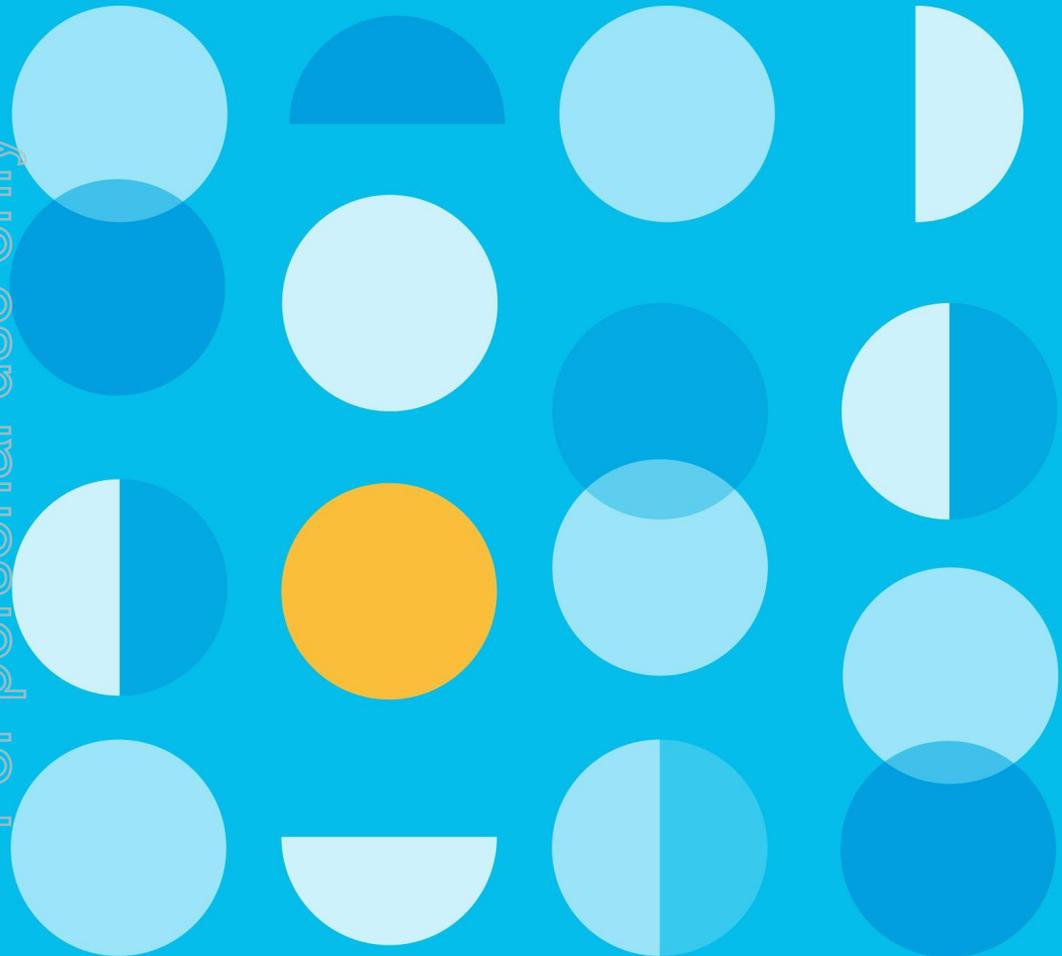


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# LiveHire

Empowering the flow of  
the world's talent

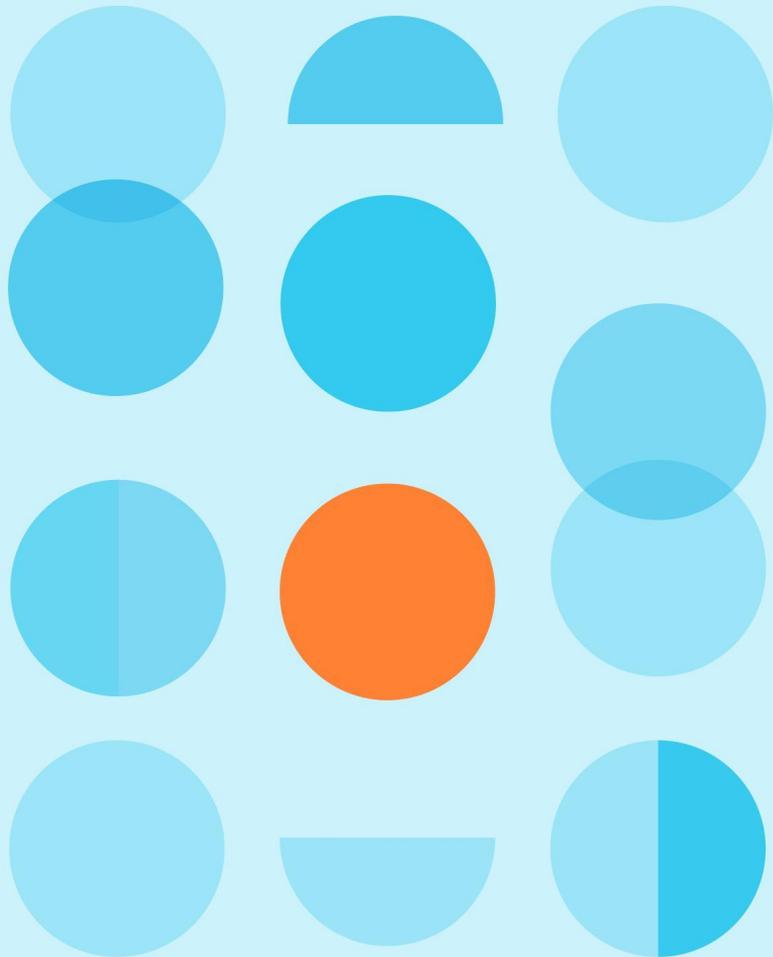
LiveHire (ASX:LVH)  
FY20 Results Presentation

livehire

# Agenda

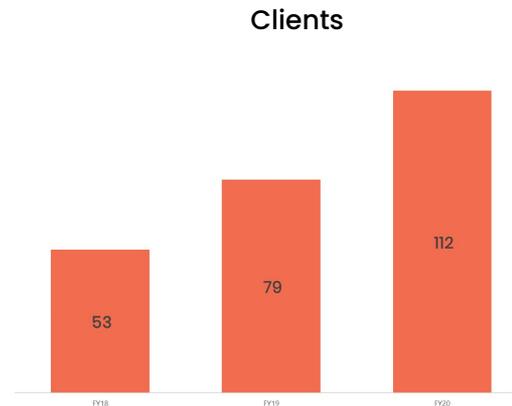
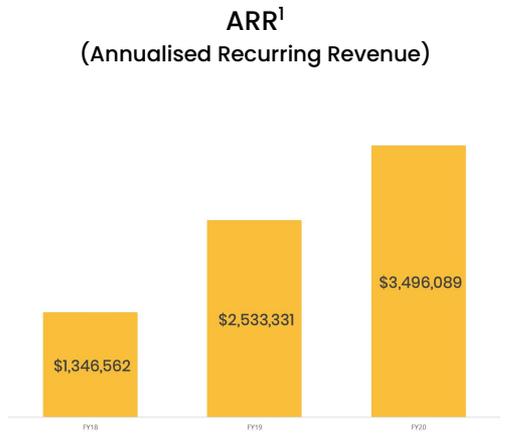
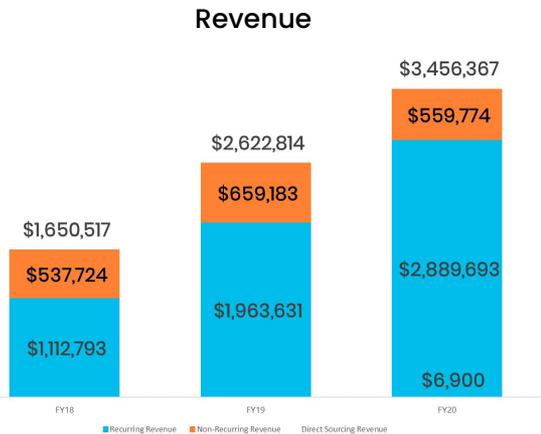
1. FY20 Highlights
2. Business Update
3. Financials
4. Strategy
5. The Problem We Solve
6. Appendices

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# FY20 Highlights – Strong growth momentum across all key metrics

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- Solid revenue growth year on year (31.8%), with 84% of revenue through recurring streams (increase from 75% prior period)
- YoY ARR growth of 38% delivered most significantly by Australian Direct Sales
- 43 client wins in the period across a range of industries, closing with 112 clients (42% growth year on year)
- Building a pipeline of clients through direct sales in Australia, and partnerships in both Australia and the US, focussing on new client wins in both markets

<sup>1</sup>: ARR represents Recurring Revenue as at 30 June 2020, annualised. It provides a 12-month forward view of recurring revenue at a point in time. We believe this common SaaS metric, which is a Non-IFRS measure, provides useful information for readers to assist in understanding the Company's financial performance. These measures have not been independently audited or reviewed.

# 1. FY 20 Highlights

# FY20 Highlights – Market entry into contractor Direct Sourcing

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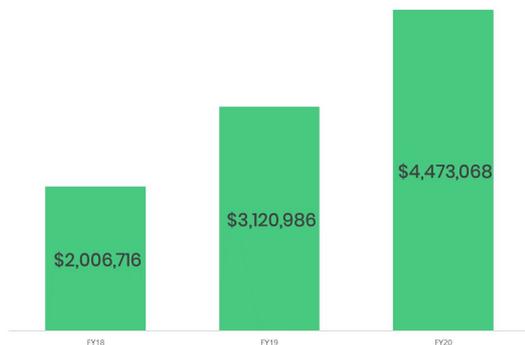
- Entered the North American (US and Canada) Direct Sourcing market (\$80bn) <sup>1</sup>
- 5 pilot programs completed (Workforce Logiq), followed by 2 contracts won under Direct Sourcing transactional revenue model.
- Estimated annual contract values (EACV)<sup>2</sup> of \$840k at full deployment and revenue run-rate
- Direct Sourcing revenue will be reported as it is earned (separate and additional to ARR)
- This revenue stream will grow as more customers are won and each contract grows to its full deployment.
- Expansion across the North American market through our channel partner strategy gives us the ability to scale through partner's one to many client portfolios to bring speed to revenue generation.

<sup>1</sup> Josh Bersin: 2019 HR Technology Market <sup>2</sup> Direct Sourcing EACV is based on projected annual hires at platform's full deployment, invoiced monthly on a pro-rata basis, in line with pay rates for the total number of monthly hires. Revenue will be reported as additional to ARR.

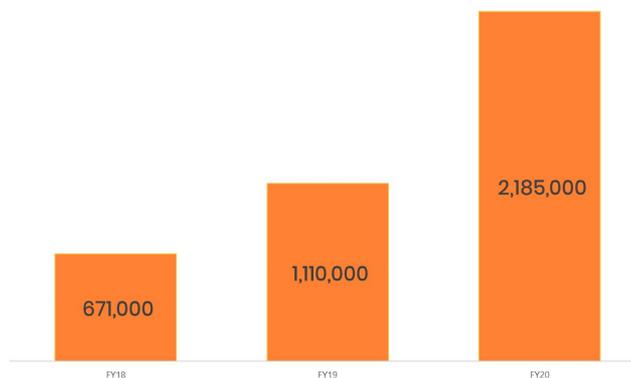
# FY20 Highlights – Strong growth momentum across all key metrics

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## Cash Receipts



## TCCs<sup>1</sup>



- Cash receipts for the period rose to \$4.5m, representing 43% YoY growth.
- Talent Community Connections is increasing strongly and is currently 2.2 million
- Strong balance sheet with a cash balance of \$21 million and no debt

1: TCCs: 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 also 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.

## 2. Business Update

# Major Business initiatives undertaken in FY20

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- ✓ \$7M costs out after completing accelerated software development to open international markets and all workforce use cases.
- ✓ Commercial top line growth remains uncompromised post restructure.
- ✓ Direct sales team managing a well defined pipeline in the Permanent (Recruitment) and Internal Mobility (HR) markets in APAC.
- ✓ Entered the North American Direct Sourcing market (\$80bn)<sup>1</sup>. Estimated annual contract values (EACV) of \$840k<sup>2</sup>
- ✓ Strengthened the management team with the addition of experienced US leaders to drive growth in North America.
- ✓ Expanded channel partner strategy in the Direct Sourcing market with multiple new partners bringing established pipelines.

1: SIA report: 2019 MSP Landscape & Differentiators Part 1: MSP Global Landscape. September 6, 2019

2: Direct Sourcing EACV is based on projected annual hires at platform's full deployment, invoiced monthly on a pro-rata basis, in line with pay rates for the total number of monthly hires. Revenue will be reported as additional to ARR.

# The US market represents a significant opportunity for LiveHire

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- ✓ Our expansion across the US market through our channel partner strategy gives us the ability to scale through partner's one to many client portfolios to bring speed to revenue generation. The LiveHire platform is ideal for channel strategy as it helps deliver both substantial revenue growth for channel partners current operations, as well as realised and direct cost savings for their clients.
- ✓ With well over US\$200 billion spent on permanent Talent Acquisition in the United States, and \$80bn on contingent, there is a continued trend in workforce management budgets being reallocated towards technology to drive efficiency and agility<sup>1</sup>
- ✓ Within Australia there are over 4,000 companies with over 200 FTEs<sup>2</sup>. In the US, there are over 75,000 companies with over 250 employees<sup>3</sup>.
- ✓ With 32% of employers surveyed by Gartner planning to replace FTE roles with contingent roles post COVID as a cost saving measure<sup>4</sup>, the contingent workforce market is expected to dramatically accelerate on top of its already impressive 11.3% forecast compound annual growth rate<sup>5</sup>.

# Signed 41 new agreements through both the Direct Sales and Partner Channels

zenitas  
HEALTHCARE

BERRY STREET  
Believing in Children, Young People, Families & Their Future.

Perth Airport

sis STRATEGIC TALENT SOLUTIONS.

PROJECT GENETICS  
MANAGEMENT CONSULTING  
PROJECT GENETICS

hif

ecco®

ATG

arUma.

ManpowerGroup™

CXC WORKFORCE EXCHANGE

WorkPac Group

TBWA The Disruption Company

Pensar

Dairy Australia

AME  
ALL WEST ENGINEERING

MONFORD

mipac

hawaiian

SPICERS RETREATS

frucor SUNTORY

Greengate  
Boutique Living and Caring.

STRIDE For better mental health

DECJUBA

CONNECTED HR  
Connecting Strategy, Technology & People

# Continued innovation of our leading Talent Acquisition & Engagement Platform

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- ✓ Delivered in record time United States, Canada, and New Zealand product internalisation, including cross-border 2-way SMS communication, privacy and security.
- ✓ Released new Productivity & Collaboration features to further accelerate recruitment for the US Direct Sourcing and Contingent Labour market.
- ✓ Added to the Platform new modules for Total Talent Management (TTM): Internal Mobility and Outplacement.
- ✓ Extended our Business intelligence (BI) platform for Talent Analytics & Reporting, with 6 advanced analytics dashboards
- ✓ Step change evolution of our Talent Matching and Artificial Intelligence (AI) offering.

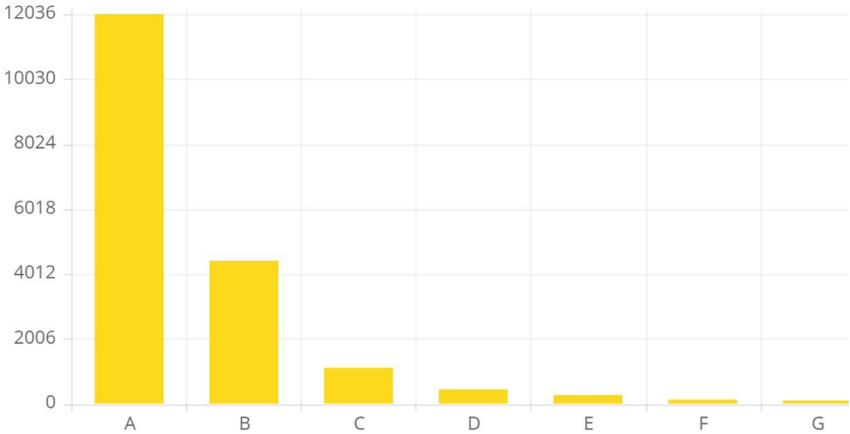
# Our technology delivers an exceptional user experience, with candidate satisfaction rate of 91%

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How satisfied were you with your experience in applying for the job today? ▾

Last 30 days ▾

# ^	ANSWER	COUNT	%
A	<b>Completely Satisfied</b>	<b>12,034</b>	<b>65.1%</b>
B	Mostly Satisfied	4,414	23.9%
C	Somewhat Satisfied	1,108	6%
D	Neither Satisfied or Dissatisfied	440	2.4%
E	Somewhat Dissatisfied	264	1.4%
F	Mostly Dissatisfied	121	0.7%
G	Completely Dissatisfied	93	0.5%



18,474 total respondents.

## 3. Financials

# Solid growth momentum across all key performance metrics

	FY20	FY19	YoY % Change
<b>Opening ARR<sup>1</sup> (\$'000)</b>	2,533	1,347	
New Business ARR (\$'000)	1,466	1,450	
Net Upsell ARR (\$'000)	65	79	
ARR Churn (\$'000)	(568)	(343)	
<b>Closing ARR<sup>1</sup></b>	<b>3,496</b>	<b>2,533</b>	<b>38%</b>
<b>ARR Churn %<sup>2</sup></b>	<b>20%</b>	<b>25%</b>	
<b>Client Numbers<sup>1</sup></b>	<b>112</b>	<b>79</b>	<b>42%</b>
<b>ARRPC (\$'000)</b>	<b>31,215</b>	<b>32,067</b>	<b>(3%)</b>
<b>TCCs</b>	<b>2,185,232</b>	<b>1,011,149</b>	<b>97%</b>
<b>FTE<sup>3</sup></b>	<b>48.4</b>	<b>77</b>	<b>(37%)</b>

## 1. ARR & Client Numbers

ARR has increased 38% YoY, driven by 41 new clients through both the Direct Sales and Partner Channels.

Additionally we signed two new Direct Sourcing partnerships.

## 2. ARR Churn

FY20 saw an active evolution of the client portfolio to larger, well-fitted enterprises in the Recruitment and Internal Mobility markets. Some churn remained for legacy clients not using the end to end solution (new sales are purely end to end). New client wins are predominantly on multi-year contracts.

## 3. FTE

FTE has reduced by 28 for the financial year as period of accelerated development was completed as planned for international expansion and all market use cases. Commercial top line growth remains uncompromised post restructure.

1: ARR represents Recurring Revenue as at 30 June 2020, annualised. It provides a 12-month forward view of recurring revenue at a point in time. We believe this common SaaS metric, which is a Non-IFRS measure, provides useful information for readers to assist in understanding the Company's financial performance. These measures have not been independently audited or reviewed.

# New clients and contract renewals drive revenue growth

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	FY20	FY19	YoY % Change
<b>Recurring Revenue (\$'000)<sup>1</sup></b>	2,890	1,964	47%
<b>Non-recurring Revenue (\$'000)</b>	560	659	(15%)
<b>Direct Sourcing Revenue (\$'000)<sup>2</sup></b>	6	-	100%
<b>Total Operating Revenue (Statutory) (\$'000)</b>	<b>3,456</b>	<b>2,623</b>	<b>32%</b>

## 1. Recurring Revenue

Recurring Revenue is 83.6% of total revenue.

## 2. Direct Sourcing Revenue

Direct Sourcing revenue is based on annual hires, invoiced monthly on a pro-rata basis, in line with pay rates for the total number of monthly hires. These are additional to reported ARR. This revenue stream will grow as more customers are won and each contract ramps up to its full deployment.

# Solid financial position to support future growth

	FY20 (\$ '000)	FY19 (\$ '000)	% Change
Current assets	22,027	35,073	(37%)
Non-current assets	5,836	4,250	37%
<b>Total assets</b>	<b>27,863</b>	<b>39,323</b>	<b>(29%)</b>
Current liabilities	3,193	3,137	(2%)
Non-current liabilities	729	159	(359%)
<b>Total liabilities</b>	<b>3,922</b>	<b>3,296</b>	<b>(71%)</b>
<b>Net assets</b>	<b>23,941</b>	<b>36,027</b>	<b>(34%)</b>
Issued capital	61,913	61,757	-%
Reserves	11,766	9,453	24%
Accumulated losses	(49,738)	(35,183)	(41%)
<b>Total equity</b>	<b>23,941</b>	<b>36,027</b>	<b>(34%)</b>

- ✓ Strong cash position of \$21 million as at 30 June 2020
- ✓ Business restructure completed following accelerated software development phase in FY 20 to open international markets and all workforce use cases.
- ✓ Well funded to continue to fund future growth opportunities

## 4. Strategy

# LiveHire's purpose and investment proposition

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.

## SaaS Talent Acquisition & Engagement Platform

LiveHire's platform allows mid to large clients (from ~200 FTE and above) to transform all workforce management processes 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.

## Architecture built for rapid scale

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.

## Large market opportunity with significant organic growth runway

Well over US\$200 billion spent on permanent Talent Acquisition, and \$80 billion on contractor hiring in the United States. There is a continued trend in workforce management budgets being reallocated towards technology<sup>1</sup>. Within Australia there are over 4,000 companies with over 200 FTEs<sup>2</sup>. In the United States, there are over 75,000 companies with over 250 employees<sup>3</sup>.

## Strong Balance Sheet for growth

LiveHire has scope to pursue organic growth both domestically and internationally. LiveHire continued to invest heavily in FY20 on core software development and infrastructure to scale across international markets and all workforce types, reaching a development milestone this FY and since restructuring to remove \$7m in annual costs moving forward.

## High recurring revenue and cash conversion

LiveHire's SaaS revenue model has generated 84% of revenue through recurring streams (increase from 75% prior period) and 100% cash conversion, as customers pay annually in advance. 70% of new contracts signed in the year were multi-year terms. In addition, direct sourcing contracts provide monthly ongoing revenue based on contractor hires which are largely recurring, but can be variable month-to-month and otherwise grow as LiveHire hires more of the total contractor staff needed for a company over time.

# Path to growth

There are three critical elements to meaningful LiveHire revenue growth:

## US Market expansion

The US expansion, through our channel partners, should bring speed to revenue generation via the Direct Sourcing (contract workforce) market. Direct Sourcing revenue will be reported as it is earned. The revenue stream will grow as more customers are won and each contract ramps up to its full deployment.

## Channel Partner Strategy<sup>1</sup>

Our global channel partner strategy, focusing on an expansion of the ecosystem in both Australia and North America, with a focus on Managed Service Providers (MSPs), Staffing Suppliers to the contractor workforce market, and Technology Partners (like SAP and associated Implementation partners)

## Direct Sales

Continued wins from our Direct Sales team in Australia and New Zealand, with continued meaningful pipeline growth and new logo acquisition in the permanent hiring (Recruitment) and Internal Mobility (HR) markets.

<sup>1</sup>: Channel Partnership: a descriptive term used by LiveHire to encompass all relationships with third party intermediaries of LiveHire. A binding contractual agreement may not be in place.

## 6. The Problem We Solve

The way we've been taught to recruit is perfectly suited to a world that no longer exists...



# Old way vs New way

Reset the bar on what good recruitment looks like



## From transactional “System of Record”



### Poor candidate experience

Desktop applications to single role, hour to complete, Automated email notifications.



### Poor recruiter efficiency

Screening hundreds of different resumes.  
High applicant withdrawal rates during process.



### Poor hiring efficiency

52 days time to hire<sup>1</sup>.  
Job board applicants lack diversity



### Damaged Brand

42 people rejected from application<sup>2</sup>.  
>60% of rejected candidates share negative experiences<sup>4</sup>



## To humanised “System of Engagement”



### Award winning candidate experience

Mobile connection to register, minutes to complete  
Live 2-way personalised text message communication.



### High recruiter productivity

Inviting people via SMS to apply  
Very low applicant withdrawal rates during process.



### Talent on Demand

17 minutes to fill a qualified shortlist via SMS.  
56% of all hires on platform are female<sup>2</sup>.



### Strengthened Brand (less rejection)

17 people unsuccessful during application<sup>1</sup>  
Moved to Talent Pools for future opportunities.

# One integrated platform

For the entire talent ecosystem



## From Traditional Applicant Tracking System

- ✗ Pre-cloud technology**  
Static Applicant Tracking Systems  
Process: Advertise → Apply → Review → Reject → Repeat
- ✗ Slow Deployment**  
Requires extensive, fixed configuration.  
Months to implement.
- ✗ Non-integrated**  
Costly manual integrations, limited options.  
Only connected to Job boards. Limited active talent.
- ✗ Fixed versions**  
Different systems for different company sizes.  
Ongoing version or system upgrades.

## To Total Talent Acquisition and Engagement

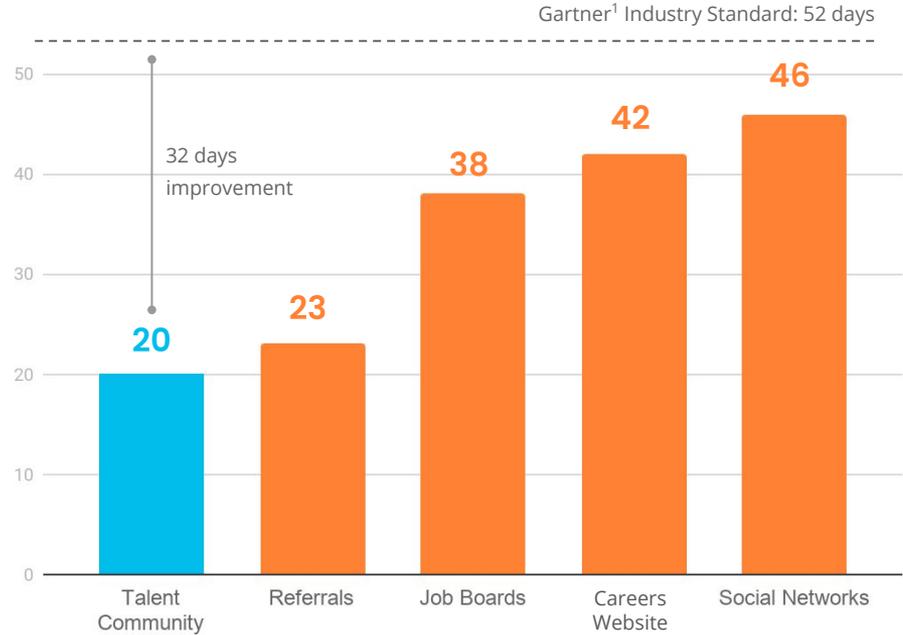
- ✓ Cloud based platform**  
Talent Engagement and On-demand Acquisition Platform  
Process: Grow Community → Talent Pool → SMS → Hire
- ✓ Rapid Deployment**  
Highly flexible configuration.  
Days to implement.
- ✓ Open API platform**  
Plug and play with the best HR tech widgets ongoing.  
Connected to the whole internet of talent through AI.
- ✓ Highly scalable**  
One size fits all from hundreds to millions of employees.  
Grows as the company does.

## Talent Community is the fastest source of hire across all source channels

LiveHire delivers a faster time to hire<sup>2</sup> than the industry standard **across all source channels** demonstrating the value of this technology for our clients.

More specifically, hires made directly from your Talent Community are 32 days faster than the industry standard, implying significant cost savings for cost to hire and increased productivity<sup>4</sup> (\$9k+ per hire).

Median Time to Hire By Source<sup>3</sup>  
(days)



# Talent Community delivers high-quality, engaged hires

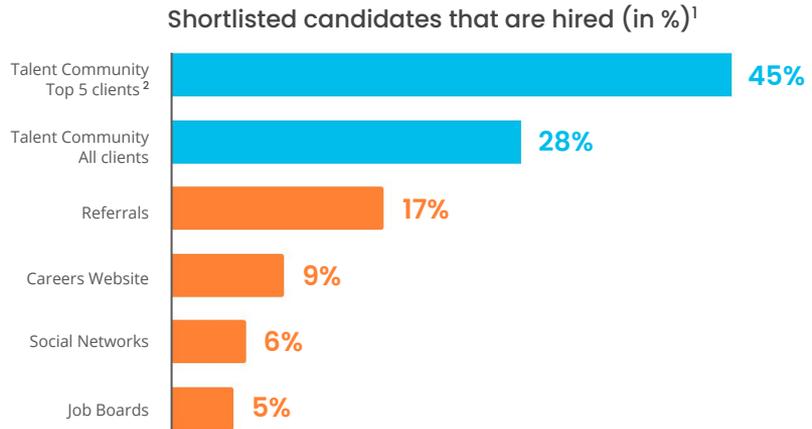
Source Quality

=

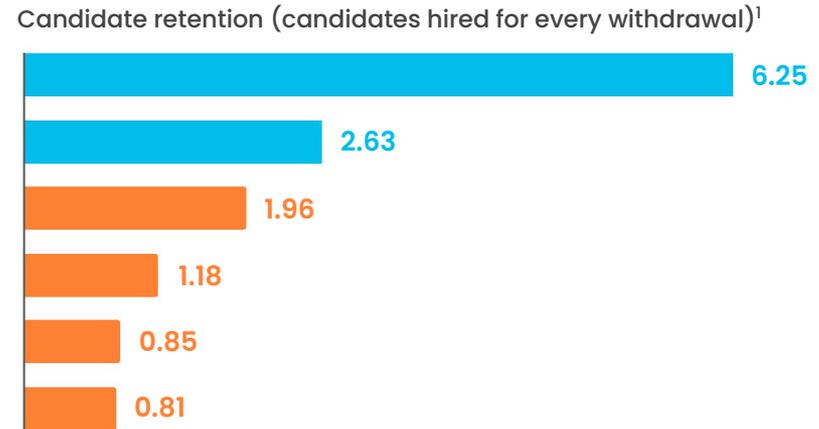
High Converting Shortlist

+

High Candidate Retention



TC candidates are **at least 5x more** likely to be hired than those from Job Boards and Social Networks, **saving** significant **high touch hiring manager** and **recruiter testing** and **interview time**.

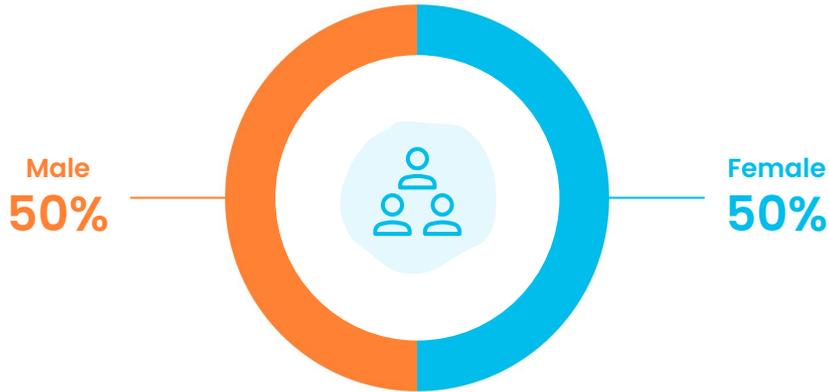


Candidates from Job Boards and Social Networks are at least **3x more likely** than that of TC candidates to withdraw late in the recruitment process.

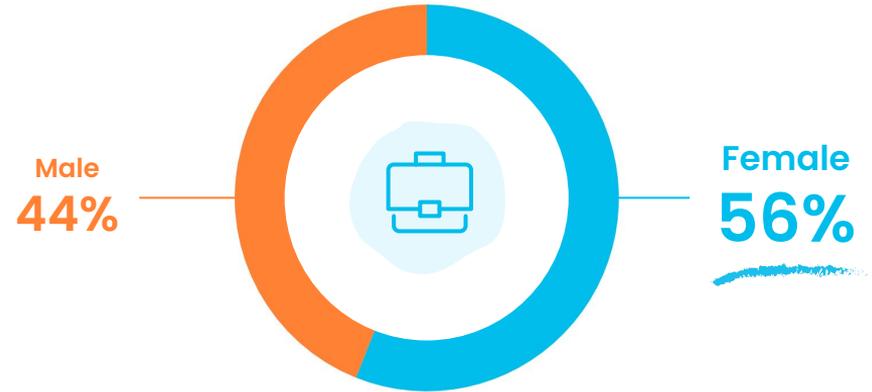
# Improved diversity outcomes with our cutting edge AI and engagement model

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LiveHire **Users** by Gender<sup>1</sup>  
(% of total)



LiveHire **Hires** by Gender<sup>1</sup>  
(% of total)



**Diverse workforces** are **35%** more likely to outperform competitors.<sup>2</sup>

## 7. Appendices

# Income Statement Reconciliation to Statutory Results

	FY20	FY19	YoY % Change
Operating Revenue <sup>1</sup>	3,456	2,623	32%
Expenditure <sup>2</sup>	(16,435)	(15,929)	(3%)
<b>EBITDA<sup>3</sup> (Management Reporting)</b>	<b>(12,979)</b>	<b>(13,306)</b>	<b>2%</b>
Share-based payments expense <sup>4</sup>	(2,308)	(2,452)	(6%)
R&D rebate / government grant income <sup>5</sup>	50	43	16%
Capitalisation of software development <sup>6</sup>	1,971	2,079	(5%)
<b>EBITDA<sup>3</sup> (Statutory Reporting)</b>	<b>(13,266)</b>	<b>(13,636)</b>	<b>3%</b>
Interest	245	685	(64%)
Depreciation & Amortisation	(1,624)	(843)	(93%)
Exchange differences on translation of foreign operations	5	-	100%
<b>Net Loss (Statutory Reporting)</b>	<b>(14,640)</b>	<b>(13,794)</b>	<b>(6%)</b>

## 1. Operating Revenue

Revenue excluding R&D rebate income and interest income.

## 2. Expenditure

Expenditure excluding non-cash share-based payments expense and depreciation & amortisation, and including software development expenditure (both expensed and capitalised).

## 3. EBITDA

Earnings before interest, tax, depreciation and amortisation.

## 4. Share-based payments expense

Share-based payments is a non-cash cost relating to the value attributed to equity based employee benefits.

## 5. R&D rebate / government grant income

R&D rebates and government grants are considered to be outside of operating revenue for management reporting purposes. This number includes the P&L portion of R&D rebates received and cashflow assistance.

## 6. Capitalisation of software development

Software development costs attributed to the Statutory Profit & Loss are impacted by the amount capitalised to the value of Intangible Assets under the relevant accounting standards.

# Statutory Cashflow Statement

	FY20 (\$ '000)	FY19 (\$ '000)	% Change
<b>Cash flows from operating activities</b>			
Receipts from customers	4,473	3,121	43%
Payment to suppliers and employees	(15,819)	(13,745)	(15%)
Interest Income	409	705	(42%)
Interest Expense	(147)	(1)	(100%)
Receipt of Research & Development Tax Incentive	-	43	(100%)
Receipt of Government Grant	50	-	100%
<b>Net cash outflow from operating activities</b>	<b>(11,034)</b>	<b>(9,877)</b>	<b>(12%)</b>
<b>Cash flows from investing activities</b>			
Payment for intangible assets <sup>1</sup>	(1,971)	(2,079)	5%
Receipt/(Payment) for other non-current financial assets <sup>2</sup>	104	335	(69%)
Receipt of Research & Development Tax Incentive	-	929	(100%)
Payment for plant and equipment	(13)	(444)	97%
<b>Net cash outflow from investing activities</b>	<b>(1,880)</b>	<b>(1,260)</b>	<b>(49%)</b>
<b>Cash flows from financing activities</b>			
Proceeds from the issue of shares	155	15,560	(99%)
Related transaction costs	-	(573)	100%
Payment of principal portion of lease liabilities	(269)	-	(100%)
<b>Net cash outflow from investing activities</b>	<b>(114)</b>	<b>15,077</b>	<b>(100%)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(13,027)</b>	<b>3,940</b>	<b>(68%)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>34,013</b>	<b>30,073</b>	<b>13%</b>
Effects of exchange rate changes on cash and cash equivalents	(6)	-	(100%)
<b>Cash and cash equivalents at the end of the year</b>	<b>20,981</b>	<b>34,013</b>	<b>(38%)</b>

## 1. Payment for intangible assets

In the statutory cash flow statement payments for intangible assets are separately identified. However, in the Appendix 4C these costs are included as payments to suppliers and employees. The reason for this difference in treatment is due to the fact that capitalised salaries are processed bi-annually as a statutory adjustment, and are subject to detailed documentation and audit review, which does not occur on a quarterly basis.

## 2. Receipts from other non-current financial assets

Term Deposits in relation to corporate credit card facility and bank guarantees on property leases. Within FY20 \$335k moved to short-term maturity accounts, and therefore classified as cash and equivalents.

# Statutory Balance Sheet

	FY20 (\$ '000)	FY19 (\$ '000)	% Change
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents <sup>1</sup>	20,981	34,013	(38%)
Trade and other receivables	521	763	(32%)
Prepaid Expenditure	405	243	67%
Contract Acquisition costs	120	54	122%
<b>Total current assets</b>	<b>22,027</b>	<b>35,073</b>	<b>(37%)</b>
<b>Non-current assets</b>			
Plant and equipment	341	478	(29%)
Intangible assets <sup>2</sup>	4,364	3,536	23%
Contract acquisition costs	160	51	212%
Right-of-use assets	892	-	100%
Other Non-current financial assets	81	185	(56%)
<b>Total non-current assets</b>	<b>5,836</b>	<b>4,250</b>	<b>37%</b>
<b>Total assets</b>	<b>27,863</b>	<b>39,323</b>	<b>(29%)</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	651	1,466	56%
Provisions	601	626	4%
Lease Liabilities	341	-	100%
Deferred revenue	1,600	1,046	(157%)
<b>Total current liabilities</b>	<b>3,193</b>	<b>3,137</b>	<b>(2%)</b>
<b>Non-current liabilities</b>			
Provisions	108	88	(23%)
Lease Liabilities	620	-	(100%)
Other non-current liabilities	-	70	(100%)
<b>Total non-current liabilities</b>	<b>729</b>	<b>159</b>	<b>(359%)</b>
<b>Total liabilities</b>	<b>3,922</b>	<b>3,296</b>	<b>(19%)</b>
<b>Net assets</b>	<b>23,941</b>	<b>36,027</b>	<b>(34%)</b>
<b>EQUITY</b>			
Issued capital	61,913	61,757	-%
Reserves	11,766	9,453	24%
Accumulated losses	(49,738)	(35,183)	(41%)
<b>Total equity</b>	<b>23,941</b>	<b>36,027</b>	<b>(34%)</b>

# 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 Recurring Revenue as at 30 June 2020, annualised. It provides a 12-month forward view of recurring revenue at a point in time.

## Estimated Annual Contract Value (EACV)

Direct Sourcing EACV is based on projected annual hires at platform's full deployment, invoiced monthly on a pro-rata basis, in line with pay rates for the total number of monthly hires. Revenue will be reported as additional to ARR.

## 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.

## Net Upsell ARR

Net Upsell ARR represents the incremental (or decremental) ARR derived from re-negotiated contract renewals with existing clients and net ARR changes from existing clients with variable recurring revenue streams.

## ARR Churn

ARR Churn represents the value of ARR which was not renewed by clients in that period.

## Closing ARR

Closing ARR represents the ARR at the end of the period and is calculated as: Opening ARR + New Business ARR + Net Upsell ARR - Churn ARR.

## Churn %

ARR Churn as a percentage of Opening ARR.

## Annualised Recurring Revenue Per Client (ARRPC)

ARRPC is calculated as: Closing ARR / 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 financial 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).

## **Annual Cash Burn excluding financing activities, R&D and interest**

Cash Burn excluding financing activities, R&D and interest is calculated as operating and investing cash flows as reported in the statutory cash flow statement, excluding cash received from R&D rebates and interest received, and excluding net cashflows from financing activities (e.g. capital raise).

It provides a normalised Annual Cash Burn, excluding items not considered by management to be within core operations.

# Channel Partnerships Strategy – Glossary

LiveHire's partnerships include:

## **Outsourced Provider Partner**

A company which provides an outsourced talent acquisition service to multiple client companies and enters into, or procures its client to enter into, a client contract with LiveHire for the purpose of using LiveHire's technology for that client. While there is no obligation on an outsourced provider partner to promote LiveHire, once an outsourced provider partner contracts the LiveHire technology into more than one client, LiveHire classifies them as a partner. The types of outsourced provider partners are:

- RPO - Recruitment Process Outsourcing Providers, managing permanent hires on behalf of organisations.
- MSP - Managed Service Providers, managing contingent (contractor) hires on behalf of organisations.

## **Reseller and Referral Partner**

A company which contracts with LiveHire to refer and/or resell the LiveHire product into its client base. In such situations, LiveHire will pay a sales commission to the reseller/referrer partner. The types of reseller/referrer partners are:

- SI – Technology System Implementers who sell and implement enterprise management software, e.g. Human Resource Information Systems (HRIS), with which LiveHire integrates.
- Talent Acquisition Boutique Consultancies
- Recruitment Advertising Agencies

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