

LiveHire (ASX:LVH)
Quarterly Activities Report:
Q3 2022

12 April 2022

livehire

Empowering the flow of the world's talent



LiveHire: Q3 22 Highlights

LiveHire Contingent Hiring (Direct Sourcing) continues to deliver growth in North America with pipeline scaling:

- ✓ Direct Sourcing clients close the quarter at 30 (added 7 new clients, 1 loss) up 6 on previous quarter, representing an EACV¹ of \$9.0m and on track to deliver ~36 clients by end of FY22².
- ✓ Pipeline continues to grow and convert - 133 client opportunities live up from 93 last quarter; 16 of these at proposal stage.
- ✓ Partner base grows to 23 (up 3 on previous quarter) and is tracking to plan.
- ✓ LiveHire announces that it is integrated with SAP Fieldglass solution for contingent labour manager and is now available through the SAP app store.
- ✓ Direct Sourcing quarterly revenue up 12% YOY.
- ✓ Investment in security and compliance continues with ISO 270001 certification received and SOC 2 Type 1 expected in Q4 22.

LiveHire Permanent Hiring (SaaS) records \$5m+ in ARR as record retention levels continue and momentum builds again in sales:

- ✓ Client revenue retention continues to exceed plan with NRR rate % (rolling 12mths) remaining at 99%.
- ✓ Net gain for the quarter of 9 (added 14 new clients, 5³ losses in quarter) taking total to 164 clients.
- ✓ Closing ARR for Q3 22 \$5.2m⁴ up 5% on Q2 22, and up 28% YOY.
- ✓ 72 client opportunities live down from 76 last quarter; 19 of these at proposal stage.

Financial indicators are tracking to plan and enabling investment in North America, with record cash receipts of \$2.5m for the quarter contributing to a closing cash of \$9.3m.

¹ EACV - Estimated Annual Contract Value based on average of management's estimate of \$300k (refer to glossary for calculation) per client at full ramp, LiveHire expects to take 12-24mths to ramp to this rate of use. Note ramping may vary due to forex rates.

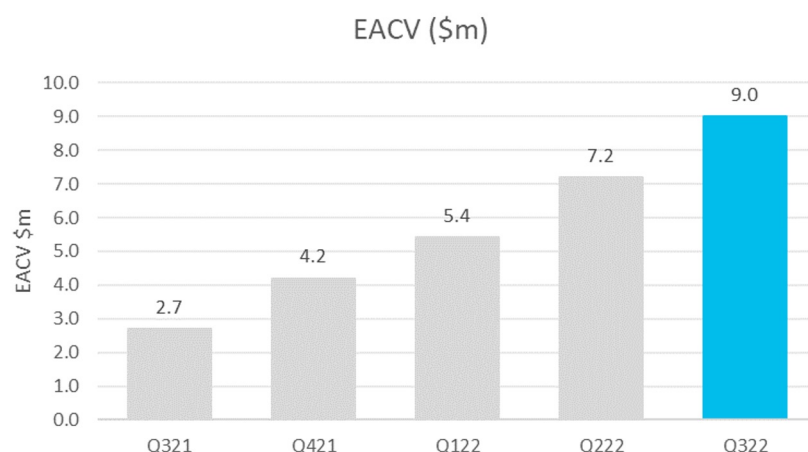
² Expected growth to end of FY22 (30 June 2022) based on approx 6 net gain per quarter at EACV \$300k.

³ Included in the 5 clients that churned is a new sale from Q2 that decided not to proceed after signing.

⁴ Q3 22 ARR includes revenue attributed to the newly signed Serco contract given the contract is effective 31 March 2022

North America continues to drive momentum in strong client growth

North American Performance	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	YOY
Closing Partners	13	14	17	20	23	77%
Contingent Hiring (Direct Sourcing)						
Closing Clients	9	14	18	24	30	233%
Revenue (\$m) (Transactional)	\$0.398	\$0.687	\$0.579	\$0.543	\$0.446	12%
EACV (\$m) ¹ (Annualised)	\$2.700	\$4.200	\$5.400	\$7.200	\$9.000	233%
Permanent Hiring (SaaS)						
Closing Clients	2	2	2	2	2	0%
Closing ARR (\$m) (Annualised)	\$0.208	\$0.208	\$0.208	\$0.208	\$0.208	0%
NRR rate % (Rolling 12mths)	NM	100%	100%	100%	100%	0%



Record 7 new clients for the quarter, with net gain of 6. Loss for the quarter related to one of the original clients:

- ✓ Total clients of 30, representing EACV of \$9.0 million. This is expected to grow to 36 by the end of FY22².
- ✓ Partner enablement maturing - 133 client opportunities live; 16 of these at proposal stage.
- ✓ Added 3 new partners (23 in total) and tracking to plan.
- ✓ Underlying direct sourcing revenues continue to ramp according to plan and the one off COVID hires are coming off as expected.
- ✓ Contingent hiring revenues grow 12% YOY.

Note: we are also reflecting permanent hiring (SaaS) clients who are located in North America as part of our region reporting.

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² Expected growth to end of FY22 (30 June 2022) based on approx 6 net gain per quarter at EACV \$300k.

Recently introduced partners which continue to enable LiveHire's business



Candidates today expect a simple and seamless experience when applying for jobs and interacting with potential employers. The LiveHire integration with SAP Fieldglass provides customers with the contingent workforce management solution they need paired with the engagement tools that candidates expect to deliver a best-in-class solution.

Claudio Pinto
Senior Director Partner Ecosystem Success, SAP



This strategic partnership brings together two leaders in direct sourcing to deliver world-class solutions for our clients whilst advancing a very important goal, to encourage women globally to consider STEM careers and connect them with coveted job opportunities

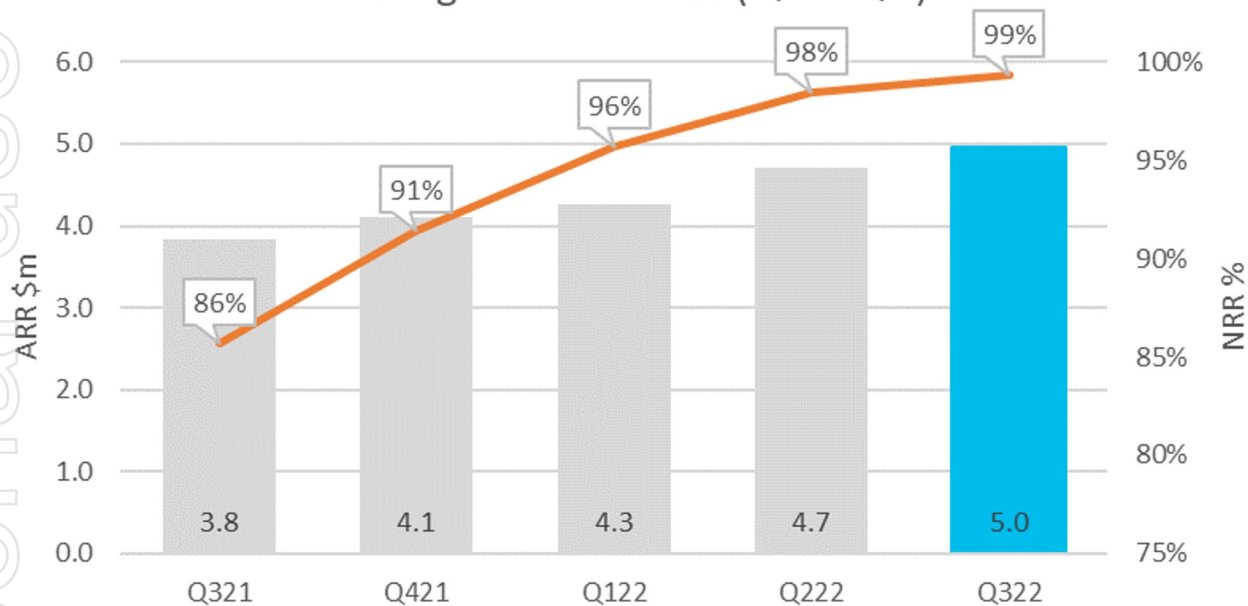
Micah Williams
President, Tundra Technical Solutions



APAC business posts solid quarter with impressive retention rates

APAC Performance	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	YOY
Permanent Hiring (SaaS)						
Closing Clients	121	136	139	153	162	34%
Closing ARR (\$m) (Annualised)	\$3.830	\$4.114	\$4.266	\$4.715	\$4.967	30%
NRR rate % (Rolling 12mths)	86%	91%	96%	98%	99%	16%

Closing ARR & NRR % (Qtr v Qtr)



¹ Included in the 5 clients that churned is a new sale from Q2 that decided not to proceed after signing

2. Q3 22 ARR includes revenue attributed to the newly signed Serco contract given the contract is effective 31 March 2022

SaaS retention exceeds plan as sales pipeline grows as confidence returns:

- ✓ Client revenue retention exceeding plan with NRR rate % (rolling 12mths) increasing to 99%, 1% higher than last quarter for APAC.
- ✓ Net gain for the quarter of 9 (added 14 new clients, 5¹ losses in quarter) taking total to 162 clients. Strong ARR upgrade activity exceeded the ARR losses for the quarter.
- ✓ Closing ARR for the Q3 22 \$5.0m² up 5% on Q2 22, and up 30% YOY.
- ✓ 72 client opportunities live; 19 of these at proposal stage.

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.

Consolidated Performance Across the Regions (North America and APAC)

Consolidated Performance	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	YOY
Closing Partners	13	14	17	20	23	77%
Contingent Hiring (Direct Sourcing)						
Closing Clients	9	14	18	24	30	233%
Revenue (\$m) (Transactional)	\$0.398	\$0.687	\$0.579	\$0.543	\$0.446	12%
EACV (\$m) ¹ (Annualised)	\$2.700	\$4.200	\$5.400	\$7.200	\$9.000	233%
Permanent Hiring (SaaS)						
Closing Clients	123	138	141	155	164	33%
Closing ARR (\$m) (Annualised) ³	\$4.037	\$4.322	\$4.474	\$4.922	\$5.174	28%
NRR rate % (Rolling 12mths)	86%	91%	96%	99%	99%	16%

✓ Underlying direct sourcing revenues continue to ramp according to plan and the one off COVID hires are coming off as expected.

¹ EACV - Estimated Annual Contract Value based on average of management's estimate of \$300k (refer to glossary for calculation) per client at full ramp, LiveHire expects to take 12-24mths to ramp to this rate of use. Note ramping may vary due to forex rates.

² Expected growth to end of FY22 (30 June 2022) based on approx 6 net gain per quarter at EACV \$300k.

³ Q3 22 ARR includes revenue attributed to the newly signed Serco contract given the contract is effective 31 March 2022

We introduced 14 new SaaS clients in the quarter including



OSCAR~WYLEE

BLOCK◇TRUST



Northeast Health Wangaratta
Every patient, Every time



KAPITOL
GROUP



serco

What our clients say about us

OSCAR~WYLEE

"We chose LiveHire to elevate the talent acquisition stakeholder experience, particularly for prospective employees. Building meaningful relationships starts here."

Marija Akmacic

Serco signs with LiveHire

LiveHire signs a SaaS contract to support the recruitment of Serco Australia Pty Ltd. Serco is a leading provider of public services. The company operates across Defence, Justice & Immigration, Transport, Health and Citizen Services.

Serco Australia is the subsidiary of the UK listed Serco Group and is a trusted partner of governments across UK & Europe, North America, Asia Pacific and the Middle East.

Highlights:

- ✓ Contract is to run the recruitment services for the Australian business
- ✓ Contract is a 3 year ¹ agreement effective from 31 March 2022 with estimated revenues of AUD\$0.5m over the term
- ✓ Contract leverages LiveHire's SAP SuccessFactors integration.

¹ After the first 12mths, Serco may terminate the contract without cause with 90 days notice

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LiveHire wins
Quality Choice, Trusted
Vendor & Happiest Users!

<https://crozdesk.com>



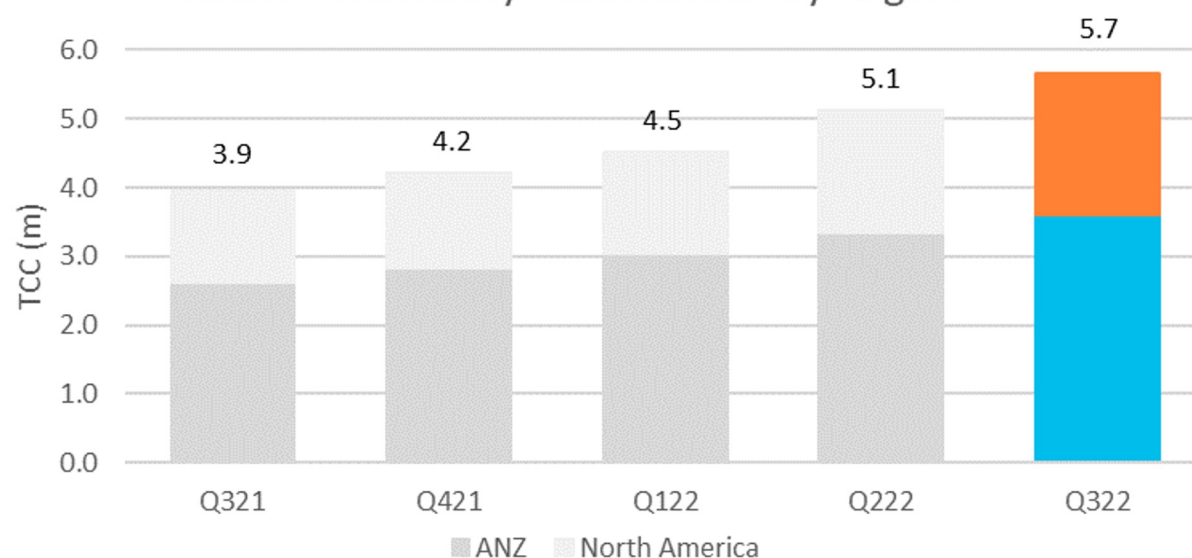
Strong cash position enables investment into North American market to accelerate

Cash Performance	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	YOY
Quarterly Cash Receipts (\$m)	\$1.547	\$1.827	\$1.589	\$1.948	\$2.533	64%
Operating Cashburn (\$m) ¹	(\$1.467)	(\$1.639)	(\$1.455)	(\$2.053)	(\$2.229)	(52%)
Total Cashburn (\$m)	(\$1.335)	(\$1.621)	(\$1.262)	(\$1.861)	(\$1.987)	(49%)
Closing Cash (\$m)	\$16.037	\$14.416	\$13.154	\$11.293	\$9.306	(42%)

Financial indicators are tracking to plan and enabling investment into North America:

- ✓ Record cash receipts \$2.5m for the quarter up 64% YOY, with 12mth rolling at \$7.9m.
- ✓ Operating cashburn in line with expectations at (\$2.2m).
- ✓ R&D refund of \$0.8m for FY21 has been lodged with ATO; refund expected to be received in early Q4 22. The company is expected to lodge a FY22 R&D claim later this calendar year.

Talent Community Connections by Region



- ✓ TCC's for the quarter up 10% to 5.7m v 5.1m in Q2 22:
 - ANZ up 8% to 3.6m and
 - North America up 15% to 2.1m

¹ Operating Cashburn - reflects Net Cash from Operating Activities as per the Appendix 4C (this includes govt subsidies such as R&D refunds)

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.

LVH Product & Engineering investments and milestones

Integrations with global Vendor Management Systems (VMS):

- ✓ VMS solutions are critical for scaling any Direct Sourcing program implementations. LiveHire has released new Open APIs and a bespoke middleware platform to rapidly execute VMS integration for clients.
- ✓ During Q3 LiveHire launched its integrated solution with SAP Fieldglass, the premier global VMS system for large enterprises globally. The LiveHire application is now approved by SAP and is available on the SAP® Store for all SAP Fieldglass clients.
- ✓ Integration with the second largest global VMS is now well under way, and is planned to be released in Q4 22.

New Recruitment Modules :

- ✓ Released a new module called 'Event & Interview Scheduling' which enables recruiters to organise any event with candidates on the LiveHire platform, syncing easily with recruiters, hiring managers and candidate calendars. Module currently being tested by select clients before global release.
- ✓ New premium Analytics and Reporting module has been deployed, including unique BI and Insights on: Talent Demographics, Recruitment KPI Benchmarking and Diversity
- ✓ Market first 'Talent Ecosystem' module, enabling government organisations, franchises, healthcare and multi-brand organisations to run multiple-accounts, rolling up into a master Talent Community.

Scale, Security & Compliance:

- ✓ LiveHire achieved ISO 27001 certification, which is globally recognised as the benchmark security standard. SOC 2 Type 1 audit completed and certification expected in Q4 FY22.
- ✓ GDPR standards implemented for profile data deletion and retention.
- ✓ Submitted FY21 R&D claim for continued investment in product and technology innovation.

LiveHire's Addressable Market & Current Progress

	Direct Sourcing market	SaaS market	
	Contingent hiring sold to procurement/finance	Permanent hiring sold to HR	+ Internal mobility sold to HR
Competitive value proposition	<ul style="list-style-type: none"> Disintermediate the ~20%⁵ mark-ups paid on temporary employees Reducing mark-ups to realise savings Plus faster, better hires 	<p>By creating a pre-existing talent community clients can*:</p> <ul style="list-style-type: none"> 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 <p>(*Vodafone client example)</p>	<ul style="list-style-type: none"> Know all skills & use AI to search and move talent into internal roles Communicate seamlessly by SMS Avoid turnover through poor internal job markets
Market Focus	North America	Australia	New Zealand
Estimated size of market	<ul style="list-style-type: none"> \$US80b+¹ spend in the US on MSPs LiveHire's fee @ 1-2% could indicate an \$US800m+ TAM 	<ul style="list-style-type: none"> 4,000 companies² \$100m potential tech spend Large, medium, small 	<ul style="list-style-type: none"> 1,000+ companies³ \$10m potential tech spend Large, medium
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	<p>23 partners (as at March 2022)</p> <p>30 clients</p> <p>Examples of clients: Ontario Ministry of Health, Global Professional Services Firm, Enbridge⁴</p>	<p>164 clients (as at March 2022)</p> <p>Example of clients: Vodafone, University of Newcastle, BabyBunting</p>	<p>4 clients</p> <p>Examples of clients: Large state governments</p>

Appendices



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 $(\text{Opening ARR} + \text{upsell ARR} - \text{downsell ARR} - \text{churn / lost ARR}) / \text{Opening ARR}$. 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

$\text{ARR Churn} = \text{Customer Losses} + \text{Net Upsell ARR}$

Closing ARR

Closing ARR represents the ARR at the end of the period and is calculated as:

$\text{Closing ARR} = \text{Opening ARR} + \text{New Business ARR} + \text{Net Upsell ARR} - \text{Churn ARR} - \text{Customer Losses}$.

Churn %

ARR Churn as a percentage of Opening ARR.

Annualised Recurring Revenue Per Client (ARRPC)

ARRPC is calculated as: $\text{Closing ARR} / \text{number of clients}$

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).

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 12-24mths to ramp to this rate of use. Ramping may also be impacted by forex movements.

Management's assumption of an average of \$300k EACV per client has been calculated on a blended sales basis across the paybooks (in \$US) of the companies LiveHire intends to target and the LiveHire fee (%) that would be calculated across each paybook. The size of each paybook was assumed in USD and has been converted to AUD based on an exchange rate of 1.33.

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



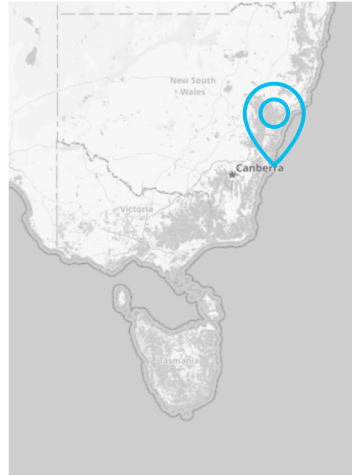
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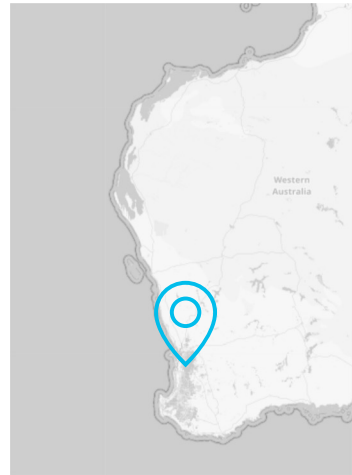
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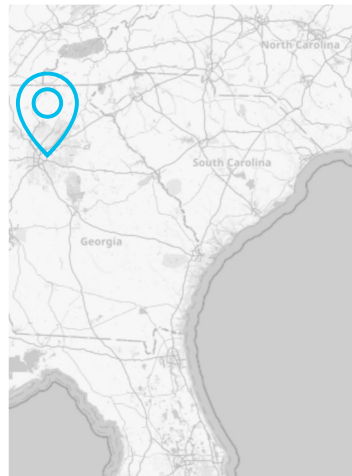
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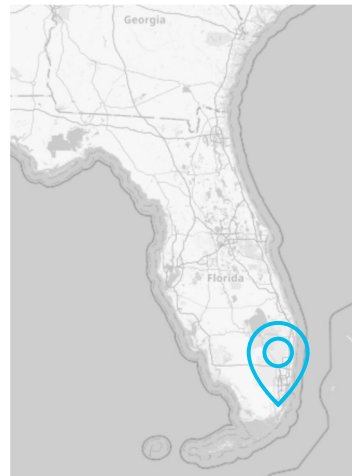
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