

KEY CLIENT UPDATE

Hiremii Limited (ASX:HMI) (**Hiremii** or the **Company**) wishes to provide an update in respect to the scope of services under a labour hire contract between UGL Operations and Maintenance (Services) Pty Limited (**UGL**) and the Company's wholly owned subsidiary, Oncontractor Pty Ltd (**Oncontractor**).

DETAILS:

- UGL has notified Oncontractor that it does not intend to extend a current supply request/purchase order for the provision of labour hire services in respect of metering personnel.
- The provision of these services under the current purchase order will cease in early December 2021. With approximately \$620k remaining on the purchase order as at the last invoice date of 7th November 2021.
- The cessation will likely impact the Company's revenue going forward but is unlikely to affect contribution margins given the low gross margins derived from providing these services.
- The cessation notice applies only to the provision of meter reading personnel. Oncontractor will continue to service UGL under current labour hire purchase orders issued under existing labour hire arrangements with UGL.
- The Company will reduce all cost of sales and overheads associated with servicing the meter reading purchase orders.
- The Company has recently diversified its revenue streams and broadened its client base, including diversification via the recent acquisition of Inverse Group Pty Limited, which in time will reduce the impact on revenue loss associated with the ceased UGL meter reader services.

REVENUE AND KEY CLIENTS UPDATE

UGL METER READERS

UGL has notified Oncontractor that it does not intend to extend a current supply request/purchase order for the provision of labour hire services in respect of metering personnel who are deployed to UGL as part of UGL's service arrangements with Endeavour Energy. The provision of these services under the current purchase order will cease in early December 2021.

Shareholders are advised that:

- the metering personnel services provided by Oncontractor to UGL comprised approximately 56% of the of the Company's \$1.30m unaudited revenue for the last quarter ended 30 September 2021, totalling \$726k at a 4.2% gross margin of \$30.7k.
- there is approximately \$620k remaining on the purchase order as at the last invoice date of 7th November 2021.
- direct overhead and administrative expenses for the provision of these services totalled \$59k for the last quarter ended 30 September 2021.

The Company has commenced cost reduction activities to remove overhead costs associated with the execution and administration of the meter reader scope under the purchase order. On delivery of these cost reductions, together with a working capital reduction associated with meter reader salary costs, Hiremii expects a small net working capital improvement to its ongoing cash burn rate from the cessation of these services.

Shareholders are advised that existing labour hire arrangements with UGL are not affected by the change noted above and the Company continues to provide labour hire services to UGL with a strong quality of service record to date. These ongoing services comprise approximately 23% of the Company's unaudited revenue for the last quarter ended 30 September 2021, totalling \$302k at a 9.2% gross margin of \$27.9k.

Although the cessation of the meter reading personnel services will likely impact the Company's revenue going forward, the Company has (since its admission to the official list of the ASX on 11 May 2021) diversified its revenue streams and broadened its client base (from approximately 30 to 70 registered clients and 6 to 30 active clients), including via the recent acquisition of Inverse Group Pty Ltd (refer to the ASX announcements dated 5 November 2021 and 12 November 2021 for further details). This will reduce the impact of any loss of revenue from UGL ceasing to utilise Oncontractor for its metering personnel.

NEW CLIENT ACQUISITION

There has been substantial effort made to onboard new clients and significant commercial progress made recently with the conversion of opportunities. As a result, Hiremii has added to its existing register new clients which now include but are not limited to:

- A fully-integrated provider of engineering and construction solutions to the energy industry. Operating in over 54 countries, with around 40,000 employees worldwide.
- An integrated, multi-disciplinary construction and engineering services provider to the Energy, Resources, Infrastructure and Marine & Defence sectors nationally.
- A leading energy technology company with operations in 120 countries and 54,000 employees globally.

In addition, Inverse Group Pty Ltd has added an additional two preferred supplier agreements to its growing client register including:

- A company with \$14 billion in revenues and a talent force of approximately 55,000, that provide a full spectrum of professional services including consulting, technical, scientific and project delivery to the government and private sector.
- A world leading Geo-data specialist that employs 6000 people across 61 countries, that through integrated data acquisition, analysis and advice, designs, builds and operates their assets in a safe, sustainable and efficient manner.

Shareholders are advised that the vendor agreements executed with these new clients do not provide exclusivity nor provide certainty of minimum commercial volumes to Hiremii or Inverse Group Pty Ltd and are not considered material as such.

This announcement has been approved by the Board of Hiremii.

Ends

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ABOUT HIREMII LIMITED (ASX:HMI)

Hiremii Limited (ASX:HMI) is a technology-driven full-service labour hire and recruitment company with two core business components, Hiremii Recruitment Pty Ltd, a fixed fee recruitment business, and Oncontractor Pty Ltd, a recruitment and full-service labour hire business, providing digitised employee onboarding and labour hire services.

Both businesses, use Hiremii's cloud-based platform which utilises machine learning and artificial intelligence to remove the tedious manual tasks associated with the recruitment and onboarding process, pre-vetting and shortlisting candidates based on employer's specific requirements.

To learn more please visit: www.hiremiigroup.com