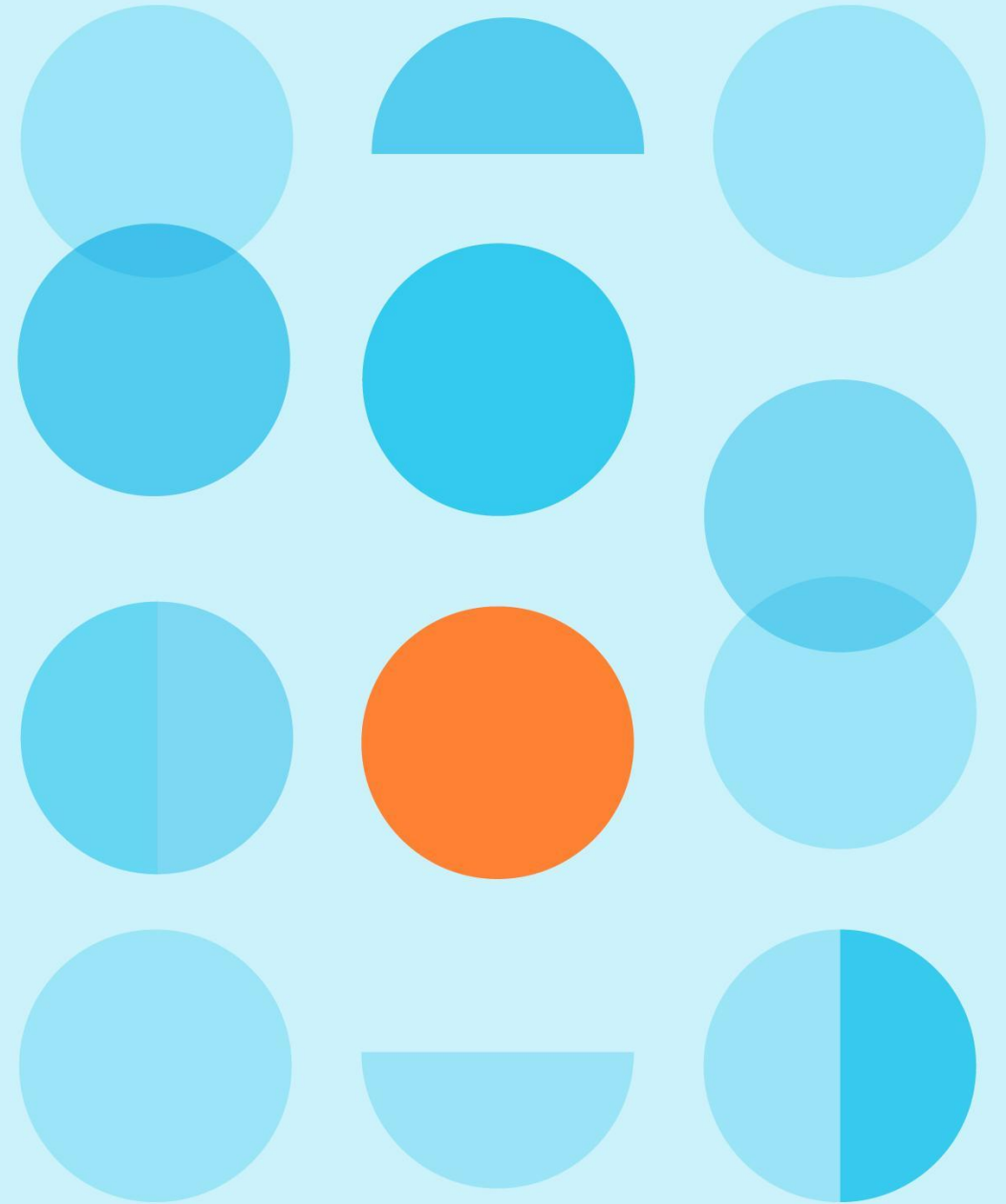# LiveHire (ASX:LVH)
Quarterly Activities Report:
Q3 2024

29 April 2024

livehire

Empowering the flow of the world's talent

Contents:

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Highlights from the Quarter

LiveHire: Q3 24 Highlights

1 Investor roadshow completed in Hong Kong and Singapore in support of further investment with the Company and included meetings with strategics, hedge funds, family offices and brokers.

2 Closing cash balance for the quarter of $4.8m is ahead of plan. Net operating cashburn[1] of ($1.3m) tracks to plan and includes anticipated one-off and annual payments (slides 8 & 9).
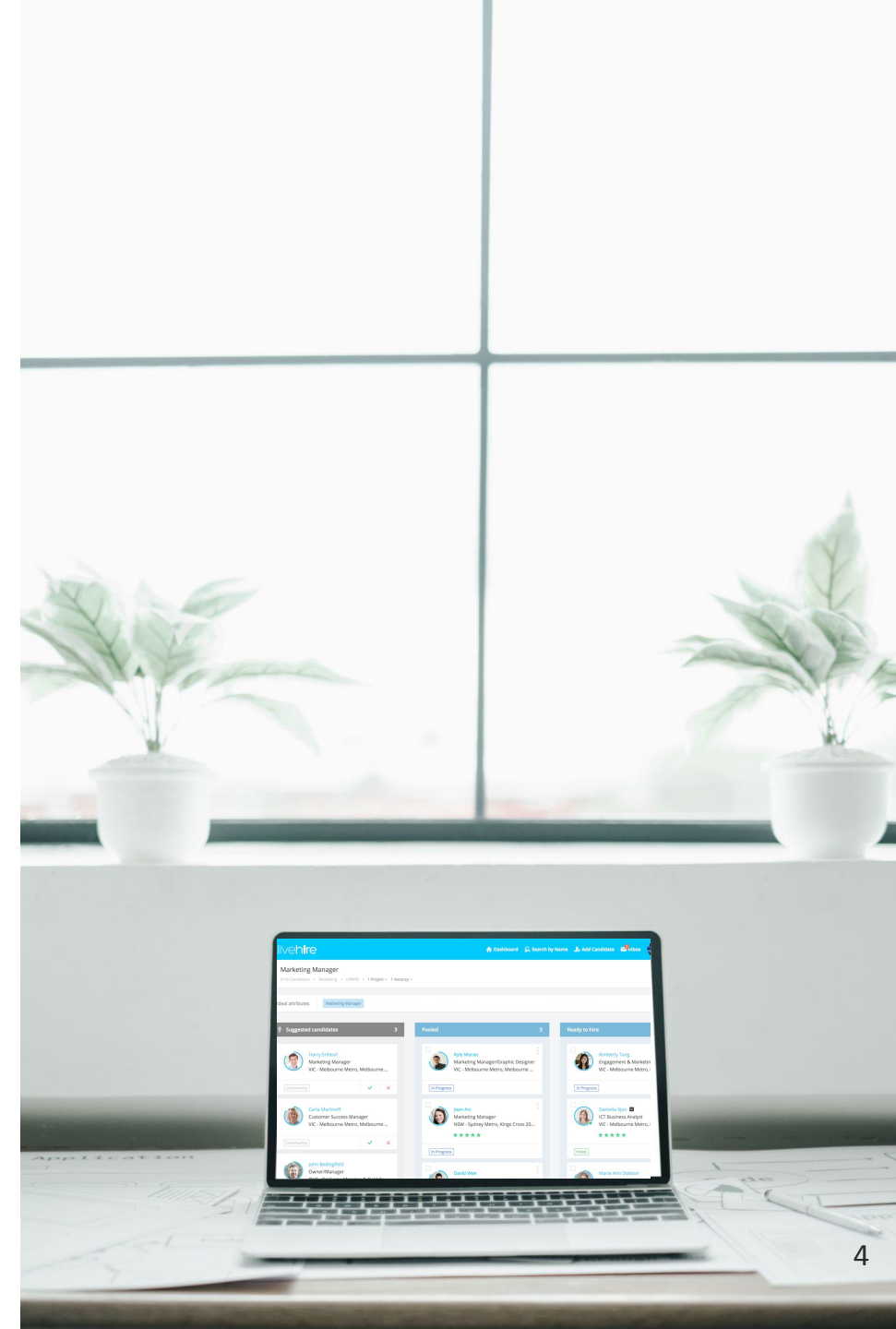
3 LiveHire SaaS maintains high client retention and strong client upsell, added another SAP SuccessFactors new client, bringing the total SuccessFactors' client integration count to 9 (slide 16 & 17).
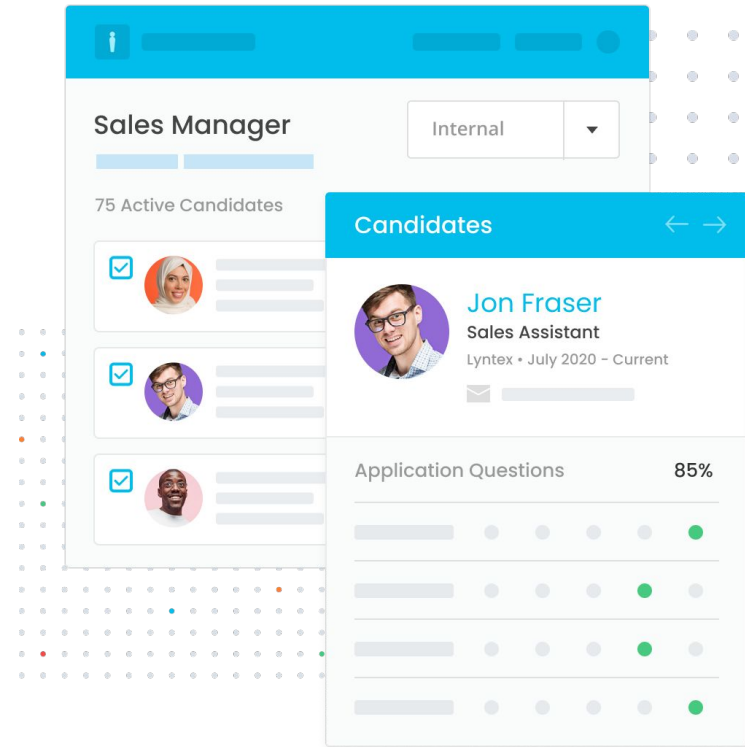
4 LiveHire Direct Sourcing continues double digit growth QoQ; new F100 global medical device and healthcare client launched with accelerated ramp profile (slides 13 & 14).

5 LiveHire went live with the Beeline integration at Fortune 100 global sports retailer, including priority hiring window; LiveHire now also has 4 SAP Fieldglass fully integrated clients.

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[1] Net operating cashburn - reflects operating cashburn (excludes govt subsidies such as R&D refunds, interest and restructuring costs)

Investor roadshows update

# Investor roadshow meetings in Hong Kong and Singapore

SparkPlus organised 16 investor meetings across Hong Kong and Singapore within a 3- day period in mid-April.

In total, we were introduced to 20 investors, categorised as follows:
- 15% strategics (private equity and corporates)
- 15% wealth managers and brokers
- 35% family offices and
- 35% hedge funds and institutions

SparkPlus and LiveHire will continue to work closely over the next couple of weeks to seek feedback and any follow up actions.
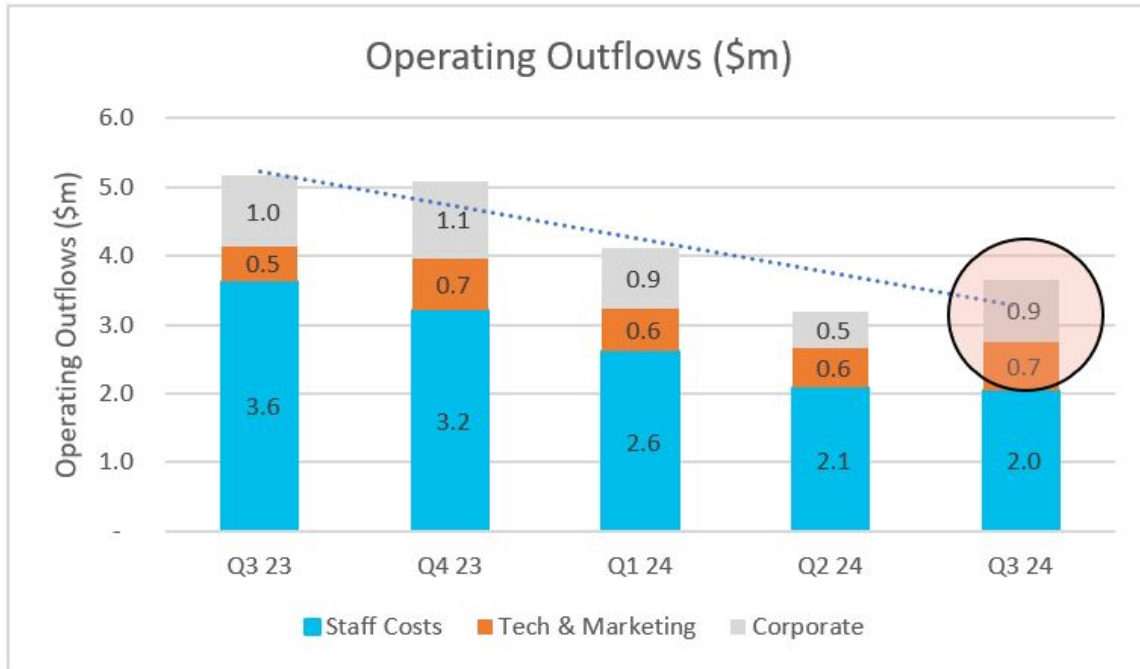
We also took the opportunity to meet with existing investors in Hong Kong.

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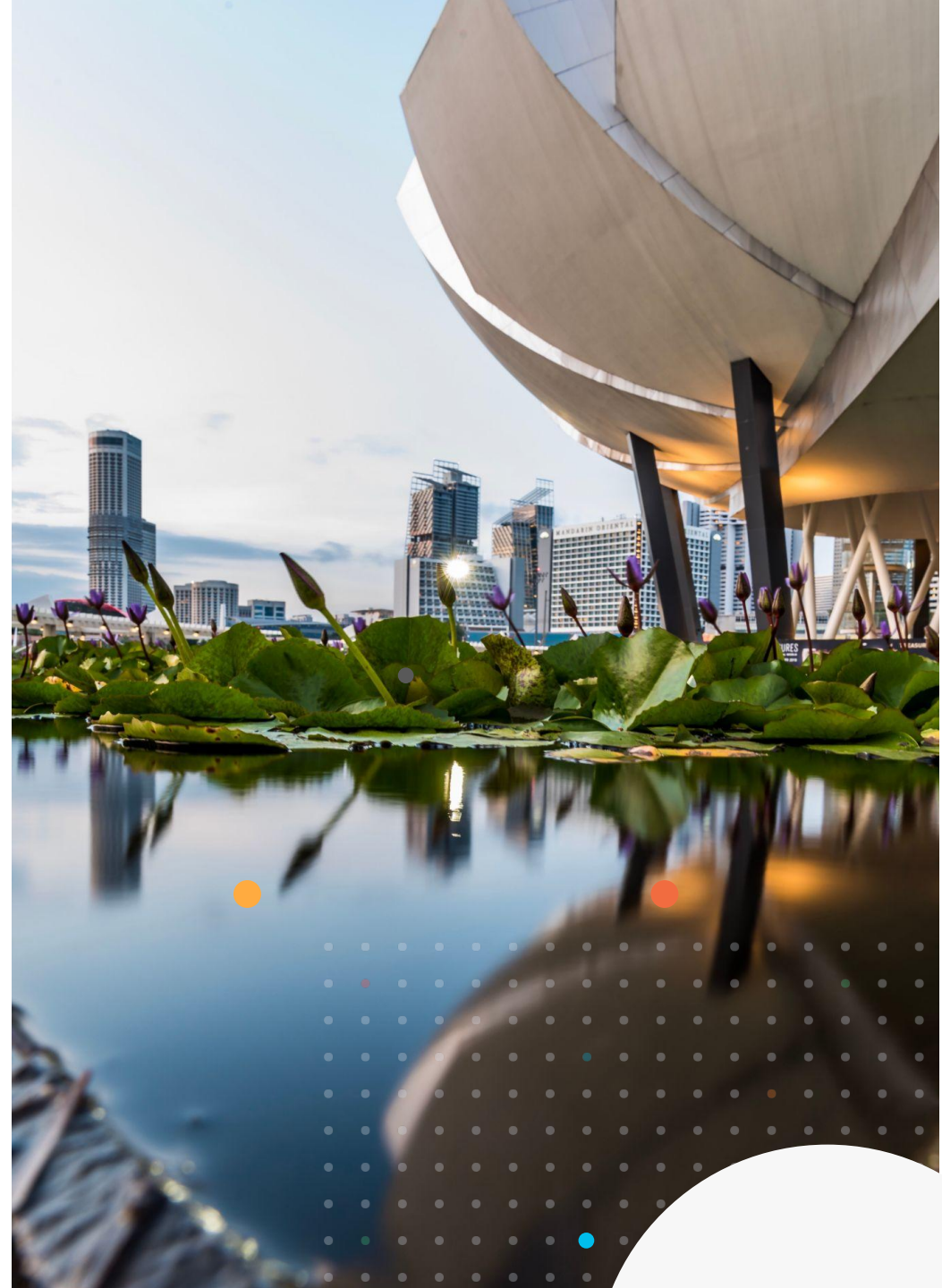
Cash Performance

Operating outflows[1] continue to trend down

Key movements in Q3 outflows relate to one-off & upfront annual payments (~$0.4m), salaries continue their trend down (44% on PYCP) saving per quarter $1.6m:

Technology and marketing annual payments include:
- $0.2m annual subscription for software licenses.

Corporate costs include:
- $0.2m BAS payment higher than usual due to higher customer invoices in Q2 24 (inc, $0.5m for 3yr upfront invoice) and one-off legal costs for Venero process.

Operating Outflows ($m)

Operating Cash Outflows ($m)[1]	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24
Staff costs	$3.6	$3.2	$2.6	$2.1	$2.0
Tech & Marketing	$0.5	$0.7	$0.6	$0.6	$0.7
Corporate	$1.0	$1.1	$0.9	$0.5	$0.9
Total cash outflows from operating activities	**$5.2**	**$5.1**	**$4.1**	**$3.2**	**$3.7**

** Please note numbers have been rounded to nearest $m in graph and table.

[1] Operating Outflows ($m) *(App. 4C 1.2) excludes restructuring and financing costs (inc, interest)*
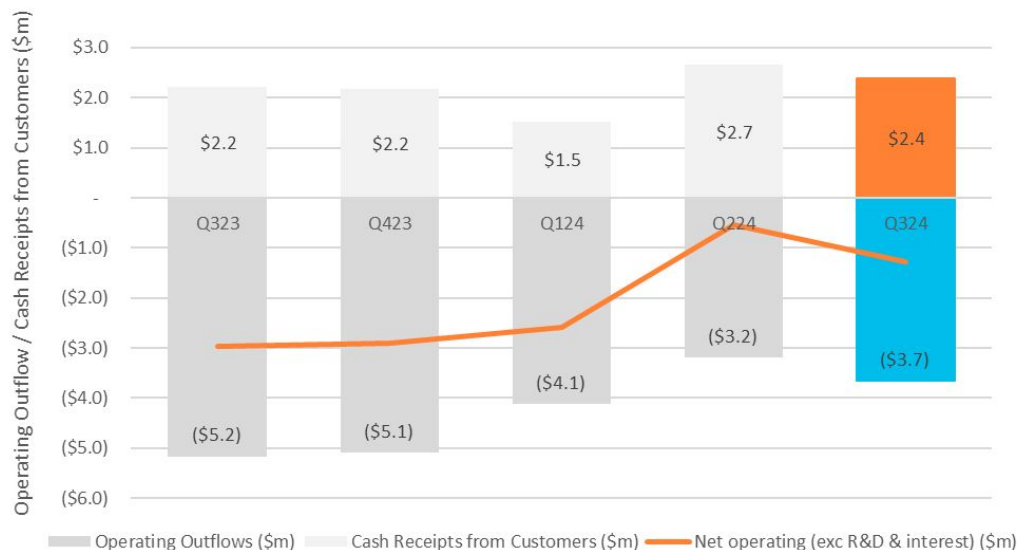
Q3 net operating cash flow on plan (exc R&D refund, finance & restructuring costs)

Cash Performance	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24	YOY
Cash Receipts from Customers ($m) (App. 4C 1.1)	$2.209	$2.184	$1.524	$2.663	$2.386	8%
Operating Outflows ($m) (App. 4C 1.2)	($5.167)	($5.090)	($4.119)	($3.198)	($3.658)	29%
Net Operating Cash Flow (exc R&D, interest & restructuring costs) ($m)	**($2.958)**	**($2.906)**	**($2.595)**	**($0.535)**	**($1.272)**	**57%**
Operating Cash Flow ($m)[1]	($2.171)	($3.554)	($2.569)	$0.831)^	($1.610)	26%
Total Cash Flow ($m)	($2.299)	($3.439)[2]	($1.579)	$2.691[3]	($1.768)	23%
Closing Cash ($m)	**$8.901**	**$5.462**	**$3.883**	**$6.574**	**$4.807**	**(46%)**

^ Positive operating cashflow in Q2 24 due to annual FY23 R&D funds from ATO (~$1.4m).

Operating cash flow tracks as anticipated for quarter:

✓ Net operating cashburn (exc, R&D, interest & restructuring) for Q3 24 of ($1.3m) is on plan, down 57% YoY. Main movement relates to:
  - ✓ ($0.3m) decrease in cash receipts. Stable cash receipts quarter of $2.4m (v Q2 24 inc, 3yr upfront payment ~$0.5m).
  - ✓ ($0.1m) in one-off costs and ($0.3m) in annual software license fees and other periodic outflows.

✓ Q3 24 included restructuring outflows ($0.3m) for staff termination and office exit costs.

✓ Commenced repayment of loan arrangements entered into in Q2 24:
  - ✓ ($0.2m) of USD loan repaid and ($0.1m) interest paid.
  - ✓ AUD loan is interest only for first 12 months.
  - ✓ Outstanding loan balance of $2.7m.

✓ Total cashburn of ($1.8m) results in **closing cash balance of $4.8m**.

Cash Receipts from Customers & Operating Outflows

[1] Operating Cash Flow - reflects Net Cash from Operating Activities as per the Appendix 4C (this includes govt subsidies such as R&D refunds)
[2] Total cash flow for Q4 23 includes ~$1m+ in restructuring costs and acquisition costs for Arrived.
[3] Total cash inflow for Q2 24 includes $2.9m in debt funding through Lighter Capital loan arrangement. Refer 21/12/23 ASX announcement for details.

9

Direct Sourcing Business Performance

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What do our clients say?

Keep carrying the Direct Sourcing torch with LiveHire! Like all good new ideas, it may take time and a bit of work and patience to overcome the strong defaults, but you are close to the tipping point, when I believe it becomes a no-brainer and must for companies to start doing it.

Main contact at the Global Sports Manufacturer and Retailer

We've been using LiveHire to support our direct sourcing and supplier management solutions as a part of our MSP programs as well as the ongoing management of our talent community and we have found it to be a very impressive platform. The user experience for candidates and recruiters is brilliant and it offers a depth of functionality that leads to proven results.

Vicki Carolan
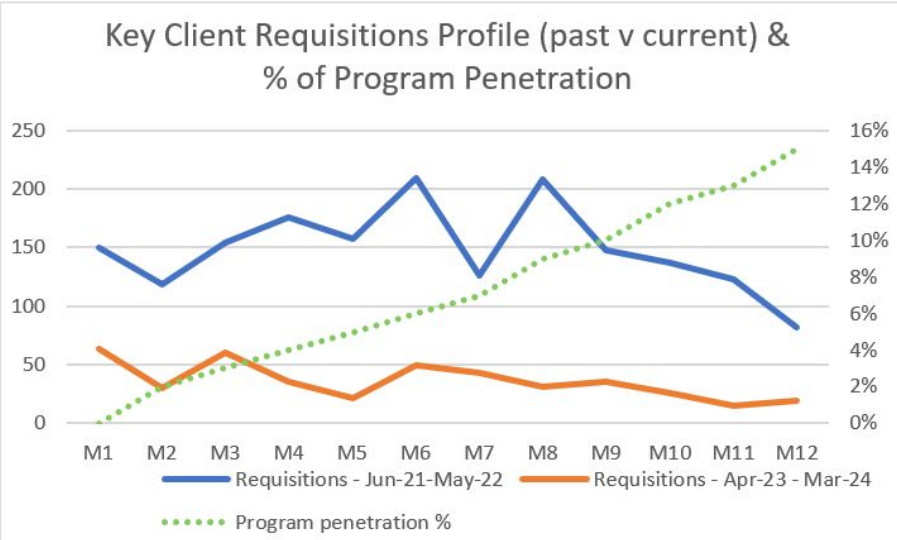Head of Talent Solutions at CXC Global

Since launching, 38% of our placements on sourced requisitions have been made through the Enbridge Contingent Talent Community. I don't see any reason why we can't hit 50%.

Eric Osterhout
Senior Specialist, Category Management - Contingent Labor, Enbridge.

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North American hiring still lower than historicals, but Product Market Fit (PMF) achieved with clients

Key Client Requisitions Profile (past v current) & % of Program Penetration

Legend:
- Requisitions - Jun-21-May-22
- Requisitions - Apr-23 - Mar-24
- Program penetration %

# of Headcount on Assignment for key clients

Legend:
- Client 1
- Client 2
- Client 3

Current requisition volumes for a 12mth period are ~25% of previous levels - LVH continues to deliver on key metric of conversion of requisitions to hires.
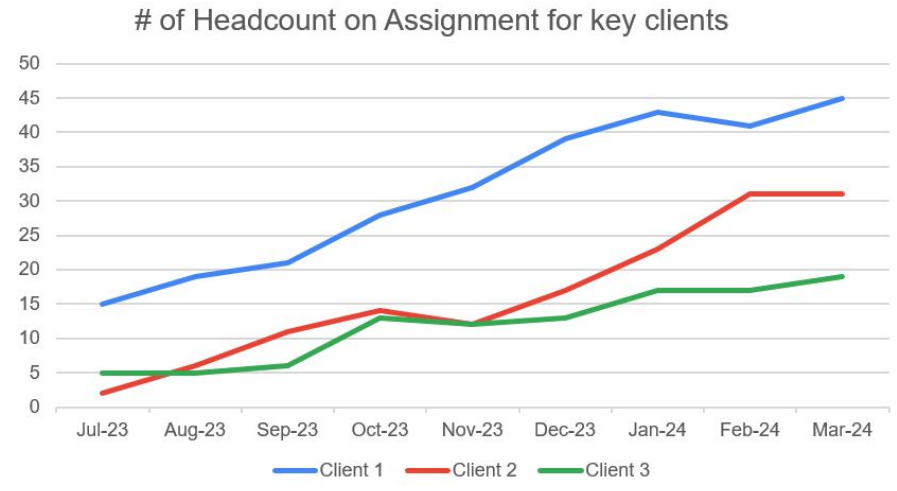
Traction and scale gaining momentum with key clients for headcount on assignment

LiveHire is extremely well positioned in North America when market conditions and volumes return:

- Current North American business net cash impact is ~ ($0.1m) per quarter based on:
  - Receipts $0.2m and
  - Costs relating to sales, marketing and client support of ($0.3m)

- Opportunity to deliver cash positive for North America business LiveHire continues to deliver on increased program penetration and as market conditions improve.

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Revenue growth of 13% QoQ and 35% over 6mths as clients in North America continue to ramp

Contingent Hiring	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24
Closing Clients	25	12	10	11	11
Revenue ($m) (Transactional)	$0.342	$0.348	$0.168	$0.202	$0.227
Avg Revenue per Client ($m)	$0.014	$0.029	$0.017	$0.018	$0.021

Direct Sourcing focused on ramping revenue in key strategic clients:

✓ Revenue increased by **13% QoQ** to $227k for Q3 24, driven by continued improvement in placement percentage of job requisitions at key strategic clients, confirming Product Market Fit (PMF).

✓ Accelerated go-live for the super size[1] TAPFIN client, a Fortune 100 global medical device and health care company signed in Nov 23. Strong start across key driver metrics with placements coming through in Q3 24. New client is an SAP Fieldglass client, continuing to strengthen that partnership and show momentum.

✓ Ramping Revenue: Three key strategic clients (Fortune 100 global sports manufacturer & retailer, Fortune 100 global oil & gas client, and Major global oil & gas company) have seen consistent placement numbers and placements to positions (program penetration). (refer to slide 11)

✓ 92% (11 of 12 prospects) of our mid-late stage sales pipeline[2] is aligned to our ideal client profile (ICP).

[1] Refer to Appendix for definition of tiering for Direct Sourcing.

[2] There is no guarantee that the pipeline opportunities will result in binding contracts or material revenue for the company.

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. All references to dollar amounts or figures is in Australian currency unless stated otherwise.

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Top 3 clients achieve 34% QoQ growth in headcount on assignment; early metrics on recently signed super size TAPFIN client are strong

Consolidation of metrics for 3 key clients[1] QoQ (Q324 v Q224):

Consolidated Metrics	QoQ % Var
Positions	Up 11%
Submissions	Up 5%
Interviews	Up 22%
Offers	Flat
Offers to Positions (%)	Down 1%*
Headcount on Assignment	**Up 34%**

*Pause in all hiring at Sports Retailer for Beeline implementation created delay in offers but increased interviews will lead to increased Offers to Positions

3 Key Clients as referenced in previous ASX releases:

Fortune 100 global sports manufacturer & retailer launched on the 6th of February 2023.
Fortune 100 global oil & gas client launched on the 6th March 2023.
Major oil & gas company launched 25th June 2023.

Excludes Enbridge which is an annual subscription.

Key trends of success metrics for 3 key clients:

✓ Headcount on assignment continues to grow up **~34% QoQ** for the 3 key clients who are integral in driving the portfolio growth.

✓ Despite pause in hiring at the Sports Retailer when Beeline was being implemented offers as a % of positions remains steady at 17%.

✓ Underlying success metrics that lead to placements and revenue are fairly consistent QoQ:
  - Interviews up 22% Q3 24.
  - Offers steady in Q3 24.

Strong results for recently signed F100 global medical device and health care super size TAPFIN client [2]:

✓ Fastest start of all programs to date with 8 placements in the first 60 days from Go-Live.
✓ Encouraging job requisition volumes.

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[1] 3 key clients as referenced in previous ASX releases (refer to above).
[2] Fortune 100 global medical device and health care company signed in Nov 23

Note: The information included on this slide is sourced from internal reporting systems of LiveHire.

SaaS Business Performance

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Solid upgrade activity in Q3 and momentum building into Q4

Permanent Hiring	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24	YOY
Closing Clients	179	185	183	184	184	3%
Closing ARR[1] ($m) (Annualised)	$5.966	$6.121	$6.189	$6.074	$6.136	3%
NRR rate % (Rolling 12mths)	90%	93%	95%	90%	93%	3%
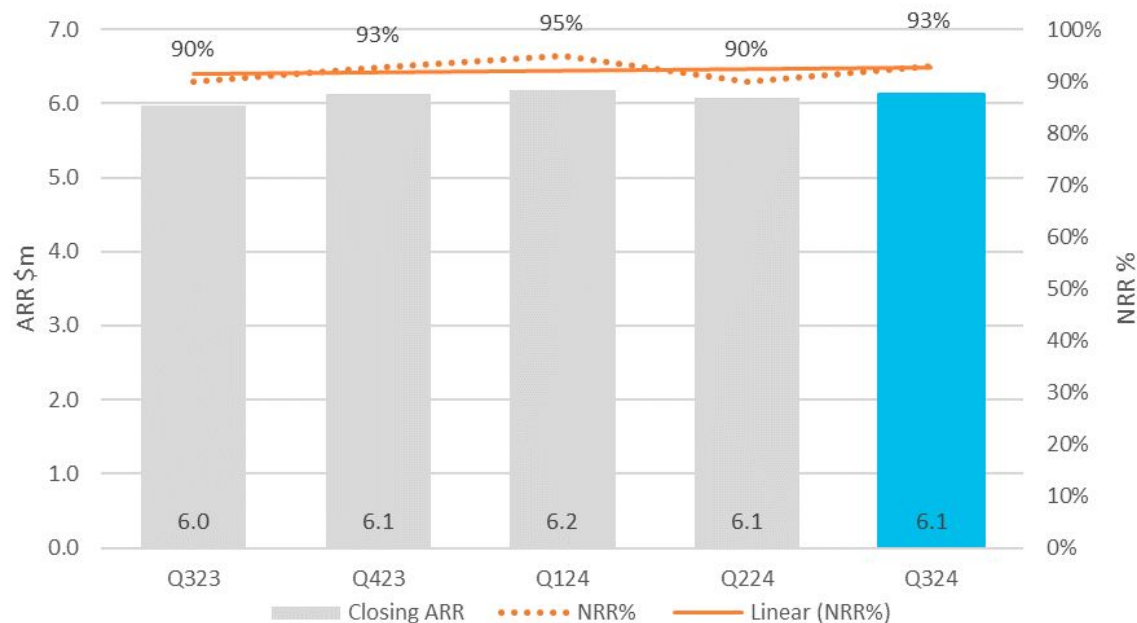
Solid recurring and one-off upgrade activity, contributing to healthy NRR of 93% for Q324 up 3% from PCP:

✓ Closing ARR for Q3 24 of $6.1m, up 1% on Q2 24, and up 3% YoY.

✓ 184 total clients stable in the quarter.

✓ Focus on quality sales pipeline continues to improve over the quarter, with significantly higher price points than existing client average, via growing partnership with SAP.

Closing ARR & NRR % (Qtr v Qtr)

[1] Closing ARR includes the movement in foreign exchange rate for APAC SaaS clients who are contracted in foreign currency.

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SaaS business continues to build with the SAP partnership

9 joint clients including 1 new client in Q324

Business insights and the market opportunity

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Product and Technology Updates

The focus in Q3 has been to empower recruitment effectiveness and productivity with AI-driven insights and deep partner integrations.

✓ NPS scores for the quarter reflect overall customer satisfaction with existing and new features. Candidate engagement positive feedback throughout the registration process also continues to demonstrate LiveHire's differentiated candidate experience throughout the "moments that matter".

✓ **Development team released 4 new features and 16 feature uplifts for the quarter:**
- ✓ The majority of new features and uplifts build upon our already differentiated ability to transform the productivity and effectiveness of recruiters through enhanced automations, candidate outreach, and insights into candidate and job fit.
- ✓ We continue to build deeper value within our AI-powered capabilities by delivering improvements to AI-enhanced Job Descriptions, and AI-generated insights that help deliver suggested candidates for specific jobs.
- ✓ We delivered significant enhancements to our ability to manage candidate availability across the landscape of current and future opportunities through insights into current assignments, a top feature request.
- ✓ Several new features provide deeper levels of business process integration for customers using LiveHire and SAP SuccessFactors and Fieldglass.

✓ **Strategic Innovations:**
- ✓ A significant focus in Q3 has been in the finalization of new features planned for delivery soon. These features are being designed to enable a unique, candidate-centric experience which in turn significantly improves the ability for clients to build large and diverse Talent Communities.
- ✓ These capabilities are intended to leverage LiveHire's existing, unique IP assets in order to address emerging challenges in both Contingent and Permanent staffing.
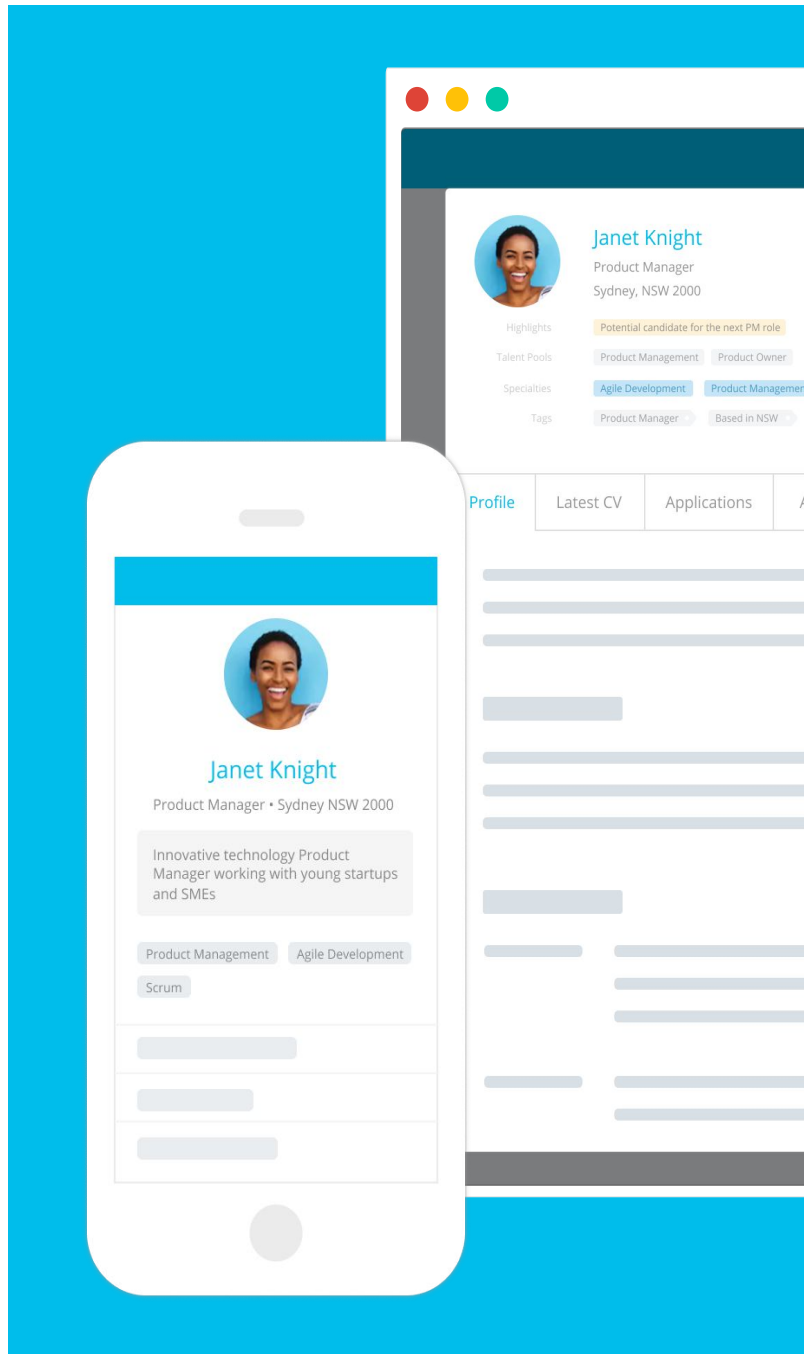
What do our ANZ Partners say

"Partners are essential to our success at SAP and we're particularly excited about the strong relationship we've built with LiveHire. Our integrated solution is delivering impressive results for customers and our sales teams are gaining significant traction in the Australian market. I'm looking forward to seeing what we can accomplish together in 2024!"
Shane Wilson, Head of SAP SuccessFactors ANZ, Enterprise

Strategic talent pooling is a major differentiator in recruitment, and in reducing early attrition. And LiveHire is doing so much to help employers across Australia seize the opportunity they have. My team and I are proud to partner with you to build awareness and capability across the country, in employers big and small. Oh, and your team are fantastic!
Mark Puncher, CEO, Employer Branding Australia

Recently, we jointly hosted an event in Melbourne with LiveHire. The event was executed seamlessly and generated high-quality leads for both parties. Working with the LiveHire team has been an absolute pleasure, and their contribution to the event was invaluable. What distinguishes LiveHire is their unwavering dedication and proactive approach in nurturing our alliance.
Janine Fry, Head of Partnerships and GTM, Flare

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LiveHire's Addressable Market & Current Progress

	Direct Sourcing market	SaaS market
	Contingent hiring sold to procurement/finance	**Permanent hiring 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)
Market Focus	North America	Australia & New Zealand
Estimated size of market	• $US80b+[1] spend in the US on MSPs • LiveHire's fee @ 1-2% could indicate an $US800m+ TAM	• 4,000 companies[2] • $100m potential tech spend • Large, medium, small
Go to market	Via partners who have a strong financial incentive to introduce to sell the solution to their clients	Direct sales force
Current consolidated position	7 Strategic Partners (IPP) (as at Mar 2024) 11 clients Examples of clients: Allstate, Enbridge[4]	184 clients (as at Mar 2024) Example of clients: Komatsu, Jemena, Serco, Kinetic

Influencing the market globally

A snapshot of virtual and in person events

We started the year with a webinar with special guest speaker Mark Puncher, CEO of Employer Branding Australia. He spoke about Employer Branding in 2024

AI is a hot topic in all sectors so we invited recruitment thought leader Kevin Wheeler to speak about Recruitment Leadership in the Age of AI

SAP Client Lunches in Sydney & Melbourne

In March we partnered with SAP to jointly host executive luncheons for SAP clients. Both events were fully booked.

Employer Branding LIVE 2024 Melbourne

In March we were invited to work with our partners Flare and Employer Branding Australia on an in person event in Melbourne. LiveHire handled all marketing of the event in lieu of monetary payment. The event was fully booked and a huge success. It will be repeated in Sydney on May 7th.

Appendices
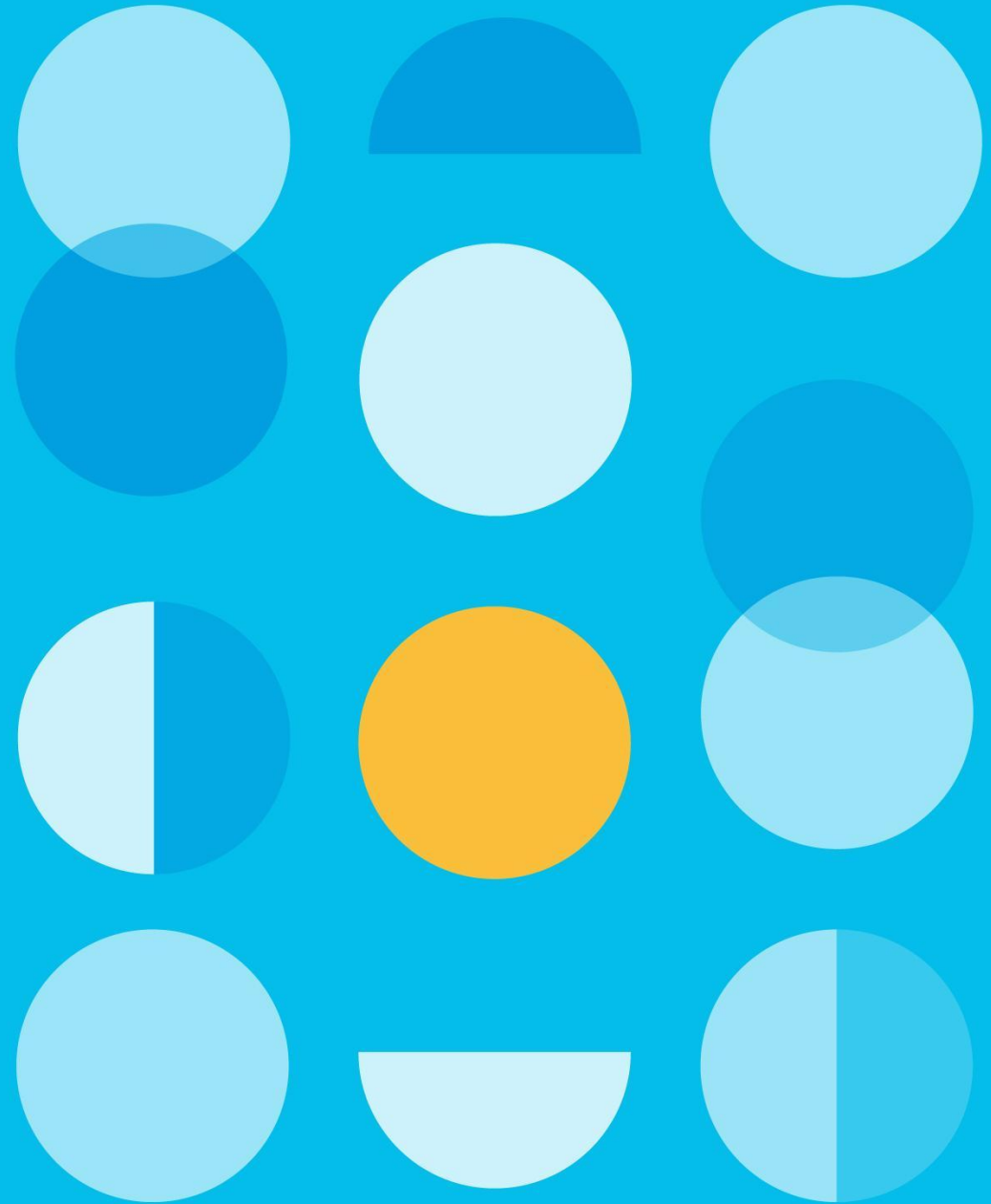
Appendix 4C – Breakdown of Cash Outflows relating to Operating Activities

Breakdown of Cash Outflows	Q1 24 ($A'000)	Q2 24 ($A'000)	Q3 24 ($A'000)	YTD ($A'000)
1. Cash outflows from operating activities:				
1.2 Payments for:				
(a) Research & development	$0	$0	$0	$0
(b) Product manufacturing & operating costs	($475)	($522)	($595)	($1,592)
(c) Advertising & marketing	($153)	($53)	($99)	($305)
(d) Leased assets	$0	$0	$0	$0
(e) Staff costs	($2,608)	($2,084)	($2,048)	($6,740)
(f) Administration & corporate costs	($882)	($539)	($916)	($2,337)
Total cash outflows from operating activities	**($4,118)**	**($3,198)**	**($3,658)**	**($10,974)**

Related Party Payments of $115k for Q3 24 include amounts relating to executive Directors salaries and NED fees.

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Direct Sourcing client tiers and Ideal partners and clients defined

In an emerging Direct Sourcing market LiveHire continues to gain invaluable insights into our partners and clients, along with a definition of success at scale.

Description	Key Learning
Size of clients - categorised into 4 types based on program size.	1) Super - EACV (Estimated Annual Contract Value) range - $400k to $2m 2) Large - EACV range - $200k to $400k 3) Medium - EACV range - $100k to $200k 4) Project - EACV range - $30k to $750k
Ideal Partner Profile (IPP)	1) MSPs and Staffing Suppliers with strong end client relationships 2) Focus on partners who make direct sourcing a #1 / #2 business priority 3) Focus on partners with proven ability to curate and deliver hiring outcomes 4) Partnered approach to achieving steady state ramp in 18 months or less
Ideal Client Profile (ICP)	1) Committed to launch and scale a full direct sourcing program 2) An executive sponsor within the end client, leading the internal change management required 3) A transparent 3-way partnership between the end client, the curator and LiveHire 4) Partnered approach to achieving steady state ramp in 18 months or less

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 (Opening ARR + upsell ARR – downsell ARR – churn / lost ARR) / 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:
Opening ARR + New Business ARR + Net Upsell ARR - Churn ARR Customer Losses.

Churn %
ARR Churn as a percentage of Opening ARR.

Annualised Recurring Revenue Per Client (ARRPC)
ARRPC is calculated as: Closing ARR / 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).

Ideal Client Profile (ICP)
Clients who are committed to the structure, scale and change management of a deal to be successful over time

Applications
Applications is the total number of candidates submitting applications for roles on the LiveHire platform in the quarter (excluding applications for Covid roles which are in final decline). Applications generally predetermine next quarter's revenue.

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 18-24mths to ramp to this rate of use. Ramping may also be impacted by forex movements.

Management's assumption on EACV per client is still being determined based on consultation with our strategic partners.

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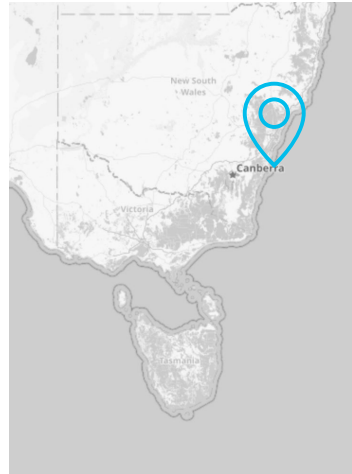
Get In Touch

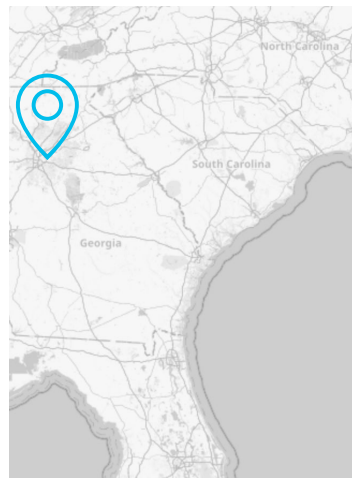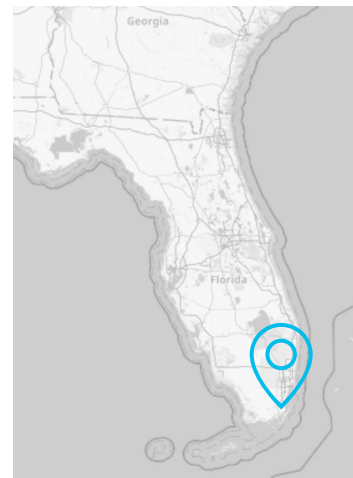🌐 www.livehire.com

✉️ investors@livehire.com

🐦 @livehireme

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Melbourne, VIC 3000

Sydney, AU

Perth, AU

Atlanta, USA

Miami, USA

Janet Knight

Product Manager
Sydney, NSW 2000

Highlights · Potential candidate for the next PM role

Talent Pools · Product Management · Product Owner

Specialties · Agile Development · Product Management · Scrum

Tags · Product Manager · Based in NSW

Profile · Latest CV · Applications · Activity

Janet Knight

Product Manager • Sydney NSW 2000

Innovative technology Product Manager working with young startups and SMEs

Product Management · Agile Development

Scrum