractual obligation to pay in cash in the event shareholders choose not to approve the equity based payment.
- (ii) Equity based STI subject to achievement of annual performance objectives determined by the Board, issued as zero-exercise price performance rights and calculated up to 30% of base salary (which is consistent with best practice in ASX listed companies)
- (iii) Equity based LTI linked to TSR over three years issued as zero-exercise price performance rights and calculated up to 60% of base salary (which is consistent with best practice in ASX listed companies).

It is important to note the gap between Christy's actual effective remuneration (which has averaged \$360,000pa, including illiquid service rights) and the \$857,000 nominal remuneration disclosed in the Annual Report. This gap is due to the lapsing of all performance based equity grants for all years up to and including FY2022 for Christy and all executives. This is a really material impact on remuneration and tightly aligned to the material impact on shareholder value over that period of time. On that basis, the remuneration policy has, historically, delivered the outcome shareholders would expect, notwithstanding the challenge it represents to the Company to retain executive talent.

Looking forward, the majority of equity proposed for Christy in the Notice of Meeting is associated with the LTI (relating to 4.2m securities). This is a significant number however it needs to be viewed in context of the 'triggers' that would cause that number to vest – being a share price of \$0.20 within the three years (representing a 51% annual compound annual growth rate). Again, in context, that outcome would deliver approximately \$800k of value to Christy and \$42m of value to shareholders - approximately a 5% participation in value uplift. Compared to the 20% participation common in private equity style management arrangements, this is fair and responsible in our view. Importantly, it provides an incentive for the CEO (and other key executives) to remain working toward the outcomes we are all looking for, aligns everyone's interests and supports continuity of management which, as you know, is a key consideration to any prospective new investor or buyer of the company.

In terms of STI, Christy and the executive were awarded only 20% of the target STI for company performance on the basis of the achievement of cost control objectives set.

I also note that Christy has recently completed a very significant purchase of the company's shares out of her own pocket, further aligning her interests with shareholders and for that very tangible vote of confidence, I thank Christy.

It is also worth noting that the company has completed the pivot from being product/engineering lead to being market and sales lead over the year and I acknowledge Jennifer Byrne's critical role in that shift. While the revenue outcomes of this pivot are still to come through (in part due to the significant drop off in contingent hire across the Fortune 500 cohort) this pivot is critical to commercialising the product market fit that the current momentum with major clients is evidence of. Additionally, the company has complied with all ASX and other governance requirements, avoided any cyber issues or outages, improved shareholder communications, continued to win clients, developed the product and supported existing clients despite the almost halving of headcount over the year. While all these positive achievements could be just 'expected', many other companies have failed to do so, even without the disruption and dislocation of the significant headcount reductions LVH has implemented.

We continue to have conversations with various parties over capital, both in the form of equity and debt. It remains our base assumption that the business will be able to operate within its existing capital and liquidity envelope through to breakeven being achieved. Of course, this path is unlikely to be linear or smooth but it remains the path we are following and, of course, we will update shareholders and the market should any material items arise, either positive or negative. For the time being, the stringent cost discipline, laser like focus on client relationships and positioning the business to take maximum advantage of the inevitable upswing in volumes in key markets are our priorities and we appreciate shareholders' continuing patience.

Finally, I would like to thank Michael Rennie for his many years on the board, his continuing leadership of the company's Indigenous initiative and the support he has provided to both the executive and me personally. Michael's strategic thinking has been a driving influence behind the business and a key factor in the success it is poised to enjoy. Thank you Michael and good luck with this next chapter in life.

For more information:

Christy Forest, Chief Executive Officer and Executive Director

investors@livehire.com

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www.livehire.com/investor](https://www.livehire.com/investors/directors/www.livehire.com/investor)

Andrew Rutherford, Non-Executive Chair, authorised the release of this announcement to the ASX.

About LiveHire

LiveHire is an award-winning¹, market-leading recruitment, talent mobility and direct sourcing platform. It revolutionises the candidate experience and enables businesses and curation partners to thrive with talent on demand. The platform makes managing the flow of talent into and through businesses seamless, delivering value through detailed visibility of talent, shifting both permanent and contingent recruitment from reactive to proactive, improving fit, reducing time and cost to hire, with an unrivalled candidate experience.

Founded in 2011, LiveHire is an Australian company headquartered in Melbourne, with offices also in Sydney, Perth and Miami.

www.livehire.com

¹ https://drivenxdesign.com/SYD17/winners_list.asp