



ASX: LVH MARKET RELEASE

CEO Address to AGM

17 November 2022 | Melbourne, Victoria

LiveHire had a significant year of performance and learning. We achieved the strongest Q4 in firm history in our APAC business; and were selected by Manpower's MSP division, TAPFIN, as their top direct sourcing technology for strategic roll-out across their business.

Over the last two years, we have proven ourselves in the face of COVID-19 and now bring a proven, impactful and results-oriented technology to companies around the world to help them 1) increase their competitiveness in attracting talent in the face of tight labour markets, and 2) reduce their costs in the face of tight budgets.

At LiveHire, we believe that a humanised approach to recruiting talent is the now and the future. We are honoured to put the candidate at the centre of our technology with a more modern, inclusive approach to deliver high quality of talent, improved time to fill, diversity outcomes, and reduced cost to hire. We believe that disrupting old approaches to permanent and contingent hiring, while humanising the experience, represents a wave of opportunity.

LiveHire shares a vision for total talent with almost all companies around the world. Uniquely, our software has been built to facilitate this reality, whereby clients can manage, in one place, all candidates, permanent or contingent, as well as current staff who are viable for placement into open roles. Candidates are increasingly flexible in their approach to work via contract or permanent arrangements, or internal placement transitions. Because talent is multi-dimensional, and because companies are striving to increase their agility, total talent is the future, and we are ready today.

With that, we face our two major markets with propositions that fit the opportunities in each, and with paths to total talent in each when the markets are ready. Our North American Direct Sourcing business, which is our disruptive contingent hiring solution, was \$2M and 41% growth year-over-year. We ended the year with 30 clients, up 16, and 26 partners, up 12 from the prior year.

Our SAAS business delivered 97% Net Revenue Retention (up from 91% the prior year); and recurring revenue growth of 31% to deliver a closing ARR of \$5.668M.

We understand that investor expectations for this company have often run well ahead of the outcomes delivered, and that all shareholders, ourselves included, are watching closely the signs of progress in our direct sourcing business in North America. As CEO, my end state goal for that business is to deliver

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a healthy, predictable and sustainable growth business, as we have done in APAC. The size of the prize is significant at a potential of US\$800M in Total Addressable Market and we have worked hard to accelerate our position over the last year to be the leading technology for direct sourcing. While our APAC business was built from an immature product that entered an established market for recruitment technology, our North American business is being built from an established technology which is entering an immature and inconsistently adopted market. Direct Sourcing is a new approach to traditional contingent hiring, never done this way before, but tailwinds are in our favour as the trendline for contingent hiring and direct sourcing interest continues to grow.

The opportunity requires us to educate and move a market, including an ecosystem of players who must come together in synchrony for the first time (the players include the client, the partner curator, the payroller, the technology). The size of the prize for an average corporate spending US\$77M on contingent labour is in the tens of millions of dollars.

While moving a market is hard, we are starting to see signs of healthy, best practice adoption of the solution for the first time, after learning a lot about what is improper adoption and what doesn't work. Formulaic predictions of adoption and revenue have been a challenge, but our understanding is increasing daily through laser focus on three key areas.

The two problems we aim to solve based on our learnings is:

- 1) end clients who half-heartedly adopted Direct Sourcing and were non-ICP (Ideal Client Profile), a similar scenario to the early days of the VMS (vendor management system) and MSP (managed service provider) adoption curves, according to Ardent Partners. Both of those contingent solutions now enjoy majority penetration of lcompanies that each employ more than 1000 employees; and
- 2) some partners being less capable than others of ramping the direct sourcing solution.

Therefore, we believe that our fastest and most efficient path to success is via these three areas of focus:

First, within our portfolio of 31 clients, we will focus on those that will scale in program adoption and revenue. We will churn those that we identify will not scale in program adoption and revenue.

Second, we will be selective with regard to new clients who are ICP only – new clients who bring a commitment to direct sourcing and set themselves up internally with critical approvals and criteria for success.

Third, we will be selective regarding partners, leveraging a shorter list of top, proven partners who commit to a critical mass of recruiters at launch and over time to deliver outcomes for clients at scale.

The best partners have become clear to us with TAPFIN declaring direct sourcing a key strategic initiative for them and signing a strategic Master Services Agreement with LiveHire to offer LiveHire's direct sourcing technology to its clients. It was a 9-month competitive process of selecting LiveHire. TAPFIN and LiveHire are currently engaged with 7 prospective deals in our shared pipeline, with a dual commitment to ICP client wins and speed to revenue.

Finally, we also now have fantastic case studies from our work with leading partner, Raise Recruiting, previously Ian Martin Group.

As I mentioned, we are deeply encouraged by the quality of our recent deals and our pipeline. The announced Q1 upgrade for our global oil and gas client with HireGenics is a great example of a client and partner adopting all our best practices to be ready for go-live in December. We estimate at full run rate after 18-24 months of ramping, this deal will be approximately \$1.3M per annum.

With gratitude, the money raised from our rights issue in August has allowed us to begin tackling critical accelerators of revenue, including our Turbo Launch team who will augment our partners' recruiters for the first 3 months for our largest, highest potential deals. Additionally, the capital raise has facilitated an expansion of our European country footprint to support timelines required for our largest North-American clients.

Beyond these funds, we also understand the critical importance of cost care right now and have implemented a number of cost- saving initiatives in this regard.

I would like to thank our shareholders for the significant support with the recent rights issue and ongoing commitment to LiveHire's full potential. I also thank the Board and our teams for their hard work and endless energy in creating the extraordinary opportunity ahead for LiveHire. I am more excited than ever to see accelerated opportunities in both APAC and North America as we meet the corporate mindset that abounds to finding smart, cost-effective solutions to attract top talent around the world.

For more information:

Christy Forest – CEO and Executive Director

investors@livehire.com

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Christy Forest, LiveHire's 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