



LiveHire | 2019 Annual General Meeting CEO's Address

Introduction

Thank you Michael and good afternoon everyone.

It is a pleasure to be here with you today to present a review of LiveHire's performance for the 2019 financial year and provide comments about the outlook for the Company.

FY19 Results

As Michael mentioned, we delivered pleasing results in the 2019 financial year, as we also built the critical foundations for scaled growth and began to execute against the three pillars of our high-growth strategy.

Annualised recurring revenue (ARR) was up 88 per cent to more than \$2.5 million, as more clients and partners came online.

Annualised recurring revenue per client grew to \$32,000, representing 26 per cent year-on-year growth, as we transitioned to a new pricing structure and decisively repositioned our portfolio to more well-fitted clients with higher quality revenues.

Cash receipts increased by 56 per cent to \$3.2 million.

We grew our Talent Community Connections (TCCs) by 65 per cent to more than 1.1 million up to June 2019. Talent Community growth is the natural extension of new clients signed.

We signed 41 new clients through our Direct Sales and Partner channels as at 30 June 2019, with 79 total enterprise clients served.

We also rebuilt the leadership team across the first half of the year and in late Q3, actively launched our growth strategy around the three priorities of US expansion, channel partners and direct sales – this is a formula designed for scale and sustainability.

Our Strategy

I'd like to take a moment now to talk through how we're executing on each growth priority.

First, significant progress has been made to launch LiveHire in the US - we are encouraged by the receptivity and early results.

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The US market is 15 times larger than the Australian market, with well over \$200 billion spent each year on talent acquisition¹. The US market is also more innovative and further along the adoption curve, with organisations embracing differentiated approaches and more customer-centric models that has proven disruptive in other industries transformed by companies such as Uber and Airbnb. Whilst our Australian business currently accounts for around 95 per cent of our business, we expect revenue from the US to increase substantially within the next 12-18 months.

Our first US end-client was launched in July 2019, just a few months after signing with Managed Service Provider partner Workforce Logiq. This was a meaningful milestone for the Company, following significant effort to adapt our functionality to the US market. Since then, Workforce Logiq has leveraged LiveHire to serve another three clients, each with iconic brands in the US. As Michael mentioned earlier, these early clients provide important proof points and form the foundation for conversations we are having with a number of other MSPs in the US.

MSPs are looking for direct sourcing solutions to meet the growing contingent workforce trend. In the current economy, contingent workers are an integral and growing part of the workforce. According to a US Government Accountability report, an estimated 40 per cent of the US workforce is made up of contingent workers². As such, the role of the MSP is increasingly influential in helping organisations better hire and manage their contingent workforce. Organisations use MSP providers to align suppliers, improve program management and increasingly, reduce the costs of hiring contingent labor as it becomes a larger part of their overall organizational spend.

LiveHire's platform allows MSPs to rapidly and more cost effectively hire contingent workers by directly sourcing from a ready-to-hire pool of talent. As evidenced by our experience with Workforce Logiq, LiveHire is positioning itself to deliver the technology to capitalise on these market trends.

LiveHire anticipates benefiting from SAP's certification of our US partner Cognitus' Project Management solution. Cognitus is one of the most innovative SAP Systems Implementers globally and has now officially launched the world's first SAP certified Intelligent Enterprise Package as an end-to-end project management solution for major enterprises in the United States. LiveHire is the People Engagement solution bundled into the Package and, when utilized within the Package, will leverage our deep integration with SAP to power the candidate and recruiter experience. LiveHire has earned Silver Partner status with SAP and is proud to be included in Cognitus' enterprise solution.

The momentum is building in the US, and while it is still early days, we are very enthusiastic about the opportunity that the US market presents.

Our second growth pillar, expanding our channel partnerships in both Australia and the US, also proved fruitful in the 2019 financial year, as we broadened our channel partnership strategy to include not only Recruitment Processing Outsourcers, but also MSPs and System Implementers.

To recap, strategic partnerships enable LiveHire to achieve scale at speed through one-to-many client relationships. Channel partners refer or sell the LiveHire technology as an annual license to their clients and LiveHire recognises the Annualised Recurring Revenue. These partnerships facilitate a less capital intensive approach to expanding across Australia and is our entry approach into new markets such as the US.

¹ Josh Bersin: 2019 HR Technology Market

² US Government Accountability Office, "Contingent Workforce: Size, characteristics, earnings, and benefits", 2010

During the year, we continued to expand with new and existing partners and at 30 June 2019, we had six channel partners, of which four are generating revenue for the Company.

We continue to actively focus on accelerating partners' time to productivity and are working hard to enable each of their sales teams for revenue contribution. In doing so, we significantly scaled and upgraded our Platform Architecture and developed a LiveHire Solution Partner Program to onboard, enable, train and scale our technology partners in our markets as they work to roll out LiveHire across their client bases.

With our partner Rizing, one of the world's largest implementers of SAP Success Factors, we are currently in the process of enabling their US reps in order to expand beyond Rizing's current pipeline with us in Australia/New Zealand.

Our third growth pillar, direct sales, continues to gain traction. Our Direct Sales team was transformed in March and has hit the ground running, delivering more than \$320,000 of total revenue in its first quarter of operation to 30 June. I'm pleased to say that this momentum has continued into the current financial year, with the team's hard work successfully translating into further revenue growth.

We are confident that our continued execution of this three-pronged growth strategy is the foundation for sustained revenue growth, which we expect to see ramp up during the remainder of the 2020 financial year and beyond.

Product & Technology

LiveHire's technology platform is an important part of our value proposition and is integral to what sets us apart.

During the 2019 financial year, we continued to invest in innovation and technology to create value and productivity improvements for our clients and partners. Our Product team delivered significant new modules of the LiveHire platform and launched a Business Intelligence talent analytics tool. These innovative enhancements complement and differentiate the LiveHire product, increasing our reach and competitiveness in key markets.

We also invested significantly in Artificial Intelligence and Matching Algorithms to help transform our company to be capable of connecting candidates and companies in a meaningful way and at speed. We continue to integrate with major global sources of talent, and the use of AI search tools are critical to this strategy.

Additionally, we expanded our technical API and integration capabilities, invested in multiple new integrations with third party products, integrated with global job boards for the US, successfully offshored the development of multiple integrations to lower cost jurisdictions and as mentioned earlier, localised the platform end-to-end for our clients in the US.

Over the twelve months to 30 June, user traffic on the LiveHire platform increased by 350 per cent. To cater for this significant increase in usage and to facilitate our future growth, our engineering team upgraded our software and infrastructure to maximise its performance, reliability, scalability and security.

We also continued to invest in the areas of privacy, security, compliance and infrastructure to adapt the platform to the various regulatory environments, as well as privacy and spam legislative requirements.

Considerable effort has been devoted to get the LiveHire platform to where it is today and we are confident that with the right building blocks in place now is the right time to drive higher levels of sales to LiveHire.

Outlook

I would now like to touch briefly on year-to-date performance and the outlook for the balance of the 2020 financial year.

Our first quarter results, released in October, demonstrate a sound start to the 2020 financial year. The Direct Sales team continued to produce consistent results. We signed 10 new clients and seven new partners (three of which were US-based) and continued to expand both our direct sales and channel partner pipelines.

In recent news, we have completed our integration with XRef, a global market leader in online reference checking. Through the integration, LiveHire clients will be able to request a reference check directly from the LiveHire platform and monitor the progress of the reference check at the click of a button, further streamlining LiveHire's end-to-end hiring process. We already have a strong working relationship with XRef and look forward to collaborating further across their client base and ours.

As we look to the remainder of the 2020 financial year, based on our traction with existing partners and recent partnership wins, the sustained success of the Direct Sales team and the visible pipeline of opportunities, we expect our revenue momentum to continue throughout the financial year.

Overall, we are positive about the balance of the 2020 financial year and look forward to delivering further growth and value for our shareholders, as well as the best possible experiences for our clients and their candidates in 2020 and beyond.

Reach.Hire "Hiring Heroes"

Before I wrap up, I also wanted to share with you a bit about our inaugural "Reach.Hire 'Hiring Heroes'" ecosystem event hosted a couple weeks ago in Sydney.

The purpose of the event was to elevate the importance of talent acquisition as a top talent priority, and create a place where Talent Acquisition and HR professionals could learn from each other and experience the latest in Talent Acquisition technology.

LiveHire organized and hosted the event, and had 11 technology vendors from the Australian tech ecosystem sponsor and join us on the day. We hosted more than 120 Talent Acquisition professionals and received overwhelmingly positive feedback on the learnings from the day and signs that this market is increasingly ready to take a more innovative approach to talent.

The event was also a chance for us to award our clients in the following categories:

- Vodafone, for the fastest time-to-hire;
- Sydney Water, for the most Talent Community hires;
- KJR, for most frequent candidate communication; and
- Flybuys, for best talent transformation.

Closing remarks

As I come to the end of my address, I would like to extend my appreciation to the dedicated and incredibly hard working LiveHire team. We have lots of exciting initiatives underway and I am proud of what we have achieved and of the progress we are making on our growth priorities.

I would also like to acknowledge our clients and partners who continue to be an essential part of our business. We deeply value the relationships we have with our clients and partners and we look forward to supporting their aspirations well into the future.

I also extend my personal thanks to the Board for their counsel and support throughout my first seventeen months as CEO, and my gratitude to Geoff Morgan for the contribution he has made in the launch of our company as a listed enterprise in June 2016.

And finally, thank you to you, our shareholders. LiveHire has the potential to continue to grow substantially and we look forward to your continuing support.

I would now like to hand back to Michael to continue with the formal business of the meeting.

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