



ASX: LVH MARKET RELEASE

LiveHire March Quarterly Activities Report and Appendix 4C

23 April 2020 | Melbourne, Victoria

- Annualised Recurring Revenue (ARR)¹ was \$3.3 million, an increase of 34% YoY (9% QoQ).
- 9 new clients were added, bringing total clients past a key milestone of 100, to 106, an increase of 45% YoY.
- 12-month trailing cash receipts were \$3.9 million, representing 27% YoY growth.
- A major Queensland state government contract was won, highlighting LiveHire's speed to implementation and unique ability to profile, communicate with, and redeploy staff quickly into critical areas of need.
- Multiple LiveHire use cases (internal redeployment and mobility, rapid hiring, alumni curation and outplacement) accelerated to the forefront of organisational workforce strategies, particularly in the wake of COVID-19 and future volatile economic environments. Traditional competitors are hiring only.
- Entered the New Zealand market (market size 20% of Australian Market²) with multiple client wins.
- Appointed Karen Gonzalez as Executive Vice President to spearhead LiveHire's North American expansion.
- Continued to reduce front-loaded product investment, removing a recent total of \$7 million from the company's cost base, expected to extend LiveHire's cash runway, with full benefits set to materialise from Q1 2021.



¹ Annualised Recurring Revenue or ARR represents contracted recurring revenue components of term subscriptions normalised to a one-year period.
² Based on ratio of New Zealand population compared to Australian population

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LiveHire’s purpose and investment proposition

<p>LiveHire’s purpose is to empower the flow of the world’s talent into and through organisations. LiveHire does this through a platform-based approach that is rapidly deployed, infinitely scalable, easily integrated with, and underpinned by a single unified (federated) profile of a candidate, aiming to provide a private and secure single source of truth of data for organisations and talent. LiveHire believes that as its ecosystem grows, the value it can deliver to organisations and candidates alike continues to grow.</p>	
<p>Leading SaaS Talent Acquisition & Engagement Platform</p>	<p>LiveHire’s platform allows mid to large clients (from ~200 FTE and above) to transform their Talent Acquisition process whilst delivering exceptional levels of engagement for an authentic, personal and instant candidate experience. The next generation cloud-based platform creates measurable results for client companies in terms of speed, quality and cost of hire, along with improved diversity outcomes.</p>
<p>Architecture built for rapid scale</p>	<p>The way that companies recruit and share talent is rapidly changing, leading people to being comfortable using the cloud to store, manage, protect, and share their career and talent data. Through its cloud platform and unified candidate profile, LiveHire continues to build a valuable ecosystem of candidates who are able to privately connect to companies (creating a “Talent Community Connection”). This “one-click” connection to a company with a single live profile creates a highly scalable platform as well as a rich and growing live ecosystem.</p>
<p>Large market opportunity with significant organic growth runway</p>	<p>With well over US\$200 billion spent on Talent Acquisition in the United States, of which only around 2.5% is attributed to the software and platform part of the market, there is a continued trend in Talent Acquisition budgets being reallocated towards technology¹. Within Australia there are over 4,000 companies with over 200 FTEs². In the United States, there are over 60,000 companies with over 200 FTEs³. Based on current ARRPC, this represents a significant addressable market of over \$2 billion.</p>
<p>Strong Balance Sheet for growth</p>	<p>LiveHire has scope to pursue organic growth both domestically and internationally.</p>
<p>High recurring revenue and cash conversion</p>	<p>LiveHire’s SaaS revenue model has generated >85% annual growth in Annualised Recurring Revenue (ARR) for the past two financial years, and 100% cash conversion, as customers pay annually in advance. Contract terms are 1 – 3 years, with a greater weighting to three-year contracts expected going forward.</p>

1) Josh Bersin: 2019 HR Technology Market 2) Australian Bureau of Statistics (ABS) 3) North American Industry Classification System (NAICS)

Disruptive talent acquisition, mobility and engagement platform LiveHire Limited (ASX: LVH) (“LiveHire” or the “Company”) today releases its Quarterly Activities Report and Appendix 4C Cash Flow Report for the period ending 31 March 2020 (Q3 FY20).

Christy Forest, CEO of LiveHire:

“This quarter was a watershed moment for organisations in their need to establish a better way to communicate with, re-deploy, and flex up and down their workforces on-demand. The uncertain time for workers elevates technology that delivers transparent, humanised communication, and more rapid connection to opportunities as they arise.

We have seen government organisations that previously took years to navigate a procurement process now require new technology deployments in days. We have seen private companies quickly ‘bank’ their talent into a private talent cloud environment, then begin to talent pool and plan ahead for future hiring requirements, whilst collaboratively freeing up the flow of talent that needs to be re-mobilised internally or out-placed into other organisations.

All this whilst rapidly leveraging on-platform, SMS based 2-way communication to facilitate this flow remotely, and at scale.

Above all we are seeing first-hand that a unified approach to live talent data, flow, reporting, and analytics, is critical to economic recovery and growth. It has taken a crisis to bring this to life. Organisations and employees will come through this with a vital focus on increased optionality and agility. LiveHire has built an advanced architecture to fully support this vision toward companies improving their competitiveness and survival through a unique solution that can help them move talent into, through and out of their businesses at speed.”

LiveHire achieved nine client wins for the quarter across a range of industries. These nine new clients included two in New Zealand, after entering the NZ market in February. A select list of new clients for the quarter includes:

- *Queensland State Government redeployment contract*
- *Greengate: leading provider of retirement living and boutique aged care villages*
- *Hawaiian Property Group: a commercial, development and shopping centre business*
- *Aftercare: Australia's longest serving mental health services organisation*
- *AnglicareSA: South Australian provider of Aboriginal services, disability care, emergency assistance, homelessness and aged care*
- *PowerCo: New Zealand's second-largest gas and electricity distributor*

Client churn of 2% (2 clients) remained consistent with prior quarter.

Further elaboration of major milestones for the quarter is found below:

- In March, LiveHire won a Queensland state government contract to redeploy staff into critical areas of need in the wake of COVID-19. LiveHire will serve the 48 Queensland government agencies by profiling staff and identifying those who qualify to move into critical roles. The contract is ~6x average ARR across LiveHire clients and reinforces LiveHire's functionality across a myriad of use cases for organisations facing varied requirements across varied economic cycles;
- In February, LiveHire entered the New Zealand market (market size 20% of Australian Market³) with two client wins (already live) and a further two signed; and
- In January, LiveHire appointed Karen Gonzalez, an accomplished executive with more than 20 years of sales management experience in major global staffing and workforce solution companies, as Executive Vice President North America. The appointment of this pivotal role as planned and budgeted, is a milestone in the Company's progress toward two of its three major growth pillars: the US market entry and Partner Expansion strategy.

Growth Initiatives and Long-term Success

The economic landscape has shifted rapidly and will continue to evolve. LiveHire's three-pronged growth strategy remains in effect, with minor adjustments to emphasise sectors and use cases now in acceleration. As noted, the multi-functionality and flexibility of LiveHire's platform offers a unique competitive advantage in a world that is more volatile and fluid, as organisations strive to achieve agility and sustainability. The three growth initiatives continue as: Direct Sales in Australia/New Zealand, Expanded Channel Partners, including Systems Implementers, and the US expansion.

³ Based on ratio of New Zealand population compared to Australian population

- Direct sales in Australia has been a steady contributor to LiveHire’s growth through consistent logo wins and improved performance every quarter since established one year ago. With COVID-19 the sales pipeline was rapidly reshaped around new, large, high velocity opportunities, balanced against some previous opportunities put on hold by prospective organisations.
- Partner expansion and collaboration with SAP Systems Implementers remains an opportunity for LiveHire as these businesses pivot to meet the market with relevant solutions. That said, Systems Implementers anticipate a more constrained environment for large-scale implementations in most sectors (partially offset by a more expansive environment in others). LiveHire brings to these partners its COVID-19 playbook on internal staff redeployment and mobility, and alumni and contractor community engagement for rapid re-hire.
- The US expansion is centred on the high value and large addressable market of transforming contingent hiring through a unique, low cost alternative to current hiring done almost exclusively by agency suppliers. LiveHire’s new EVP North America, Karen Gonzalez, is uniquely qualified and experienced in this space. The LiveHire proposition is timely as companies actively revisit their cost bases, with Procurement (the owner of contingent hiring in the US) under pressure to accelerate initiatives that can deliver approaches to improve cost and agility. Whilst contractor hiring in some sectors has slowed, it has dramatically increased in others (e.g. government, retail, telco), and there is growing alignment with the need to quickly stand up a technology solution to engage and re-hire those workers when businesses come back on-line. LiveHire continues to build pipeline with companies directly on this proposition, and actively partner with Service Providers and Agency Suppliers who adopt a “first mover” mentality on the solution for their clients.
- LiveHire’s current client portfolio is a broad mix of sectors, spanning across retail, construction, technology, government and more. Whilst some sectors will face economic challenges in dealing with COVID-19, others are experiencing surges in their hiring and mobility needs. LiveHire is uniquely well positioned to deliver use cases in these economic and shifting workforce conditions. LiveHire has created a COVID-19 playbook to provide solutions, including alumni community development and outplacement, rapid hiring and/or internal mobility and redeployment. LiveHire estimates that ~60%⁴ of clients are in a hiring freeze at the moment, wherein internal mobility and preparation for rapid (re)hiring is the focus. From a contractual standpoint, LiveHire achieved a near full migration of its client base to annual licenses over the past 18 months, away from month-to-month, strengthening revenue retention and predictability. The direct sales team also increased the number of multi-year contracts to provide further stability to the client base. Whilst our most heavily impacted clients in retail and hospitality (about 15% of the LiveHire client base) will struggle with some near-term cash flow, the majority of LiveHire clients are transforming their approach to work and leveraging LiveHire’s mobile-enabled technology to navigate this critical time.

⁴ Data obtained from an internal survey conducted on 27 March 2020.

Cash Flow

12-month trailing cash receipts were \$3.9 million, representing 27% YoY growth. In line with Q2 to Q3 trends seen in prior year, QoQ growth declined due to the renewal profile of the portfolio. FY20 Q3 cash receipts were slightly lower than FY19 Q3, however this was driven by the timing of large deals in each quarter. In the March 2019 quarter two large deals were signed early in March and the cash collected prior to quarter end. In the March 2020 quarter, a similarly large deal was signed but closer to the end of the quarter, meaning the cash will not be collected until early in FY20 Q4. Cash receipts for the quarter were \$0.85 million (41% reduction on prior quarter).

Cash outflows of \$4.43 million for the quarter were in line with management's expectations.

Early in the quarter a first phase cost reduction exercise was undertaken to reduce the annual operating activity cash outflows as the company transforms its emphasis from platform development to revenue execution and scale. Late in the quarter, a second phase cost reduction was undertaken with the full impact of both not evident in the quarter's cash outflows.

Across the two cost reduction exercises, LiveHire has reduced its cost base by ~\$7m, with the full benefit expected to be realised from the first quarter of FY21. LiveHire expects that these cost reductions will materially increase the Company's run rate (based on the current year revenue run rate).

During the quarter, the Product Development and Technology team delivered significant advances to the platform, including:

- Launched LiveHire platform in New Zealand and Canada;
- Improved AI search and match to speed up recruitment and effectiveness of Talent Pool sourcing and Smart Recommendations; and
- Released five advanced Dashboards for Talent Analytics and Reporting to all clients

Cash on hand as at 31 March 2020 was \$23.4 million and the Company remains debt-free.

Additional Information

For the purposes of ASX Listing Rule 4.7C, payments to related parties and their associates during the quarter was \$ 240,000. These payments related to Director salaries, superannuation and fees.

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Appendix – Quarterly Client Wins

New clients and channel partners (as applicable) added through the quarter in industries including healthcare, travel and retail, include the following:



For more information:

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Subscribe to LiveHire’s newsletter at: <http://eepurl.com/b2EMEL>

www.livehire.com/investor

Christy Forest, LiveHire’s CEO and Executive Director, authorised the release of this announcement to the ASX.

About LiveHire

LiveHire is a disruptive award-winning talent acquisition & engagement platform that revolutionises the candidate experience and enables businesses to thrive with talent on demand. Our Talent Acquisition & Engagement platform delivers a proactive sourcing and talent mobility solution called Live Talent Communities. The platform makes managing the flow of talent into and through businesses seamless, delivering value through detailed visibility of talent, shifting recruitment from reactive to proactive, improving fit, significantly 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 and Perth.

www.livehire.com

Note to market

None of the information included in this announcement should be considered individually material, unless specifically stated. All figures in this announcement are provided on an unaudited basis.

Disclaimer

This announcement contains “forward-looking statements.” These can be identified by words such as “may”, “should”, “anticipate”, “believe”, “intend”, “estimate”, and “expect”. Statements which are not based on historic or current facts may be forward-looking statements. Forward-looking statements are based on:

- assumptions regarding the Company’s financial position, business strategies, plans and objectives of management for future operations and development and the environment in which the Company will operate; and

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- current views, expectations and beliefs as at the date they are expressed and which are subject to various risks and uncertainties. Actual results, performance or achievements of the Company could be materially different from those expressed in, or implied by, these forward-looking statements. The forward-looking statements contained within the presentations are not guarantees or assurances of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Company, which may cause the actual results, performance or achievements of the Company to differ materially from those expressed or implied by forward-looking statements. For example, the factors that are likely to affect the results of the Company include general economic conditions in Australia and globally; exchange rates; competition in the markets in which the Company does and will operate; weather and climate conditions; and the inherent regulatory risks in the businesses of the Company. The forward-looking statements contained in this announcement should not be taken as implying that the assumptions on which the projections have been prepared are correct or exhaustive. The Company disclaims any responsibility for the accuracy or completeness of any forward-looking statement. The Company disclaims any responsibility to update or revise any forward-looking statements to reflect any change in the Company's financial condition, status or affairs or any change in the events, conditions or circumstances on which a statement is based, except as required by law. The projections or forecasts included in this presentation have not been audited, examined or otherwise reviewed by the independent auditors of the Company. You must not place undue reliance on these forward-looking statements.

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")
31st March 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date 9 months \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	848	3,278
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(263)	(854)
(c) advertising and marketing	(109)	(445)
(d) leased assets		
(e) staff costs	(2,706)	(9,241)
(f) administration and corporate costs	(1,068)	(3,498)
)
1.3 Dividends received (see note 3)		
1.4 Interest received	71	338
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other – staff termination costs	(284)	(284)
1.9 Net cash from / (used in) operating activities	(3,511)	(10,707)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(3)	(24)
(d) investments		
(e) intellectual property		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date 9 months \$A'000
(f) other non-current assets		
2.2 Proceeds from disposal of:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	3	5
(d) investments		
(e) intellectual property		
(f) other non-current assets	0	31
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
2.6 Net cash from / (used in) investing activities	(1)	12

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	0	56
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)		
3.10 Net cash from / (used in) financing activities	0	56

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	26,882	34,013
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(3,511)	(10,707)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(1)	12

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date 9 months \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	0	56
4.5	Effect of movement in exchange rates on cash held	6	2
4.6	Cash and cash equivalents at end of period	23,376	23,376

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	3,612	4,117
5.2	Call deposits	19,765	22,765
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	23,376	26,882

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**

240

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.

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

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)	(3,511)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	23,376
8.3	Unused finance facilities available at quarter end (Item 7.5)	
8.4	Total available funding (Item 8.2 + Item 8.3)	23,376
8.5	Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	6.7

- 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:

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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: 23rd April 2020

Authorised by: Ben Malone, 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.