

ASX: LVH MARKET RELEASE

Chief Executive Officer Address to 2023 Annual General Meeting

28 November 2023 | Melbourne, Victoria

It's been an eventful year since our last AGM. This time last year, industry experts and our lead partners all expected continued growth and direct sourcing adoption in North America, only to be surprised on the downside when large tech companies began major downsizing efforts in December. Locally, we saw our own Q2 SAAS pipeline push out and many decisions put on hold indefinitely, and we saw corporate decision-making in both ANZ and North America slow meaningfully across the calendar year. So, we launched our strategic review at the start of calendar year 2023 and requested cost reduction plans from the two leaders of the business at that time with the largest teams – I would like to thank Chris Cooper, our Chief Revenue Officer for delivering his plan and reductions in January and February as requested. Eventually, we were able to make all the changes across the rest of the business by April and May in conjunction with a leadership change.

Turning a company, even when small, from a high growth focus toward break-even while continuing to deliver into customer expectations at critical early stages doesn't happen overnight, especially when staff and clients are both involved. We are pedalling fast to tighten the connection between our product and development teams with our partners and end clients in order to increase efficiency, effectiveness and throughput. I am grateful for the commitment shown by Jennifer Byrne, our new CPTO, alongside Chris Cooper, our CRO and all the staff who are deeply devoted to the good work we do for our clients. We are highly regarded for our product, the results we achieve, and the service we deliver – this is because our staff have been, and continue to be, exceptional. And whilst every HR tech company, especially in Talent Acquisition, is facing the headwinds of the current environment, we have built a healthy, durable business that will weather this period, then thrive in the rebound economy ahead. Economic cycles come and go – we are navigating this one with the cash reserves we have and a relentless focus on our highest return efforts. In addition to our exceptional current staff, I would like to thank all the past employees, including Gigi Gozzi and Mike Haywood, co-founders of the business, who contributed tirelessly alongside talented staff who leave a positive, indelible print on our product and brand - we are truly grateful.

As I reflect on the business itself – even during COVID and the recent downturn, the APAC SAAS business has never gone backwards, having been revamped pre-COVID to be a healthy, highly retentive business, now worthy of meaningful cross-sale and continued migration to higher price points. We continue to achieve success within our core mid-market segment in APAC and expand our Success Factors integrations with SAP Teams who are incentive-aligned with LiveHire. The Serco case study and webinar in May with the MD of SAP ANZ, Damien Bueno, and Kelly Van Nelson, our main contact at Serco is a testament to the results we seek to achieve for our clients, more than \$4M saved within 9 months of their LiveHire implementation.

The SAAS result for the financial year was up 16% YOY to \$6.2M in Total Revenue (of which 92% was recurring, up from 88% in FY22), and as of end of Q1, a rolling 95% Net Revenue Retention rate.

North America has predominantly funded itself to now, and we are pleased to have established ourselves there initially via our contract with IMG, allowing us both to benefit from the COVID role surge whilst also both making early efforts into Direct Sourcing. As we incorporate our learnings about Direct Sourcing, transition our portfolio to pure Direct Sourcing clients only and impose a strict definition of Ideal Client Profile, we have mutually agreed with IMG that Enbridge and two other clients of theirs fit this definition (at a basic level, we define this as a client with a branded community). We are honoured to continue our work with IMG on those accounts and in strong alignment to scale the hiring and revenue at those clients. We have mutually agreed with IMG that we shed the part of our contract associated with their traditional staffing business as we apply the test for revenue that is near-term margin positive for LiveHire. We are proud of the years we served IMG's traditional staffing business and the windfall hiring we both had from the COVID roles. Whilst this renegotiation and re-scoping impacted our North American revenue in Q1, it improves our margin and creates a baseline for continued growth of our pure Direct Sourcing business which saw double digit growth this past year and will continue to scale with our success in all our top deals.

As we focused our client base in North America, we refined our cost base to achieve maximum success in the deals in our current portfolio, again tested for near term, margin positivity. We are especially proud of our partnership with Manpower/TAPFIN and have redirected resources toward shared clients with them, recognizing the importance of the Managed Service Provider relationship with the end client, and our ability to make both the MSP and their client businesses successful. Because Direct Sourcing commercials are dependent on hiring, the model is, by definition, more valuable in a boom time and highly challenged when hiring is down – we have used this time to achieve quarter-over-quarter progress in our percent of penetration in all our Direct Sourcing programs. This is what we can control, so we are ready when hiring rebounds. The tempered hiring is an explainable factor that converged with our client portfolio reduction this past year. The reduction was a process we had self-initiated based on learnings about early deals that were simply not positioned to scale. We are happy now to reach equilibrium in our portfolio of 10 top clients, tightly fitted to our cost structure to deliver hires and revenue from those clients, increasing quarterly in program penetration and positioned for the return of hiring activity.

With respect to new deal flow, we agree with TAPFIN and other industry leaders that the impact of massive restructures within companies came with distractions for corporate executives taken off-line and reticent to launch any change initiatives. We still expect the large healthcare company to sign and launch their program with TAPFIN and LiveHire before the end of the calendar year. Our pipeline also continues to progress with TAPFIN as well as Fieldglass and Beeline, the leading Vendor Management Systems in the market; and we are now officially Certified by Beeline, completing all their mandatory and optional workflows and ready to go-live with our large global sports retailer client on January 1. We have agreed with TAPFIN (and all our top partners) not to lower the bar by accepting deals that are not set up for success, to push forward only those deals that have committed, senior-most stakeholders and strong ideal profile alignment, even if this means the deal flow itself is slower. We are confident that we are keeping pace or better than our competitors on high-potential, quality deals and that they face the same cautionary tale of accepting any deals that aren't staged properly for success.

We completed our acquisition of Arrived, a shift-scheduling technology that extends our technology platform to serve a critical part of the workforce for many large companies in North America. We are at parity with our competition now in our specific niches, and we attribute about a quarter of our sales pipeline to companies with worker segments for whom shift scheduling is a requirement. The integration between Arrived and LiveHire is also now complete, and the final milestone for the Arrived share allocation requires a contracted deal that incorporates the technology. This is solely dependent on the deal close timeframes, which have been overall slower this past year given the macro conditions.

We understand the strong mandate from shareholders to drive quickly to break-even and are laser focused on this through the careful navigation of continued top-line growth in conjunction with cost management. The staff reductions have been significant and challenging, and we don't take lightly any decisions that involve staff. We have exited offices and renegotiated or cancelled contracts but these moves also came with one-off costs in Q1 that are washing through our numbers now.

At a personal level, I have always taken a portion of my salary in service rights rather than cash, and I have offered another 50% of the remaining cash portion of my salary to be taken in rights from November 1 to June 30. I have also expanded my personal position with the company to become a substantial shareholder, demonstrating that I believe fully in our future and potential to win. We have built an exceptional product and reputation, developed high-leverage relationships and positioning in major markets and with some of the largest companies in the world. We have exciting and impactful opportunities to deliver outcomes for Indigenous candidates in Australia, and whilst we are navigating one of the most challenging economic periods facing all companies today, we are fit and fierce. I am more than excited by the opportunity ahead.

For more information:

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Christy Forest, Chief Executive Officer and Executive Director, 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