

HIRE Technologies Announces Financial Results for the Second Quarter of 2020 and Names Dan Teguh as Chief Financial Officer

- Adjusted EBITDA⁽¹⁾ was (\$249,241) for the three months ended June 30, 2020, significantly improved from adjusted EBITDA of (\$744,476) for the same quarter in 2019.
- Revenue remained resilient considering the COVID-19 pandemic and was \$2,597,492 for the second quarter, down from \$2,953,026 for the same period in 2019. Despite the challenges associated with the COVID-19 pandemic, especially evident in permanent placements, revenue from contract and temporary placements in the IT sector was up 5.7%.
- HIRE completed an oversubscribed, convertible debenture private placement of \$2,419,000, with strong insider participation, to fund acquisitions, strategic investments, and for use as working capital.

Toronto, Ontario--(Newsfile Corp. - August 31, 2020) - HIRE Technologies Inc. (TSXV: HIRE) ("HIRE" or the "Company") announces financial results for the quarter ended June 30, 2020 and promoted Dan Teguh to Chief Financial Officer.

"Our clients continue to be resilient in light of ongoing uncertainty surrounding COVID-19, especially in the IT business vertical, with demand for flexible work remaining steady. While this quarter for us was about making further operational improvements, we are now better positioned than ever to meet the changing demands of our clients," commented Simon Dealy, Chief Executive Officer of HIRE. "The comprehensive internal reorganization we initiated in the first quarter has allowed us to realize better margins on improved business coming in from our IT offering. Furthermore, with our recently completed private placement financing, we will move ahead with our acquisition mandate to create additional value for our stakeholders, clients, and future partners."

Second Quarter Highlights

- For the quarter ended June 30, 2020, revenue was \$2,597,492, 12.0% lower than \$2,953,026 for the quarter ended June 30, 2019 due to market tepidness and mandatory business closures stemming from COVID-19.
- Gross margin was 21.1% down from 26.2% for the quarter ended June 30, 2019. The 5.1% decrease was due to proportionately higher cost of services of \$2,049,212 (June 30, 2019 - \$2,178,263), which was a function of the contraction of the permanent book of business, which represented 4.8% of total revenue this quarter versus 9.2% for the quarter ended June 30, 2019.
- Adjusted EBITDA was (\$249,241) for the quarter ended June 30, 2020 versus (\$744,476) for the same quarter in 2019. The \$495,236 improvement was a result of the comprehensive reorganization, which is expected to result in significant expense savings.
- Net loss for the three months ended June 30, 2020 was \$1,066,547 or 0.02 per share versus a net loss of \$992,000 or 0.03 per share for the same period last year. Adjusted net loss⁽²⁾ was \$215,136 or 0.00 per share, an improvement over the adjusted net loss of \$897,378 or 0.03 per share for the quarter ended June 30, 2019.
- 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 June 30, 2020, the balance outstanding on the facility was \$nil (June 30, 2019 - \$795,000).

Outlook

While the COVID-19 pandemic has yet to pass and economies have yet to fully recover, the Company is well-positioned to deal with the crisis and meet the needs of its future partners.

In the next quarter, the Company's priorities are to:

- Execute on acquisitions, investments and partnerships.
- Pursue organic growth in its established verticals of IT and Accounting.
- Explore additional opportunities for efficiencies in its operating businesses.
- Increase awareness of HIRE and its unique value proposition.

Selected Financial Highlights

Please see SEDAR for complete copies of the Company's condensed interim consolidated financial statements and MD&A for the three months ended June 30, 2020.

<i>Period ended >></i>	3 months ended June 30, 2020	3 months ended June 30, 2019	6 months ended June 30, 2020	6 months ended June 30, 2019
	\$	\$	\$	\$
Net Loss	(1,066,547)	(992,000)	(1,811,513)	(1,841,938)
Interest	7,666	109,573	24,226	167,547
Amortization	22,650	22,650	45,300	45,300
Depreciation	36,602	47,304	106,055	94,535
Tax	(6,675)	(4,373)	(11,335)	(8,746)
EBITDA	(1,006,304)	(816,846)	(1,647,267)	(1,543,302)
Add:				
Restructuring & Other Non-Recurring Items	783,611	94,622	1,501,142	180,350
Rent expense	(26,548)	(22,252)	(53,096)	(44,504)
Adjusted EBITDA	(249,241)	(744,476)	(199,221)	(1,407,456)

<i>Period ended >></i>	3 months ended June 30, 2020	3 months ended June 30, 2019	6 months ended June 30, 2020	6 months ended June 30, 2019
	\$	\$	\$	\$
Net Loss for the Period	(1,066,547)	(992,000)	(1,811,513)	(1,841,938)
Add:				
Restructuring & Other Non-Recurring Items	783,611	94,622	1,501,142	180,350
Non-Recurring Rent	67,800	-	113,000	-
Adjusted net loss	(215,136)	(897,378)	(197,371)	(1,661,588)
Adjusted net loss per share	(0.00)	(0.03)	(0.00)	(0.05)

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 (the "Group") without the impact of significant accounting policies on depreciation and amortization, financing, and tax implications. Adjusted EBITDA is defined as EBITDA, excluding restructuring & 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 Group.
2. Adjusted net loss is a non-IFRS measure that does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other issuers. The Company defines net earnings (loss) as net earnings (loss) excluding restructuring & other non-recurring items. The Company believes that adjusted net earnings (loss) is a meaningful

metric in assessing the Group's financial performance.

3. Gross margin is a non-IFRS measure that does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other issuers. The Company defines Gross margin as revenue less cost of services. Gross margin should not be construed as an alternative for revenue or net earnings (loss) determined in accordance with IFRS. The Company believes that Gross margin is a meaningful metric in assessing the Group's financial performance and operational efficiency.

Promotion of Dan Teguh as Chief Financial Officer

HIRE is pleased to announce that, effective August 31, 2020, Dan Teguh has been promoted to Chief Financial Officer of the Company. Mr. Teguh was previously Vice President, Finance.

Simon Dealy commented, "Dan has proven to be a leader throughout his initiation and implementation of our comprehensive internal reorganization which has positioned the Company for future success. Dan's significant M&A experience is also extremely valuable as we undertake our acquisition mandate. I congratulate Dan on this appointment and look forward to continuing to work with him as a valued member of our executive team."

Before joining HIRE, Dan was Director of Corporate Development at a leading North American healthcare consolidator where he was responsible for acquisitions and transaction execution. Prior to this, Dan held progressively senior roles at a publicly-traded insurance holding company covering all aspects of capital management, including mergers and acquisitions, planning, operations, financial reporting, and investor relations. Dan began his career at Ernst & Young LLP. He is a Chartered Professional Accountant (CPA, CA) and holds a Bachelor of Commerce degree from Queen's University.

About HIRE Technologies Inc.

HIRE Technologies is building a network of staffing, IT and HR consulting firms. We help our partners navigate the changing world through growth solutions, focusing on digital transformation. Our partnership model emphasizes the identity and independence of our brands and provides the resources, support and expertise to take their businesses further. We offer valuable advice and insights to our clients while delivering innovative solutions, enhancing their HR teams, and connecting them with the best people for their business.

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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, including prospective acquisitions and investments, 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 August 31, 2020. 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.

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