



## ASX: LVH MARKET RELEASE

### LiveHire Strategic Review update and path to breakeven

17 May 2023 | Melbourne, Victoria

As previously announced by LiveHire Limited (ASX: LVH) ("LiveHire", "LVH" or the "Company")<sup>1</sup>, the Company's Strategic Review aligned focus on four strategic pillars:

- Accelerated conversion of Ideal Partner<sup>2</sup> pipelines in the US via LVH's partnership with two of the world's largest Managed Service Providers combined with focus on highest-value direct sourcing new opportunities in the market.
- Accelerated recruiter activity on the platform for Ideal Customers<sup>3</sup> in the US, propelled by LVH resources redirected into customer fulfillment, demonstrating reduced time to submit and increased offer rates.
- SAP strategy for Total Workforce in APAC and North America, with pipelines building in both markets to capitalise on LiveHire's integrations with both Success Factors and Fieldglass.
- Differentiated ESG outcomes in indigenous and female hiring, leveraged toward business development opportunities and mission-driven initiatives in Australian government and corporate.

The focus on these pillars has resulted in:

- Additional cost reductions to align expenditure with expected near term revenues. This will lead to an anticipated Annual Cash Burn<sup>4</sup> of approximately \$2M from the beginning of Q1 FY2024. Restructuring costs of approximately \$1.3m will be included in Q4 FY2023.
- Path to breakeven expected to be accelerated with the implementation of cost reductions.
- LiveHire Non-Executive Directors assume 20% reduction in salaries from 1 June 2023 – 31 December 2023.

<sup>1</sup> See announcements released on 20 December 2022 and 28 April 2023.

<sup>2</sup> The Ideal Partner profile includes: 1) MSPs and Staffing Suppliers with strong end client relationships; 2) Focus on partners who make direct sourcing a #1 / #2 business priority; 3) Focus on partners with proven ability to curate and deliver hiring outcomes; and 4) Partnered approach to achieving steady state revenue ramp in 18 months or less.

<sup>3</sup> The Ideal Customer profile includes: 1) Committed to launch and scale a full direct sourcing program; 2) An executive sponsor within the end client, leading the internal change management required; 3) A transparent 3-way partnership between the end client, the curator and LiveHire; and 4) Partnered approach to achieving steady state revenue ramp in 18 months or less.

<sup>4</sup> 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).

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- The hiring of a US-based, experienced CPTO (Jennifer Byrne)<sup>5</sup> and a new resourcing model for technology and development to provide more flexibility and scalability.
  - The already announced agreement to acquire shift-scheduling technology is expected to increase US direct sourcing win rates and to complete the product set and maintain competitiveness.<sup>6</sup>

**For more information:**

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

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<sup>5</sup> Subject to completion of the Company's acquisition of Arrived Workforce Connections Inc. See announcement released on 21 April 2023 for further details relating to the proposed acquisition.

<sup>6</sup> See announcement released on 20 April 2023.