



ASX: LVH MARKET RELEASE

CEO Address to AGM

17 November 2021 | Melbourne, Victoria

While COVID-19 created disruption in the world, LiveHire achieved strong growth and critical foundational milestones in our first year of testing our opportunity in North America, along with healthy, consistent growth in our traditional market of Australia/New Zealand. I'm incredibly proud of our teams and the outcomes we've delivered.

Our total revenue delivered from our North American direct sourcing business was \$1.4M within the financial year. We ended the year with 14 partners, up from 2 the prior year, and 14 total clients, also up from 2 the prior year. We are now at 18 partners and 21 clients.

Our SAAS business delivered an 91% Net Revenue Retention rate (up from 80% the prior year); and recurring revenue grew overall by 24% to deliver a closing ARR of \$4.3M. The team delivered 90% of total revenue as recurring and 91% of ARR contracted as multi-year agreements.

We ended the financial year with \$14.4M in cash.

The opportunity we are seeing in North America is compelling. With an estimated USD\$800M in total addressable market for LiveHire¹, we feel we are able to disrupt an inefficient and high-cost approach to hiring contingent workers which currently costs large North American companies more than USD\$80B in worker salaries and high mark-ups.

Our technology is deployed by one of our partners to reduce the mark-up on an enterprise's contingent salaries, potentially saving that company tens of millions of dollars at scale per lifetime of the contract.

With our Managed Direct Sourcing solution, the company pays a lower overall mark-up that includes a 1%-2% technology fee to LiveHire on all their contingent salaries. This transactional recurring revenue for LiveHire takes approximately 16 months to ramp fully from the client signing, as hires are made progressively through our platform. At steady state, the solution delivers an annual run-rate fee of nearly 10x our SaaS price point.

In our first year in the market, we laid critical foundations for scaling into the opportunity. The marker for our strategy and growth in North America is an expanding partner network that will deliver

¹ MSP Global Landscape Summary 2020: \$US86B MSP in US in 2019, LVH assumes technology costs of 1-2%.

enterprise client wins. Importantly, these partners also execute the contingent hiring via our technology. We will also deploy a small team of direct sales staff to further open the enterprise market and move at speed. Our direct sales efforts combine with our partner efforts to allow us to scale into the opportunity. The Staffing Industry Analyst group estimates 60% of those surveyed will consider a direct sourcing solution over the next 2 years², which we are seeing happen now.

As we look back on our financial year, our first year results in North America ran ahead of our models as we benefited from COVID-19 induced spikes in hiring for the Ministry of Ontario who crucially delivered contact tracers and vaccine schedulers to deal with their COVID-19 outbreak. These spikes will normalise back to our pre-COVID models for steady underlying revenue progression. At this point, there are 3 clients who are at the 16 months of full ramp. The other 18 clients won in the last year are being onboarded or in early ramping now. Importantly, as shown in the presentation, the direct sourcing business reached approximately \$2M in total revenue value over just 18 months versus 32 months for our SaaS business.

In the time since we closed our financial year, we continue to pace against our plan with:

- 7 new clients and 4 new Partners in North America, for a total of 21 and 18 respectively, with a pipeline of 78 live opportunities and 11 in proposal stage;
- 17 new SaaS clients and a Net Retention Rate trending above 95%;
- We have also announced exceptional US talent joining LiveHire with deep industry expertise and extensive networks amongst the partner ecosystem and enterprise market;
- Broadleaf announced our strategic partnership through a Press Release announcing their plans to extend their client offering to include Managed Direct Sourcing, powered by LiveHire, across their Managed Service Provider client base;
- And finally, a bevy of awards continue to validate the elegance and effectiveness of our platform design. Beyond the award for Market Leading technology in Direct Sourcing from Ardent Partners in North America, LiveHire is recognised as the technology powering Komatsu's Cand-E award by New York's Talent Board, the pre-eminent objective global body who awards companies for world-leading candidate experience. LiveHire was also named the 4th most innovative company in the Professional Services category by the Australian Financial Review, and a gold medal winner by the New York Design Awards.

Even as we streamlined our business into our last financial year, the LiveHire teams delivered the highest levels of productivity and outcomes in the history of the Company. The North American opportunity represents a critical window of execution, investment and scaling, with clear indication of step-function revenue growth potential. We continue our laser focus on healthy, strong growth in the SAAS business in Australia/New Zealand whilst we accelerate our North American business and reach strongly for market share in the direct sourcing market. I would like to thank our Board, our

² <https://prwire.com.au/pr/97218/60-adoption-rate-of-direct-sourcing-in-the-next-two-years-says-new-report-by-staffing-industry-analysts-sia>

shareholders and our teams, especially for their hard work and endless energy in creating the extraordinary opportunity ahead for LiveHire.

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Subscribe to LiveHire’s newsletter at: <http://eepurl.com/b2EMFL>

www.livehire.com/investor

Michael Rennie, LiveHire’s Chairman and Executive Director, authorised the release of this announcement to the ASX

About LiveHire

LiveHire is an award-winning³, 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

³ https://drivenxdesign.com/SYD17/winners_list.asp

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