

HIRE Technologies Announces Financial Results for the First Quarter of 2020

For Immediate Release

- HIRE achieved its best quarterly financial results to date with adjusted EBITDA⁽¹⁾ of \$50,019 and adjusted net earnings⁽²⁾ of \$12,566, during the three months ended March 31, 2020. Net loss for the quarter was \$744,865, or 0.02 per share.
- HIRE's revenue and profitability is proving to be highly resilient throughout the COVID-19 pandemic with only a 3.6% YoY decrease in revenue for the quarter ended March 31, 2020, offset by a 3.8% YoY increase in gross profit compared to the quarter ended March 31, 2019.
- HIRE has made key changes to its leadership team to enhance and execute on its strategic plan, promoting Simon Dealy to CEO and Eric Loree to Chief Legal Officer while adding Dan Teguh as VP, Finance.

Toronto, Ontario, June 1, 2020 – HIRE Technologies Inc. (TSX-V: HIRE) (“HIRE” or the “Company”) announces financial results for the quarter ended March 31, 2020.

“While the COVID-19 pandemic has created a high degree of uncertainty for many people, we feel truly fortunate that our operations were uninterrupted and that we continue to provide a high level of service in support of our clients. As we evolve our business, we are leveraging our expertise in flexible staffing solutions to keep the businesses of our clients operating during these challenging times,” said Simon Dealy, Chief Executive Officer.

COVID-19 did not have a material financial impact on HIRE for the quarter ended March 31, 2020. This demonstrated the resiliency of HIRE's recurring temporary placement revenues. Given the measures taken by all levels of government to slow the spread of COVID-19 and the consequent impact on the economy, the Company continues to be vigilant and focused on opportunities where it can help clients.

“Organizations rely on us to provide qualified IT, finance and back-office staff,” continued Mr. Dealy. “With a focus on technology-driven solutions, HIRE is well-positioned to help re-engage impacted workers as the economy transitions out of the lock-down phase of the pandemic.”

First Quarter Highlights

- For the quarter ended March 31, 2020, the Company's revenue was \$2,902,786, slightly lower than \$3,011,887 for the quarter ended March 31, 2019, a difference of \$109,101.
- Gross profit as a percentage of revenue for the quarter ended March 31, 2020, was 23.8%, up from 22.1% for the quarter ended March 31, 2019.
- Adjusted EBITDA was \$50,019 for the quarter ended March 31, 2020 versus (\$330,926) in 2019.
- Net loss for the period was \$744,965 or 0.02 per share (March 31, 2019 – \$849,938 or 0.01 per share). Adjusted net earnings were \$12,566 (March 31, 2019 – adjusted net loss of \$432,156 or 0.01 per share).

- A comprehensive reorganization was initiated by management at the end of the quarter, which will result in significant expense reductions going forward.
- The Company's cash flow from operations was a net cash outflow of \$1,599,453 for the quarter ended March 31, 2020 (March 31, 2019 - \$1,060,850).
- The Company has a revolving demand operating facility with a credit limit of the lesser of \$1,700,000 and the percentages of certain qualified receivables. As at March 31, 2020, the balance outstanding on the facility was \$nil (March 31, 2019 - \$1,425,000).
- On February 20, 2020, HIRE and RSI International Systems Inc. (NEX: RSY.H) ("RSI") entered into a letter of intent pursuant to which the Company and RSI have agreed to amalgamate with the combined entity continuing operations under the name of HIRE.

Outlook

For the remainder of 2020, the Company plans to focus on the following objectives:

- Follow a disciplined acquisition and capital allocation strategy,
- Achieve organic growth for its existing operating businesses,
- Complete the reorganization of HIRE's current operations, and
- Increase awareness of HIRE and its unique value proposition.

Selected Financial Highlights

Please see SEDAR for complete copies of the Company's unaudited condensed consolidated interim financial statements and MD&A for the three months ended March 31, 2020.

	Three months ended March 31, 2020 \$	Three months ended March 31, 2019 \$
Net loss	(744,965)	(849,938)
Interest	16,559	57,974
Amortization	22,650	22,650
Depreciation	69,452	47,231
Tax	(4,660)	(4,373)
EBITDA	(640,964)	(726,456)
<i>Add:</i>		
Restructuring and other non-recurring items	717,531	417,782

Rent expense	(26,548)	(22,252)
Adjusted EBITDA	50,019	(330,926)
	Three months ended March 31, 2020 \$	Three months ended March 31, 2019 \$
Net loss	(744,965)	(849,938)
<i>Add:</i>		
Restructuring and other non-recurring items	717,531	417,782
Non-recurring rent	40,000	-
Adjusted net earnings (loss)	12,566	(432,156)

Footnotes:

- (1) EBITDA and adjusted EBITDA are non-IFRS financial measures that do not have standardized meanings prescribed by IFRS. EBITDA is defined as net income/loss adjusted to exclude interest, taxes, depreciation, and amortization, and provides management with insight into the operating performance of HIRE and its operating subsidiaries without the impact of significant accounting policies on depreciation and amortization, financing, and tax implications. Adjusted EBITDA is defined as EBITDA, excluding restructuring and other non-recurring items. Adjusted EBITDA is also adjusted to include rent payments, which are not accounted for in EBITDA following the adoption of IFRS 16 Leases. Management believes that EBITDA and adjusted EBITDA are useful measures in evaluating the performance of the Company.
- (2) Adjusted net earnings (loss) is a non-IFRS measure that does not have a standardized meaning prescribed by IFRS. The Company defines net earnings (loss) as net earnings (loss) excluding restructuring and other non-recurring items. Management believes that adjusted net earnings (loss) is a meaningful metric in assessing the Company's financial performance.

About HIRE Technologies

HIRE is focused on the acquisition of information technology, staffing, and HR consulting firms. We provide our partners with meaningful cross-selling opportunities, access to leading technology, and a centralized back-office system to support growth.

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Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this press release.

Forward Looking Information

This press release contains "forward-looking statements" or "forward-looking information" (collectively referred to hereafter as "forward-looking statements") within the meaning of applicable Canadian securities legislation.

All statements that address activities, events or developments that HIRE Technologies expects or anticipates will, or may, occur in the future, including statements about HIRE's business prospects, future trends, plans, strategies, including, in particular, HIRE's acquisition strategy and expense reductions, and the expected benefits thereof, are forward-looking statements. In some cases, forward-looking statements are preceded by, followed by or include words such as "may", "will", "would", "could", "should", "believes", "estimates", "projects", "potential", "expects", "plans", "intends", "proposes", "anticipates", "targeted", "continues", "forecasts", "designed", "goal", or the negative of those words or other similar or comparable words.

Although the management of HIRE believes that the assumptions made and the expectations represented by such statements are reasonable, there can be no assurance that a forward-looking statement herein will prove to be accurate.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of HIRE to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others: risks related to the recent outbreak of COVID-19, which may have material adverse effects on the global financial markets, and its business, financial position, financial performance, and cash flows; the impact on the business of broader economic factors; alignment of HIRE's cost structure with revenue; HIRE's limited operating history and needs for additional capital; uncertainty relating to liquidity and capital requirements; risks inherent in HIRE's acquisition strategy; HIRE may not be able to obtain financing necessary to implement HIRE's business plan; HIRE may not be able to obtain access to technology necessary to compete in the recruiting industry; HIRE operates in a highly competitive industry and may be unable to retain clients or market share; barriers to client portability are low; reliance on key management; and compliance with financial reporting and other requirements as a public company. Additional risks and uncertainties applicable to the Company, as well as trends identified by the Company affecting it and the staffing industry can be found in the Company's continuous disclosure record available on SEDAR including the Company's Management's Discussion and Analysis dated June 1, 2020, and the Company's

Filing Statement dated November 26, 2019, and in particular, the sections entitled "Risk Factors" and "Narrative Description of the BTG Business – Regulatory and Trends." Although HIRE has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated, or intended.

Such cautionary statements qualify all forward-looking statements made in this press release. HIRE undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.