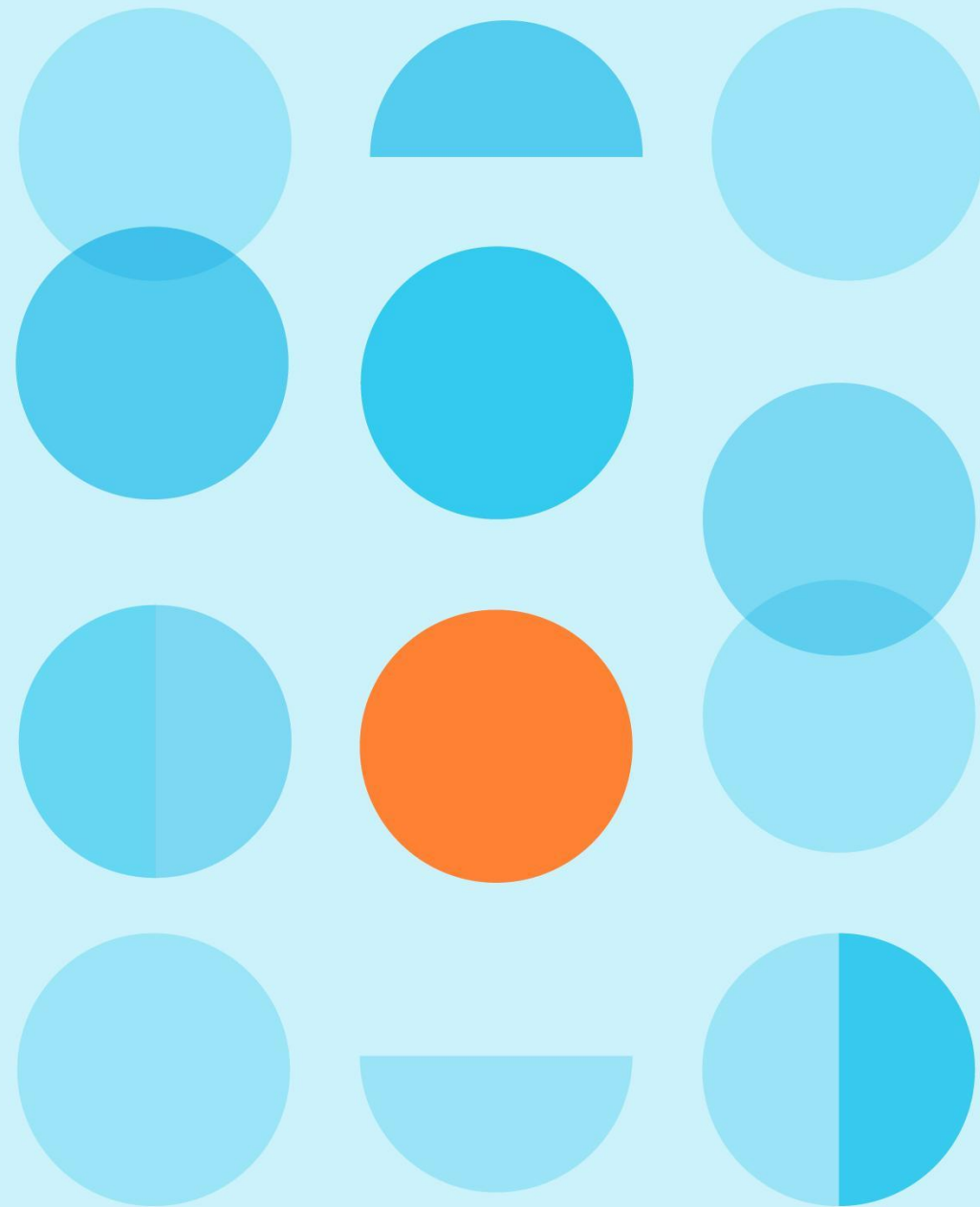


LiveHire (ASX:LVH)  
Quarterly Activities Report:  
Q2 2023

31 January 2023

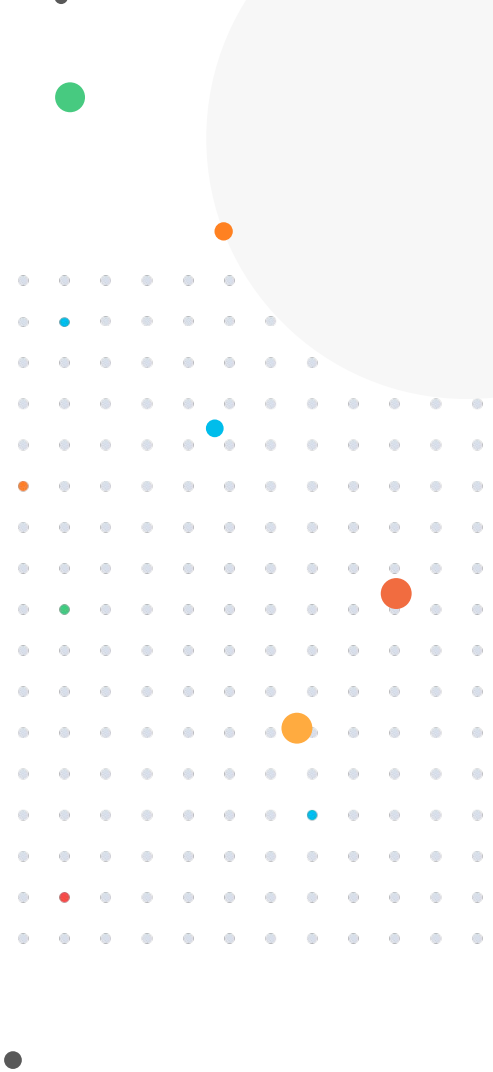
livehire

Empowering the flow of the world's talent



# Contents:

Sections	Slide No.
LiveHire: How we are tracking since capital raise & strategic review update	3
Highlights from the Quarter	6
Cashflow Performance	8
Direct Sourcing Business Performance	10
SaaS Business Performance	15
Business insights and the market opportunity	18
Appendices	23



# How we are tracking since capital raise and strategic review update



# Focus on accelerating revenues & cost reductions for cash preservation

1) **Since the capital raise in August 2022 we have:** (refer to Appendix on slide 24 for further detail).

- ✓ Established a turbo team to accelerate revenue in the large and super deals, pre-build talent pools to increase early placements.
- ✓ Gone live with SAP Fieldglass VMS integration for a Fortune 100 US based insurance company's Direct Sourcing account.
- ✓ Upgraded existing Open API architecture to improve flexibility.

2) **Significant partner and end client wins have been contracted, however the time to contract and embed best practice adoption prior to launch is taking longer than expected, elongating the timeline to cashflow breakeven.**

- ✓ Super client wins were protracted in their contracting and preparations for launch, but early CY23 has seen the Fortune 100 global sports retailer officially launched and the Fortune 100 global oil & gas scheduled for February 2023, with all best practice criteria adopted.
- ✓ To direct critical efforts toward scaling large ICP clients for highest return, LVH initiated churn of 8 non-ICP clients in Q2 23 whose commercial outcomes have been below expectations.
- ✓ Strategic review undertaken to ensure focus on highest return initiatives and identify cash conservation to preserve capital.

3) **Cashburn reduction continues to be a priority.**

- ✓ Record cash receipts of \$2.9m in Q2 23, up 33% from Q1 23 and 51% from Q2 22.
- ✓ A reduction of approximately 20% in run rates costs has been identified and is being implemented over Q3 23.
- ✓ **Q2 23 operating cashburn<sup>1</sup> of \$2.5m is a 29% improvement on Q1 23 (\$3.6m).**
- ✓ Closing cash for the quarter was \$11.2m, with additional \$1.1m R&D refund received in January.

4) **Strong indicators of medium-term revenue growth.**

- ✓ Contingent hiring remains robust, according to Chris Dwyer, Senior Vice President of Research, Ardent Partners, "during the past two economic downturns (2008-2009 and 2020), Ardent and FOWX research discovered that usage of the contingent workforce increased, on average, by nearly 25%-to-30%." <sup>2</sup>
- ✓ In final contracting of major client<sup>3</sup> with TAPFIN, plus active sales opportunities with 7 additional companies.
- ✓ Joint launch of Total Workforce play with SAP SuccessFactors and Fieldglass in North America and APAC.

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

<sup>2</sup> Refer to internal email from Chris Dwyer 26 Jan 2023 <sup>3</sup> Prospective agreements are not yet legally binding and may not materialise

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.

# LiveHire: Strategic review and commitment to sustainable growth

The strategic review is focused on the preservation of capital by:

✓ Optimised go to market strategy that further aligns with top partners and opportunities provided by them.

- Goal to accelerate revenue generation.

**Action:**

- Engagement with top partners to ensure key ICP clients, recently launched, are achieving planned revenue ramp (18-24 mths or better)
- Concentrated sales effort with IPPs (Ideal Partner Profiles) - a reduced and prioritised list of partners means optimisation of the sales team

✓ Best practice review of technology architecture.

- Goal to maximise agility and alignment to Company's revenue opportunities.

**Action:**

- Assessment of technology initiatives (inc, buy, borrow, bridge options) has begun with evaluation to be finalised by end of March
- Cost optimisation has been actioned to improve margin and reduce cashburn

✓ Comprehensive reassessment of investments within the Company's key geographies and market segments.

- Goal to focus on most attractive growth and margin opportunities.

**Action:**

- Deployment of resources to focus on revenue opportunities to be completed by end of March 2023
- Cost optimisation is being actioned to improve margin and reduce cashburn

# Highlights from the Quarter



# LiveHire: Q2 23 Highlights

**Closing cash balance for the quarter of \$11.2m tracking to plan, with the strategic review and cost reductions expected to protect full year plan:**

- ✓ Record cash receipts of \$2.9m for the quarter. (refer to Cash Performance slide 9)
- ✓ Operating cashburn<sup>2</sup> was \$2.5m down 29% v Q1 23 which was \$3.6m.
- ✓ Additional \$1.1m was received in January from the ATO relating to the R&D refund.

**LiveHire Contingent Hiring (Direct Sourcing) continues to focus on implementation and ramping of Ideal Client Profile (ICP) clients:**

- ✓ TAPFIN signs a new Statement of Work with LiveHire to provide its Direct Sourcing solution to a Fortune 100 global sports manufacturer and retailer.
- ✓ Focus on successful implementation of large key clients with the launch of the Fortune 100 global sports manufacturer & retailer on the LiveHire platform in January and the Fortune 100 global oil & gas client expected to be launched in February 2023.
- ✓ Proactive churn of 8 non-ICP clients in Q2 23 and filtering down to 38 large ICP client opportunities, versus 79 opportunities last quarter that included non-ICP; 7 of the 38 at proposal stage.
- ✓ Proportion of large and super clients in the pipeline is now 68%.

**LiveHire Permanent Hiring (SaaS) delivers a solid quarter and \$6.0m in ARR:**

- ✓ Closing ARR for Q2 23 \$6.0m up 3% on Q1 23, and up 21% YOY. (refer to SaaS Performance slide 16)
- ✓ Client revenue retention consistent with plan with Net Revenue Retention (NRR) rate (rolling 12mths) at 93%, 2% points lower than Q1 23.
- ✓ Closing clients of 179, up 4 from Q1 23 (added 9 new clients, 5 losses). (refer to SaaS Performance slide 16)
- ✓ 100 client opportunities live, up from 88 last quarter; 21 of these at proposal stage.

**LiveHire board of directors and CEO announced a strategic review to be concluded by March 2023.**

# Cash Performance





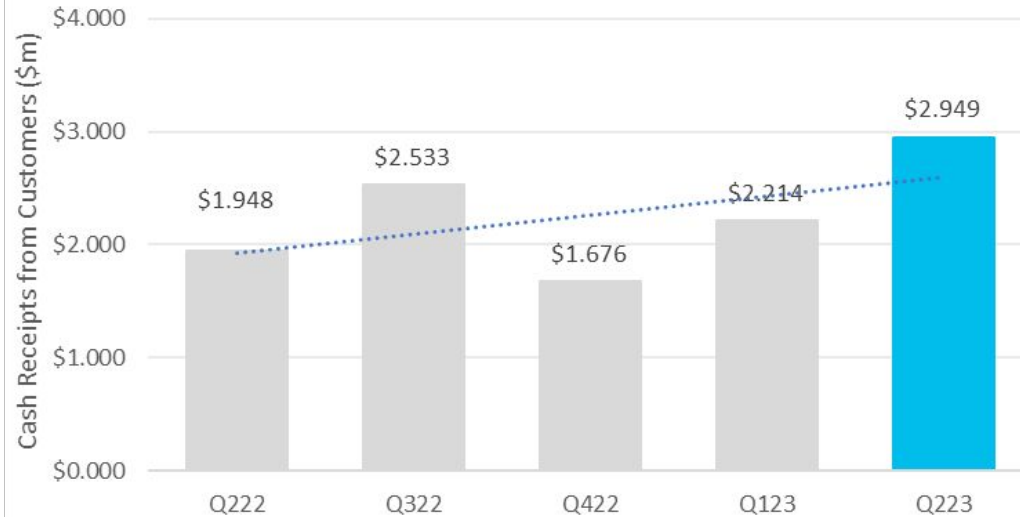
# Record cash receipts quarter drives improved operating cashburn

Cash Performance	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	YOY
Quarterly Cash Receipts (\$m)	\$1.948	\$2.533	\$1.676	\$2.214	\$2.949	51%
Operating Cashburn (\$m) <sup>1</sup>	(\$2.053)	(\$2.229)	(\$2.123)	(\$3.554)	(\$2.533)	(23%)
Total Cashburn (\$m)	(\$1.861)	(\$1.987)	(\$1.976)	\$6.565 <sup>2</sup>	(\$2.695)	(45%)
Closing Cash (\$m)	\$11.293	\$9.306	\$7.330	\$13.895	\$11.200	(1%)

Strong cash receipts in Q2 23 and the receipt of R&D tax incentive in early Q3 23 contribute to an improved cash outlook:

- ✓ Cash receipts of \$2.9m for the quarter is up 33% from Q1 23 and 51% from Q2 22, due to focus on cash collection and renewal of high value customers.
- ✓ Operating cashburn at \$2.5m is a 29% improvement on Q1 23, largely due to the strong cash receipts and one-off capital raise costs from Q1 23 coming off.
- ✓ Company received FY22 R&D refund of \$1.1m in January.
- ✓ Closing cash of \$11.2m.

Cash Receipts from Customers (\$m)



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

<sup>2</sup> Total cashburn for Q1 23 includes \$10.1m cash inflow from rights issue capital raise

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.

# Direct Sourcing Business Performance



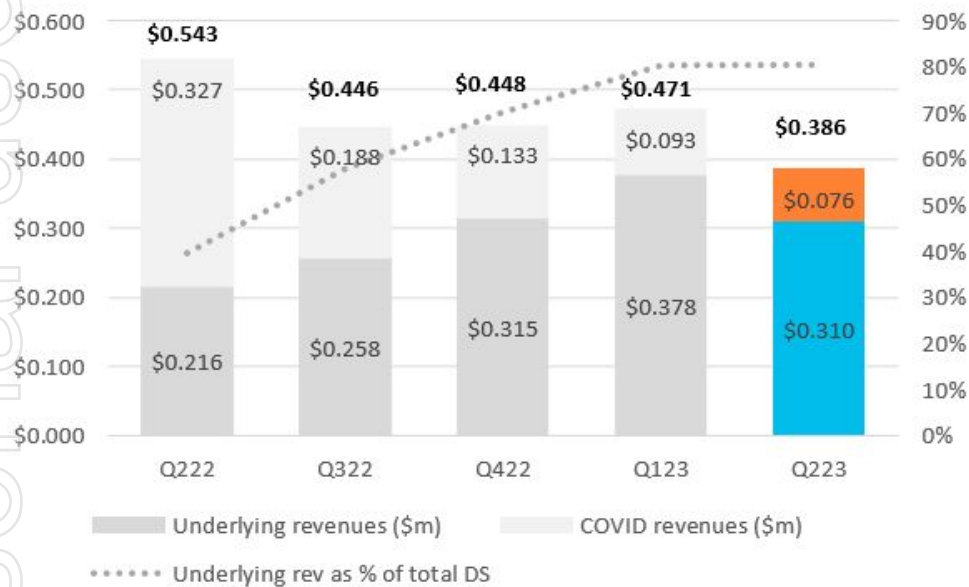
# Direct sourcing continues to focus on ICP clients with strong revenue potential

Direct Sourcing Performance	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	YOY
<b>North America</b>						
Closing Partners	20	23	26	26	26	30%
Closing Clients	24	30	30	31	24	0%
Revenue (\$m) (Transactional)	\$0.543	\$0.446	\$0.448	\$0.471	\$0.386	(29%)

## TAPFIN delivers first client, a Fortune 100 global sports manufacturer and retailer

- 1 new client (super size) during the quarter, along with proactive churn of 8 non-ICP clients brings total clients to 24.
- Focused preparation for successful implementation of large key clients, with the Fortune 100 global sports manufacturer & retailer now live on the platform and the Fortune 100 global oil & gas client scheduled for February 2023.
- Given additional time required for best practice launch adoption by clients, this has resulted in delayed revenues.
- Anticipated dip in revenue in Q2 23 compared to Q1 23 is due to:
  - ✓ COVID roles coming off as expected, making up 20% of total revenue, consistent with Q1 23.
  - ✓ Underlying revenue down in Q2 23 principally due to:
    - Seasonality - reduced worker hours over the December holiday, same as prior year
    - Proactive repositioning of two historical ICP clients in order to achieve higher return (accessing higher wage portion of the workforce and higher fee negotiations) - **clients are expected to re-ramp again in Q3 23.**

Direct Sourcing Revenue (\$m) split by Quarter



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.

# 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.	<ol style="list-style-type: none"> <li>1) Super - EACV (Estimated Annual Contract Value) range - \$400k to \$2m</li> <li>2) Large - EACV range - \$200k to \$400k</li> <li>3) Medium - EACV range - \$100k to \$200k</li> <li>4) Project - EACV range - \$30k to \$750k</li> </ol>
Ideal Partner Profile (IPP)	<ol style="list-style-type: none"> <li>1) MSPs and Staffing Suppliers with strong end client relationships</li> <li>2) Focus on partners who make direct sourcing a #1 / #2 business priority</li> <li>3) Focus on partners with proven ability to curate and deliver hiring outcomes</li> <li>4) Partnered approach to achieving steady state ramp in 18 months or less</li> </ol>
Ideal Client Profile (ICP)	<ol style="list-style-type: none"> <li>1) Committed to launch and scale a full direct sourcing program</li> <li>2) An executive sponsor within the end client, leading the internal change management required</li> <li>3) A transparent 3-way partnership between the end client, the curator and LiveHire</li> <li>4) Partnered approach to achieving steady state ramp in 18 months or less</li> </ol>

# LiveHire is well-positioned for growth with some of the world's largest technology and service providers



Direct sourcing and our partnership with LiveHire is central to our mission to bring innovation and impact to our clients.

**Amy Doyle, CEO, TAPFIN**



SAP is thrilled to accelerate our [Total Workforce](#) initiative this year. LiveHire integrates with SAP SuccessFactors® and SAP Fieldglass® to deliver on this powerful strategy. Together, SAP and LiveHire uniquely combine our solutions to help companies attract the best talent with the right mix of full-time and extended workers as organizational agility becomes the name of the game.

**Amber Roth, VP Global Presales & Strategy  
SAP Fieldglass**

## Allstate streamline the hiring process

Allstate, a leading provider of supplemental insurance coverage, engaged HireGenics to implement a direct sourcing program for their retirees. HireGenics partnered with LiveHire's award winning technology to improve the user experience for candidates and deliver more efficient hiring outcomes for Allstate.

### Challenges

- The recruitment process was long, antiquated and needed a tech refresh
- Ability for the curation team to identify talent much faster
- Opportunity to improve the frequent redeployment of contractors

### Solution

HireGenics and LiveHire leveraged the Allstate brand to engage and redeploy their retirees rapidly into projects, assignments and catastrophe events such as Hurricane Ian.

LiveHire has integrated their technology with SAP Fieldglass to deliver a more streamlined solution for the curation team. By using the LiveHire platform, HireGenics improves recruiter productivity and decreases the time it takes to redeploy talent. Candidates response times have dramatically dropped by 31 minutes in the first few months of going live.

## Key results



**<1 day**  
Time to hire



**97%**  
Of the Community are curated Talent Pools



**37%**  
Job Invitation Acceptance Rate



**9 minutes**  
Median Candidate Response Time via SMS\*

\* LiveHire Data, September - November 2022

"We deliver talent solutions that enable Allstate to respond quickly to catastrophes and help their customers in times of need. Working with leading technology platforms like LiveHire and SAP Fieldglass allows us to do this more effectively by mobilizing contractor resources and placing them into new assignments within hours."

**Brandon Kahele , Vice President Operations at Hiregenics**



ersonal use only

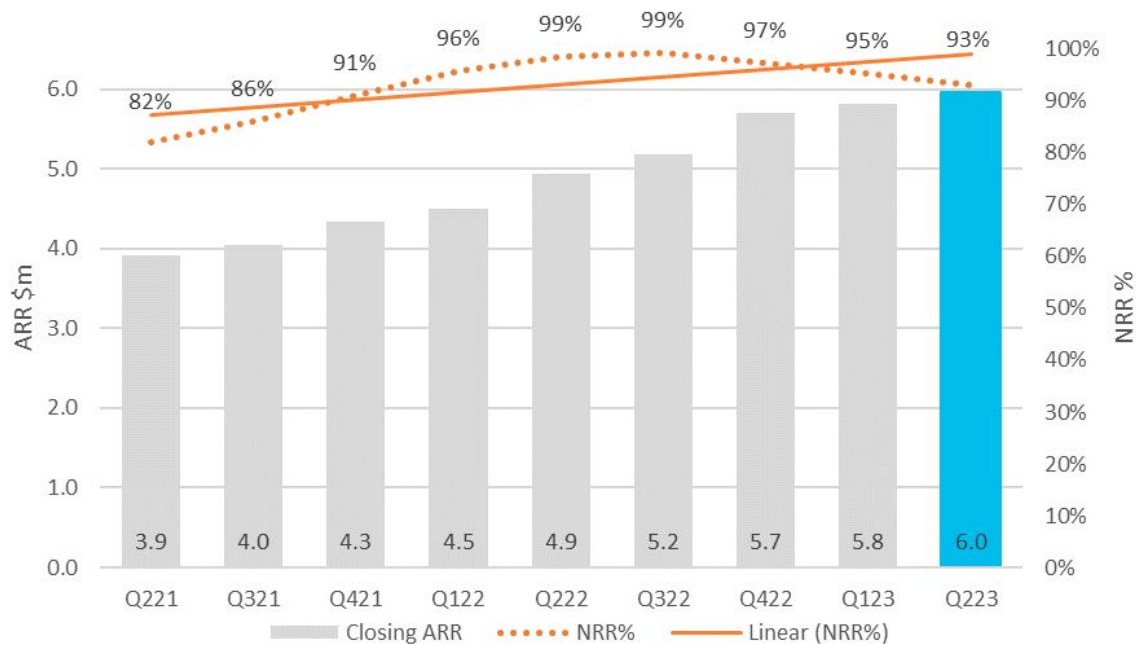
# SaaS Business Performance



# SaaS business posts solid quarter with strong pipeline for Q2 and beyond

SaaS Performance	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	YOY
<b>Permanent Hiring (SaaS)</b>						
Closing Clients	155	164	174	175	179	15%
Closing ARR (\$m) (Annualised)	\$4.938	\$5.187	\$5.693	\$5.808	\$5.956	21%
NRR rate % (Rolling 12mths)	99%	99%	97%	95%	93%	(6%)

Closing ARR & NRR % (Qtr v Qtr)



**Solid quarter for SaaS with a strong pipeline for expected new sales moving forward:**

- ✓ Closing clients of 179, 4 up on Q4 22 (added 9 new clients, 5 losses in quarter). Churn mainly relating to change in client leadership or mandate to transition to client group technology.
- ✓ Closing ARR for Q2 23 of \$6.0m up 3% on Q1 23, and up 21% YOY. New sales growth impacted slightly by holiday period which has seen new contracts pushed into early Q3 23.
- ✓ Client revenue retention continues to be strong with NRR rate (rolling 12mths) of 93%, 2 points lower on Q1 23 but above plan. Quarterly fluctuations still expected but overall achievement is consistent with industry standard which is now institutionalised.
- ✓ 100 client opportunities; 21 of these at proposal stage



## We introduced 9 new SaaS clients in the quarter including



THE PERTH MINT  
AUSTRALIA



Every coffee, every moment



GemLife



## What our clients say about us



“Since implementing LiveHire 6 months ago, our time-to-hire has reduced by 50%. My team have been thrilled with the level of personal attention and support that they have received throughout implementation and LiveHire's dedication and commitment across the business has been amazing.”

Kelly Van Nelson, Managing Director Operations (Asia Pacific), Serco



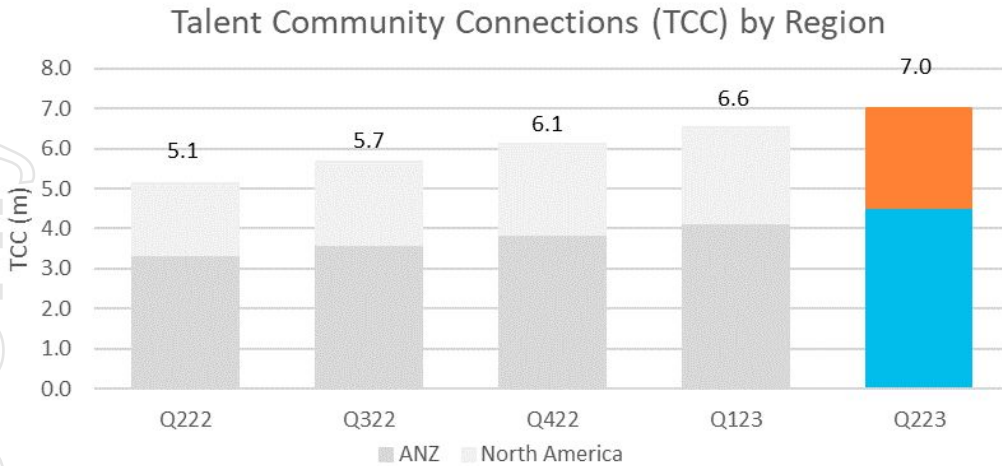
“We estimate that LiveHire has saved us around \$600,000, that's an impressive ROI.”

Sandra de Kock, General Manager People and Culture, Perth Airport

# Business insights and the market opportunity

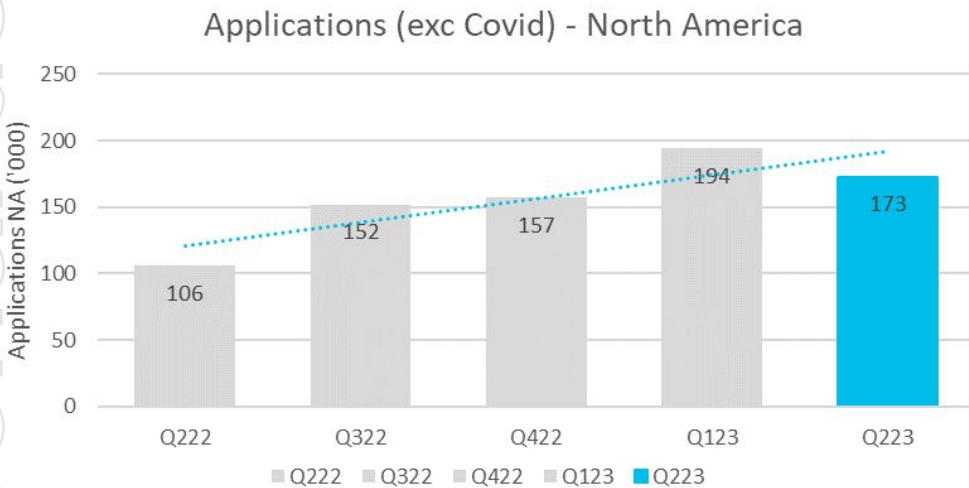


# Consistent growth in TCC's and Applications (North America)



Platform activity shows consistently strong growth in TCC's each quarter:

- ✓ TCC's for the quarter up 6% to 7.0m v 6.6m in Q1 23:
  - ANZ up 9% to 4.5m and
  - North America up 5% to 2.5m
- ✓ Number of Applications submitted on platform in North America:
  - Down 11% quarter on quarter due to holiday seasonality
  - Strong growth in underlying applications year on year (up 63% to 173k v 106k in Q2 22)



**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.

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.

# LVH Product & Engineering investment summary

## Integrations with global Vendor Management Systems (VMS) for Direct Sourcing:

- ✓ Successfully gone live with Fortune 100 global sports manufacturer, having delivered 5+ new innovative Direct Sourcing product features in the process. Currently integrating with their VMS system (Top3 global VMS provider).
- ✓ Successfully executed SAP Fieldglass candidate submissions integration for clients via our proprietary VMS architecture solution.
- ✓ Completed feature set to bi-directionally integrate with the second largest global VMS, while investing in our iPaaS strategy (Integration Platform as a Service) to make future VMS integrations fast to implement and low cost to maintain.

## Sourcing and Recruitment Modules (ATS & CRM):

- ✓ During the quarter we have implemented successfully two new SAP SuccessFactors integration with large enterprise clients.
- ✓ Delivered innovative product module for 'Remote/Hybrid Work', as the preferred choice for the majority of job seekers globally.
- ✓ Completed and launching a new product module for 'Interview & Event Scheduling' to streamline interview bookings and mgmt at scale.
- ✓ Delivered significant product features to manage data security on platform: Self-Serve Privacy Settings, Data Deletion, Data Retention, Policy Centre, Consent Management, Permissions-Based Data Visibility. LiveHire is a leader in Privacy by Design for the enterprise globally.

## Scale, Security & Compliance:

- ✓ Completed Certification for SOC2 Type2 Compliance, which is globally recognised as the benchmark security standard for cloud platforms.
- ✓ Completed first audit for ISO 27018 compliance certification, focused on protection of personal data in the cloud and providing implementation guidance on ISO/IEC 27002 controls applicable to public cloud Personally Identifiable Information (PII). LiveHire is also already ISO 27001 compliance certified since Mar'22.
- ✓ Approaching GDPR compliance milestone and EU product localisation. Independent GDPR audit completed and all product recommendations have been addressed. We continue to build and optimise our features, processes and documentation for best practice, in alignment with GDPR and CCPA/CPRA requirements. For more information refer to: <https://security.livehire.com/>

# Influencing the market globally

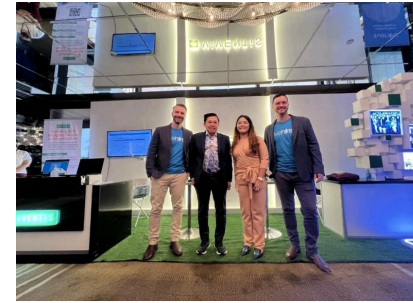
A snapshot of events and presentations this quarter



NZ HR summit  
Presenter & Exhibitor



Diversity Council of Australia  
Panel member AI tools in  
recruitment webinar



People Management Association of  
the Philippines Annual Conference.  
Presenter & Exhibitor



ClubVMSA Vision West event,  
Karen Gonzalez, LiveHire EVP of  
North America, led a discussion  
on "Direct Sourcing"



LiveHire CEO, Christy Forest joins  
Small Caps to discuss the ongoing  
growth of LiveHire. [Click here](#) to  
view.



Thought Leadership Webinar  
with international speaker  
Barbara Bruno



Thought Leadership Webinar  
with guest speaker Mark  
Puncher from Employer  
Branding Australia

# 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
<b>Competitive value proposition</b>	<ul style="list-style-type: none"> <li>Disintermediate the ~20%<sup>5</sup> mark-ups paid on temporary employees</li> <li>Reducing mark-ups to realise savings</li> <li>Plus faster, better hires</li> </ul>	By creating a pre-existing talent community clients can*: <ul style="list-style-type: none"> <li>Reduce time to hire from 25 days to 7 days</li> <li>Increase recruiter efficiency with AI from 50 to 3 candidates</li> <li>Reduce per hire cost from \$5,800 to \$2,500</li> </ul> (*Vodafone client example)	<ul style="list-style-type: none"> <li>Know all skills &amp; use AI to search and move talent into internal roles</li> <li>Communicate seamlessly by SMS</li> <li>Avoid turnover through poor internal job markets</li> </ul>
<b>Market Focus</b>	North America	Australia	New Zealand
<b>Estimated size of market</b>	<ul style="list-style-type: none"> <li>\$US80b+<sup>1</sup> spend in the US on MSPs</li> <li>LiveHire's fee @ 1-2% could indicate an \$US800m+ TAM</li> </ul>	<ul style="list-style-type: none"> <li>4,000 companies<sup>2</sup></li> <li>\$100m potential tech spend</li> <li>Large, medium, small</li> </ul>	<ul style="list-style-type: none"> <li>1,000+ companies<sup>3</sup></li> <li>\$10m potential tech spend</li> <li>Large, medium</li> </ul>
<b>Go to market</b>	Via partners who have a strong financial incentive to introduce to sell the solution to their clients	Direct sales force	
<b>Current consolidated position</b>	26 partners (as at December 2022) 24 clients Examples of clients: Ontario Ministry of Health, Global Professional Services Firm, Enbridge <sup>4</sup>	179 clients (as at September 2022) Example of clients: Vodafone, University of Newcastle, BabyBunting	4 clients Examples of clients: Large state governments

<sup>1</sup>MSP Global Landscape Summary 2020: \$US86B MSP in US in 2019, LVH assumes technology costs of 1-2%. <sup>2</sup>ABS Counts of Australian Businesses, including Entries and Exits 2020, 4,160 companies with 200+ employees  
<sup>3</sup>Data provided by ContactAffix as at March 2020, referencing NZ companies with 250+FTE <sup>4</sup>The Ian Martin Group managing the student contract program for Enbridge Inc. <sup>5</sup><https://www.headcountmgmt.com/everything-but-staffing>

# Appendices





# LiveHire: How we are tracking since our capital raise in August 2022

LiveHire is in a leading position to capitalise on the Direct Sourcing movement and execute at global scale:

What's required to execute and scale globally	How are we progressing?
Operational leadership for revenue scaling and fast launch (turbo) team	Turbo team has been set up with main focus on large to super deals.
System functionality, productivity, integration and scalability	<ul style="list-style-type: none"> <li>- Gone live with SAP Fieldglass VMS integration for a US based insurance company's Direct Sourcing account</li> <li>- Made significant progress with integrating into the second largest global VMS</li> <li>- Upgraded existing Open API architecture and improve flexibility</li> </ul>
Cater for current and future requirements for Trans-Atlantic roll out (starting with robust data privacy platform to support GDPR)	Security and compliance certification <ul style="list-style-type: none"> <li>- Received ISO 27001 certification and completed SOC Type 1 &amp; 2 audit</li> <li>- Successfully completed independent assessment of GDPR compliance methods used to maintain GDPR compliance for EU/UK market entry</li> </ul>
Continue to evaluate sensitivities of the business model as the adoption curve continues to mature and impacts on capital.	<ul style="list-style-type: none"> <li>- Focus on partners and larger clients that will scale to hiring and revenue outcomes and not investing in Non-ICP clients.</li> <li>- Some of these larger clients have taken longer than expected to launch but January has seen the launch of the Fortune 100 global sports manufacturer and retailer with the Fortune 100 global oil &amp; gas client expected to be launched February 1.</li> <li>- Delays with client launches has meant revisions to business model and a strategic review to preserve capital.</li> </ul>
Strategic review of business operations	Review incorporates the careful balance of trade-offs required to preserve capital and resource revenue growth.



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

Breakdown of Payments		Current quarter \$A'000	Year to date \$A'000
<b>1</b>	<b>Cash outflows from operating activities</b>		-
1.2	Payments for		
	(a) research and development	0	0
	(b) product manufacturing and operating costs	(518)	(885)
	(c) advertising and marketing	(138)	(293)
	(d) leased assets	0	0
	(e) staff costs	(3,853)	(7,821)
	(f) administration and corporate costs	(1,024)	(2,301)
	<b>Total Cash Outflows from operating activities</b>	<b>(5,533)</b>	<b>(11,299)</b>

Related Party Payments of \$294,613 for Q2 23 include amounts relating to executive Directors salaries and NED fees.

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.

# Update to existing direct sourcing client portfolio: origination of 8 Non ICP clients churned

North American Performance	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22
Non ICP Clients <sup>Δ</sup>	1	1	0	0	1	3	0	2

## Rebalancing effort for long term return:

- ✓ LVH continuing assessment of existing clients shows cluster of Non ICP clients sold through a particular partners who have not committed to business outcomes.
- ✓ These non ICP sales generate immaterial revenues and LVH will continue to focus its efforts toward successful ramp of other deals and the growing pipeline of large, well-fitted deals.

## LiveHire's direct sourcing model:

As a result of LVH's model, revenue realisation is dependent on client adoption and utilisation of the platform in their labour ecosystem.

This adoption involves both technological dimensions as well as significant process and behavioural change management within our clients. LVH is actively engaged with clients in deploying best practice change management but are dependent on our client's own business practices exploiting our platform in order to record revenue. LVH continuing assessment of existing clients shows cluster of Non ICP clients sold through a particular partners who have not committed to business outcomes.

These non ICP sales generate immaterial revenues and LVH will continue to focus its efforts toward successful ramp of other deals and the growing pipeline of large, well-fitted deals.

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

ARR Churn Customer Losses + Net Upsell ARR

## Closing ARR

Closing ARR represents the ARR at the end of the period and is calculated as:  $\text{Opening ARR} + \text{New Business ARR} + \text{Net Upsell ARR} - \text{Churn ARR Customer Losses}$ .

## 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).

## 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 an average of \$215k 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 1.41.

## Opportunities Live

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

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.

# Get In Touch



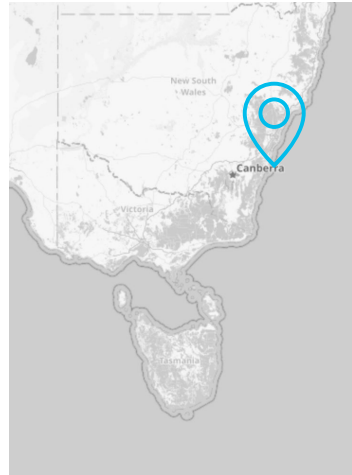
www.livehire.com



investors@livehire.com



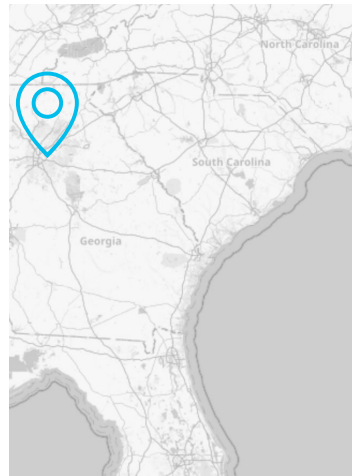
@livehireme



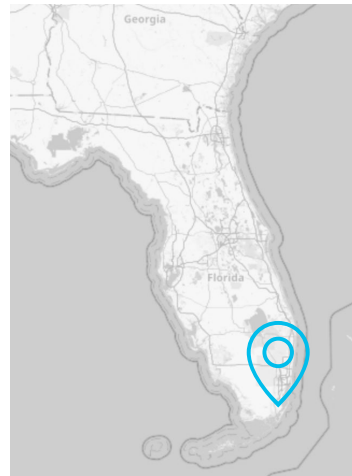
Sydney, AU



Perth, AU



Atlanta, USA

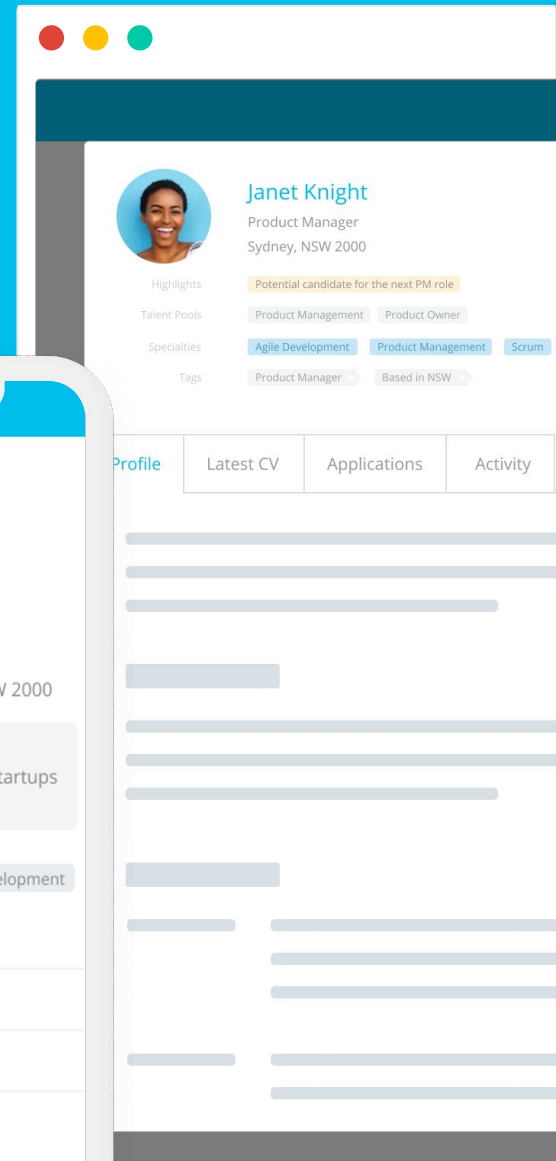
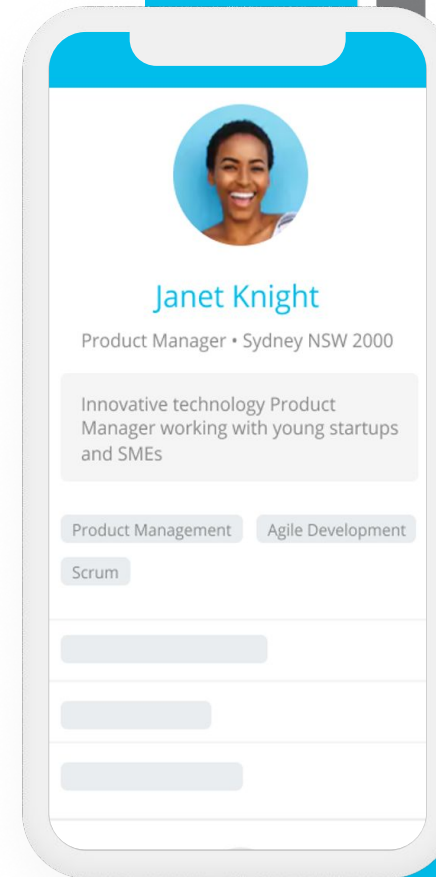


Miami, USA



## Melbourne

Level 5, 90 Queen Street,  
Melbourne, VIC 3000



## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

LiveHire Limited

**ABN**

59 153 266 605

**Quarter ended ("current quarter")**
31<sup>st</sup> December 2022

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	2,949	5,163
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(518)	(885)
(c) advertising and marketing	(138)	(293)
(d) leased assets		0
(e) staff costs	(3,853)	(7,821)
(f) administration and corporate costs	(1,024)	(2,301)
1.3 Dividends received (see note 3)		
1.4 Interest received	73	88
1.5 Interest and other costs of finance paid	(22)	(38)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other – staff termination costs		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(2,533)</b>	<b>(6,087)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(g) entities		
(h) businesses		
(i) property, plant and equipment	1	(89)
(j) investments		
(k) intellectual property		
(l) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date \$A'000
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>1</b>	<b>(89)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	(53)	10,136
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(53)</b>	<b>10,136</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	13,895	7,330
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,533)	(6,087)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	1	(89)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(53)	10,136

Consolidated statement of cash flows		Current quarter \$A'000	Year to date \$A'000
4.5	Effect of movement in exchange rates on cash held	(110)	(90)
4.6	<b>Cash and cash equivalents at end of period</b>	<b>11,200</b>	<b>11,200</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	10,500	12,970
5.2	Call deposits	700	925
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>11,200</b>	<b>13,895</b>

**6. Payments to related parties of the entity and their associates**

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter  
\$A'000**

295

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments:

The above relates to payment of Directors' salaries, superannuation and fees.



**7. Financing facilities**

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

7.1 Loan facilities

7.2 Credit standby arrangements

7.3 Other (please specify)

7.4 **Total financing facilities**

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000

7.5 **Unused financing facilities available at quarter end**

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

**8. Estimated cash available for future operating activities****\$A'000**

8.1	Net cash from / (used in) operating activities (Item 1.9)	(2,533)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	11,200
8.3	Unused finance facilities available at quarter end (Item 7.5)	
8.4	Total available funding (Item 8.2 + Item 8.3)	11,200
8.5	<b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	<b>4.4</b>

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31<sup>st</sup> January 2023

Authorised by: Ben Brooks, Chief Financial Officer  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.