

### IT & Software Services

**RCRT - NASDAQ** December 9, 2021

<b>Closing Price 12/8/21</b>	<b>\$3.76</b>
Rating:	Buy
12-Month Target Price:	\$9.00
52-Week Range:	\$2.47 - \$11.83
Market Cap (M):	54.1
Shares O/S (M):	14.4
Float:	83.7%
Avg. Daily Volume (000):	126.6
Debt (M):	\$4.9
Dividend:	\$0.00
Dividend Yield:	0.0%
Risk Profile:	Speculative
Fiscal Year End:	December

Revenue (\$M)			
	2021E	2022E	2023E
1Q	3.2A	7.6	12.8
2Q	4.4A	8.7	14.5
3Q	6.3A	10.1	16.5
4Q	6.7	11.3	18.7
CY	20.5	37.6	62.4

Adjusted EBITDA (\$M)			
	2021E	2022E	2023E
1Q	(1.1)A	(1.0)	0.3
2Q	(0.8)A	(0.8)	0.8
3Q	(1.3)A	(0.5)	1.3
4Q	(1.3)	(0.3)	1.9
CY	(4.4)	(2.6)	4.3



**Company Description:** Recruiter.com operates an on-demand recruiting platform and utilizes a web platform with integrated AI-driven candidate-to-job matching and video screening software, along with traditional job sourcing and industry content.

**Allen Klee, CFA**  
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## Recruiter.com Group, Inc.

**Buy**

**Online Recruiter Marketplace & Technologies; Shift to Faster Growth & Higher Margin Businesses – Initiate with a Buy, \$9 PT**

### Summary

- **Recruiter.com provides a full solution for hiring. The company layers faster-growing and more profitable software and marketplace solutions to its job search business base.**
- **The company has a large TAM in which voluntary churn and demand for recruiters and employees are spurring industry growth.**
- **Acquisitions increase the scale and breadth of offerings. We project high double-digit to triple-digit y/y revenue growth in 2021-2024, improving bottom-line performance, and adjusted EBITDA turning positive in 2023.**
- **With a July 2021 uplisting and a \$12.1M net equity raise, we project RCRT can support organic growth without the need for additional capital.**
- **RCRT trades at an EV/EBITDA of 12.5x based on our 2023 adjusted EBITDA estimate compared to a peer group at 49.7x. Our \$9 PT is based on 30x our 2023 adjusted EBITDA estimate.**

### Details

**Recruiter.com has transformed into an on-demand technology-led company.** RCRT is a full-service destination site for hiring and operates in a ~\$120B TAM. The company has made six acquisitions, of which five were made during the past year. With a technology focus, RCRT has expanded from a traditional staffing legacy business to include on-demand access to recruiters to allow customers to scale needs, AI software solutions, and a marketplace of relevant information. Recruiting is now the third most demanded job category in the U.S. The company's faster growth (and higher margin) businesses now account for almost two-thirds of revenue. Industry drivers include high demand for recruiters, a scarce job market for hiring companies, and voluntary churn. RCRT uses technology and AI to help its customers find hires cheaper and faster. Recruiters benefit by gaining access to more clients. Recruiter.com provides access to 30K+ recruiters and has increased its number of customers from 61 in April 2021, to more than 300 in September 2021.

**We project rapid growth and a shift to profitability.** The company has strong momentum with 3Q21 revenue up 215% y/y and 43% sequentially. A favorable macro environment, customer focus, scale, compelling competitive offerings, and an expanded salesforce with enterprise focus should provide tailwinds. We project revenue of \$20.5M in 2021, up 141% y/y, rising to \$99.5M in 2024; our forecast represents growth of 84%, 66%, and 59% in 2022-2024, respectively. With a de-emphasis on traditional staffing and greater growth in the higher margin software, marketplace, and recruiter on-demand segments, we project adjusted EBITDA loss improving from (\$4.4M) in 2021, to (\$2.6M) in 2022 and then turning positive to \$4.3M and \$17.7M in 2023 and 2024, respectively. The company ended September 2021 with \$5.3M in cash and \$4.9M in debt (mostly associated with recent acquisitions). We expect the company to fund organic growth through 2024 without the need to raise capital.

**Compelling valuation.** RCRT trades at an EV/EBITDA multiple of 12.5x based on our 2023 adjusted EBITDA estimate, a discount to the peer group average of 49.7x. Our \$9 PT is based on 30x our 2023 adjusted EBITDA estimate. We believe a valuation discount is warranted due to RCRT's smaller size and acquisition integration risk. We believe investor sentiment should improve as the higher valued segments become a greater percent of total revenue, and that the stock should start to trade more like technology marketplace and SaaS companies. Our rating also reflects our positive view on the industry, large TAM position, and strong competitive position.

## Corporate Profile

Institutional Ownership: 7.2%  
Insider Ownership: 16.3%

**Balance Sheet Summary: \$M**  
(As of September 30, 2021)

Cash: \$5.3  
Total Debt: \$4.9  
Shareholder's Equity: \$18.6  
Total Assets: \$29.3

Analyst Coverage 0  
(Excluding Maxim Group)

**Risks:**

History of net losses.  
Risk of higher costs if recruiters are listed as employees instead of contractors.  
Material weakness in accounting procedures reported in the company's 2020 10-K.  
May need to raise additional capital in the future if the company underperforms our projections.  
Customer concentration.  
Integration and performance of acquisitions.  
Ability to attract collaborators and strategic partnerships.  
Ability to secure patents and license intellectual property.  
Limited operating history.  
Errors, defects and disruptions to the platform.  
Changes to search engine results.  
Compliance with anti-discrimination laws from predictive technology and external recruiters.  
Refunds distributed for candidates that don't last 90 days.  
Dependent on external parties and infrastructures they do not control.  
Impact of COVID and economic conditions on the recruiting industry.  
Government regulation.  
Competition from larger companies.

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**Recruiter.com Group, Inc. (Nasdaq: RCRT)**

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**Description:**

Recruiter.com operates an on-demand recruiting platform and utilizes a web platform with integrated AI-driven candidate-to-job matching and video screening software, along with traditional job sourcing and industry content.

**Senior Management:**

**Evan Sohn, CEO and Chairman of the Board.** Mr. Sohn has served as CEO since July 2020 and as Chairman since April 2019. Mr. Sohn previously held senior sales and marketing positions at Veea Inc. (Private), Poynt Inc. (GDDY — NR), Global Bay (acquired by Verifone), Verifone (acquired by private equity), Brightwire (Private), Message Labs (Private, acquired by Symantec), Omnipod (acquired by MessageLabs), ReefEdge (Private), and IMS Health Strategic Technologies (merged into Quintiles). Mr. Sohn also was the CEO of Logix (mobile computing) before it was acquired by IMS Health and was CEO of Salesconx (provider of on-demand sales teams). Mr. Sohn is the co-founder & VP of the Sohn Conference Foundation, a not-for-profit treating pediatric cancer and related childhood diseases. Mr. Sohn holds seven patents in telecommunications, mobile education, medical instrumentation, and medical data capture. Mr. Sohn holds a B.S. in computer information systems and management from the NYU Stern School of Business.

**Miles Jennings, President, COO and Founder.** Mr. Jennings has served as COO and President since July 2020, and currently serves on the Board. Mr. Jennings founded the company and served as its CEO from 2015 until July 2020. From October 2017 until March 2019, Mr. Jennings was CEO of Truli Technologies, which Recruiter.com was a subsidiary of at the time. Previously, Mr. Jennings created socially enabled websites and tools for the recruitment industry as well as many of the industry's significant social media groups, which totaled over 3 million members. Mr. Jennings has worked in the recruiting and online recruiting industry since 2003. Previous employers include Modis, an Adecco division (AHEXY — NR), and Indeed.com (RCRRF — NR). Mr. Jennings holds a B.S. in philosophy from Trinity College.

**Judy Krandel, CFO.** Ms. Krandel has served as Chief Financial Officer since June 2020. From November 2016 until December 2019, she served as CFO, and then Senior Business Development Consultant for PeerStream, Inc. (PALT — Buy). From March 2012 until November 2016, Ms. Krandel was a Portfolio Manager for Juniper Investment Company (Private), a small-cap hedge fund. Ms. Krandel spent the earlier part of her career as an equity analyst and portfolio manager focusing on small-cap public equities. She currently also sits on the Board of Directors of Lincoln First Bancorp (LPBC — NR) and served on the Board of Snap Interactive (PALT — Buy) and Cynergistek (CTEK — NR). She is a graduate of the Wharton School of Business of the University of Pennsylvania with a degree in finance and the Booth School of Business of the University of Chicago with an MBA in finance and accounting.

## History:

## Exhibit 1: History of Key Events

Date	Event
2015	Recruiter.com founded by Miles Jennings and Ashley Saddul.
Apr 19	Recruiter.com merged with Truli Technologies.
May 19	Truli Technologies changed name to Recruiter.com Group, Inc. and began trading on the OTCQB under the ticker "RCRT."
May 19	Acquired and implemented Genesys Talent's artificial intelligence and candidate sourcing technology for \$8.6M.
Jun 19	Implemented Pocket Recruiter's artificial intelligence into its candidate sourcing services.
Jun 19	Entered referral agreement with Brilliant Chemistry.
Jul 19	Surpassed 10,000 recruiters on its platform.
Jul 19	Entered into partnership with Censia to integrate its talent intelligence platform.
Aug 19	Announced 1-for-80 reverse stock split.
Sep 19	Launched Recruiter Teams for enterprise clients.
Oct 19	Partnered with Geometric Results Inc., to expand talent acquisition ecosystem.
Dec 19	Surpassed 20,000 recruiters on its platform.
Feb 20	Launched Recruiters on Demand solution for employers.
Jun 20	Appointed Evan Sohn as CEO.
Aug 20	Partnered with DVBE Connect to curate team of veteran recruiters.
Aug 20	Announced partnerships with Centinela Hospital, Reliant Health of Atlanta, GA, RNA Search of Orlando, Florida, and MSS360 of Virginia.
Sep 20	Partnered with Beeline, a global workforce solutions leader.
Sep 20	Entered engagements with three new clients in the mortgage and digital lending industry.
Sep 20	Launched artificial intelligence powered candidate sourcing platform.
Oct 20	Launched on-demand video screening platform.
Nov 20	Announced eight new client wins in the healthcare industry.
Dec 20	Launched upgraded AI and video enabled hiring platform.
Dec 20	Announced acquisition of OneWire, a leading financial services hiring platform for \$1.2M.
Jan 21	Launched on-demand Recruiter Academy.
Feb 21	Acquired Scouted.io, a video-based candidate insight platform, for \$1.8M. Launched new subscription service for curated talent.
Feb 21	Partnered with Fundomate to bring automated capital funding to its community.
Feb 21	Launched Recruit Me campaign.
Mar 21	Partnered with QuickFee to bring flexible online payment solutions.
Apr 21	Acquired artificial intelligence candidate sourcing tool, Upsider.ai for \$3.9M.
Apr 21	Partnered with WeWork.
May 21	Finalized acquisition of OneWire.
May 21	Launched "First Job" initiative to deliver curated pipelines of qualified first-time job seekers to employers across the US.
May 21	Partnered with Karmacheck, LinkedIn Co-Founder Eric Ly's venture focused on the candidate background check experience.
Jun 21	Announced 1-for-2.5 reverse stock split.
Jun 21	Uplisted to the Nasdaq on June 30th under the ticker "RCRT", raising \$13.8M in gross proceeds. The public offering was of 2.4M units at \$5.00 per unit for which each unit consisted of one common share and one warrant with a five year term and exercise price of \$5.50 per share.
Jul 21	Acquired Uncubed's technology solutions business, including Finalist and Mediabistro, for \$3.5M.
Jul 21	Appointed Xuan Smith as CTO.
Jul 21	Surpassed 30,000 recruiters on its platform.
Aug 21	Acquired flexible talent solutions leader, the Novo Group, for \$6.9M.
Sep 21	Launched Amplify, a candidate outreach subscription solution.
Sep 21	Enhanced AI software to index over 150 million profiles.
Sep 21	Expanded marketing team and appointed Angela Copeland as VP of Marketing.
Sep 21	Launched new job platform for recruiters.
Oct 21	Announced Enterprise Plan for Recruiters on Demand to help employers hire ten or more full-time recruiters.
Dec 21	Partnered with Deel to assist with onboarding of new employees and on-demand recruiters.

Source: company press releases

Recruiter.com was founded in 2015 by Mr. Jennings and Mr. Saddul and later merged with Truli Technologies in April 2019, which it was a subsidiary of at the time. Mr. Jennings served as the company's CEO from the inception of Recruiter.com until June 2020 at which time current CEO Evan Sohn was appointed to the role and Mr. Jennings assumed the position of Chief Operating Officer. In February 2020, Recruiter.com launched its "Recruiters on Demand" service, which allows companies to outsource their recruiting on an as-needed basis to independent recruiters featured on the platform. This functionality is a key differentiator for the company and has become increasingly popular in recent quarters, making up 55% of total revenue in 3Q 2021. Shortly thereafter, the company introduced software subscription services that could supplement traditional sourcing and screening processes. These services are cost effective and efficient tools that utilize artificial intelligence (AI) and machine learning technology for companies to quickly find qualified candidates that meet their needs. Software subscriptions are a high-growth high-margin segment that the company plans to make a main point of emphasis for the business. The company has had a continued focus on bringing recruiters to the platform to appear more attractive to clients, build out their "Recruiters on Demand" service, and meet rising demand. The platform reached 10,000 recruiters in July 2019, 20,000 in December 2019, and surpassed 30,000 in July 2021.

The company has taken steps to improve the capital structure and investor interest. A 1-for-80 reverse stock split was announced in August 2019 followed by a 1-for-2.5 reverse stock split in June 2021. In July 2021, the Company uplisted to the Nasdaq along with an equity raise of \$13.8M in gross proceeds.

Acquisitions:

The company has made acquisitions to expand solutions, geographies, and technology.

- Genesys Talent. In March 2019, Recruiter.com entered into an asset purchase agreement with Genesys Talent (Private) for \$8.6M. Genesys provides Integrated MatchList, a candidate matching and sourcing technology, as well as Censia's talent intelligence platform. The acquisition of Genesys built out Recruiter.com's core artificial intelligence technology, which it has since improved with further acquisitions and development.
- OneWire. In December 2020, the company acquired OneWire, a financial services recruiting and sourcing platform with over 700,000 registered candidates, for \$1.2M. OneWire operates a job board under the same name where employers can post jobs to find qualified and suitable candidates.
- Scouted.io. In February 2021, the company acquired Scouted.io, a video-based candidate sourcing platform focused on very high-potential early and mid-career candidates, for \$1.8M. This is a subscription-based platform that also incorporates video capabilities mirroring the process of first round screening questions.
- Upsider.ai. In April 2021, Recruiter.com acquired Upsider.ai for \$3.9M to enhance its artificial intelligence capabilities. This acquisition expanded on many of the search tools within the company's existing platform and is the core component of its subscription service. This tool uses smart matching technology to find the best-fit candidates based on hard requirements and search terms, then ranks them based on how closely they fit the descriptions.
- Parrut (Uncubed). In July 2021, Recruiter.com acquired the assets of Parrut, Inc. (Private) for \$3.5M. The acquisition included the job boards Finalist, which is focused on early professional software and data candidates graduating college, and Mediabistro, which is focused on media, content, and creative professionals. The assets were acquired as part of Uncubed's technology solutions division.
- Novo Group. In August 2021, Recruiter.com acquired the Novo Group for \$6.9M to accelerate its on-demand services and bring more recruiters to the platform. This has helped Recruiter.com build out its Recruiters on Demand service and bring in volume from newly acquired customers.

Current Challenges

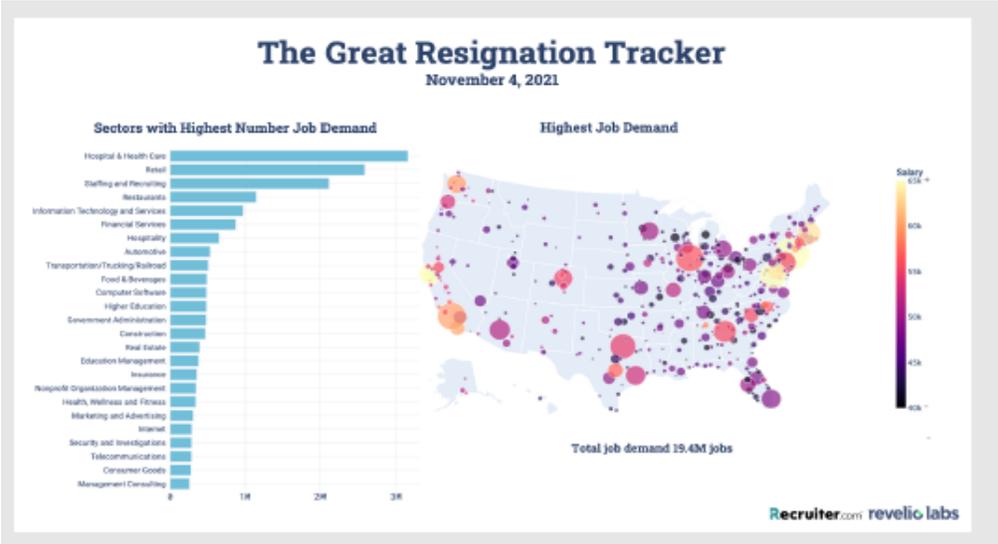
Exhibit 2: U.S. Unemployment Rate from 1995–2021

Unemployment rate of workers age 16 and older by race and ethnicity, 1995–2021



Source: Bureau of Labor Statistics' Current Population Survey, public data series

Exhibit 3: Tracking Job Demand, November 2021



Source: Investor presentation 3Q2021

Challenges Faced by Employers

- Tight markets for lower-end and hospitality jobs.
- Tight markets for highly desired end markets.
- Employees more willing to change jobs or drop out of the work force.
- Remote working providing different candidate pools.
- Need to hire employees faster and cheaper.
- The cost to hire an employee is rising.

The U.S. labor market has experienced drastic effects as a result of the COVID-19 pandemic with the national unemployment rate reaching a peak of 14.7% in April 2020. As the economy begins to settle and employers start looking to adjust to a new post-pandemic environment, there have been some major changes in the way the workforce has been envisioned. New hybrid and remote structures are leading to decentralized workforces where employee loyalty is outdated. The modern worker is empowered to leave at any moment in search of an environment with the benefits, pay, and structure that are most suitable to their needs. These developments have led to a period in labor history that is currently being dubbed “The Great Resignation.”

At the time of this writing, there were more open jobs in the U.S. than people looking for jobs. With the voluntary churn rate settling in at around 25%, it is estimated that the yearly churn in the U.S. labor market will be around 38 million people. According to data compiled by WaveTrackR, the number of unfilled job openings is increasing, while the number of candidates is decreasing, causing employers to pay more to hire than ever before. The number of jobs posted increased in August 327%, while applications were only up 87%. An article from NPR states that 4.3 million people quit their jobs in the month of August alone. With most millennials switching jobs within their first two years of employment and an estimated 48% of Americans currently looking for new opportunities, concerns are cropping up in the recruiting industry over the value proposition associated with recruiting expenditures. In the traditional model, an employer has two options to solve their staffing needs. Statistics provided from an investor presentation illustrate that these employers can either find and screen candidates inhouse, with hiring managers spending up to two entire days of their week on these tasks alone at a national average cost per hire of \$4,129, or they can collaborate with a staffing firm/headhunter who usually takes a fee of 20%–30% of a successful candidate’s first year salary. The biggest problem with this model is the high upfront cost and often subsequent employee churn. Companies can be forced to repeat this process once more with the 25% of their workforce that departs, as well as with the employees they just hired who may end up leaving within their first two years of employment. In addition, there is a growing demand for recruiters. According to LinkedIn, there are over 300,000 open jobs for recruiters in the U.S., the third most in-demand job. In June 2021 there were 6.8x more recruiter jobs posted on LinkedIn compared to June 2020.

## **Recruiter.com’s Solution**

One of the key differentiators in the Recruiter.com business model comes from its “Recruiters on Demand” platform. This platform allows employers to outsource recruiting on an as-needed basis, in a way that can be scaled and tailored to fit their needs as time progresses. This allows clients to relieve their human resources departments of the costs and labor associated with talent acquisition. An additional benefit of this platform is the regular fee cost structure that is billed hourly, weekly, or monthly, based on preestablished agreements. In contrast, most traditional staffing and recruiting firms operate on a flat fee structure where the client is billed a percentage of the new hire’s first-year salary. With over 30,000 independent recruiters registered on the platform, Recruiter.com can provide employers with the most suitable recruiter based on the requirements associated with the role. Factors that could influence the process include requirements such as experience, seniority of the position, and the industry vertical that the role falls in. Recruiter.com also features sophisticated artificial intelligence and machine learning tools that can index over more than 150 million candidates that reside in its database, to enhance recruiter efficiency and narrow results to the most suitable candidates. Customers can subscribe to these tools to receive lists of qualified candidates, which replaces the need to screen and source candidates internally. From there, the employer only needs to interview and hire the candidate that best fits their needs. Companies that solve their recruiting needs inhouse are unlikely to have comparable tools and resources.

To illustrate the benefits of using the platform, Recruiter.com has provided investors with a case study from a recent employment engagement it held with Dentsu (DNTUY — NR), a top 5 advertising company. Dentsu needed to fill over 100 open positions and was assigned a project lead with an additional 16 on-demand recruiters. Dentsu’s team made use of Recruiter.com’s AI Software and Mediabistro Job Board, which is focused on professionals in the media, content, and creative industry. Using these resources, the recruiters were able to generate 200+ candidate referrals and deliver 128 hires in 90 days. It is unlikely that many other resources could provide the client with as high a hiring rate in the constrained time that is featured in this case. The company also benefited from not having to dedicate internal resources or time toward achieving this feat. In addition, post-project 6 recruiters were scheduled to stay embedded within the company through September

30, which illustrates the ability for clients to scale these teams to their needs at any time as well as the likelihood of customer retention after a successful engagement.

**Exhibit 4: Dentsu Case Study**

**Example Case Study**

**Situation:**

- Internal TA and recruiting team was overwhelmed by over 100 open requisitions and attrition rate
- Highly competitive candidate market
- Need for immediate hires for new business and existing business

**Recruiter.com Solution:**

- 1 recruiting project lead
- 16 on demand recruiters
- Recruiter.com AI Software (with DEI sourcing)
- Mediabistro Job Board

**Industry: Media & Advertising**

**Results:**

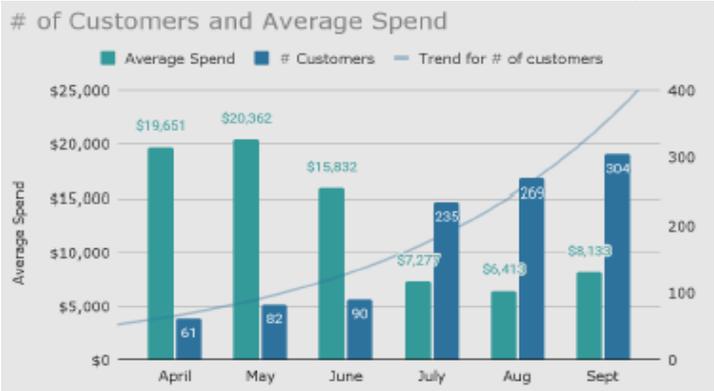
- 128 hires in 90 days**
- 200+ candidate referral from Mediabistro
- Significant emphasis on DEI
- Mission critical brand strategists fluent in both Japanese and English
- Post project
  - 6 recruiters will stay embedded through September 30th
  - AI enabled pipeline in use

Source: LD Micro investor presentation

As the case study below shows, Recruiter.com can solve a company’s need to hire a large number of qualified candidates in a relatively brief period of time.

Recruiter.com now has multiple solutions for recruiters, companies, and people looking for jobs. The value of these solutions is highlighted by customer growth as shown below. Also, with some of the newer offerings at lower price points, average spend per customer overall is declining, which is positive for customer satisfaction and retention.

**Exhibit 5: Customer Growth and Cross-selling Potential**



Source: Investor Presentation Q3 2021

## Exhibit 6: Recruiter.com Value Proposition

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>• Access to clients and projects typically not available to the independent/freelance recruiter</li> </ul> | <ul style="list-style-type: none"> <li>• Global access to recruiters and talent acquisition professionals</li> </ul> |
| <ul style="list-style-type: none"> <li>• Get hired quickly either as full time per gig recruiters</li> </ul>                                      | <ul style="list-style-type: none"> <li>• AI search and engagement to over 150 million candidates</li> </ul>          |
| <ul style="list-style-type: none"> <li>• Supplement income as a “gig” talent acquisition professional</li> </ul>                                  | <ul style="list-style-type: none"> <li>• Scale projects up and down without significant barriers</li> </ul>          |
| <ul style="list-style-type: none"> <li>• Access 3rd party offerings specifically for freelance and independent recruiters</li> </ul>              | <ul style="list-style-type: none"> <li>• Ideal way to try-and-buy recruiters of various skill levels</li> </ul>      |

Source: Company investor presentation

## Key Growth Drivers in Our Investment Thesis:

- The highest growth is coming from highest-margin segments, Software Subscriptions and Marketplace Solutions.
- Recruiters on Demand, an “Uber for Recruiters” has higher margins than legacy businesses and significant growth potential given the benefit to companies and recruiters. Companies benefit from being able to scale up to their desired hiring level demands and recruiters benefit from getting access to additional clients, often for companies they would not be able to reach on their own.
- We expect Recruiter.com to continue to grow its number of customers to which it can cross-sell more of the company’s services.
- There is significant operating leverage in the Recruiter.com’s business model. We expect cost synergies as acquisitions are integrated and anticipate that the company’s operating expenses should grow at lower rates than revenue going forward.
- Growing recurring revenues are associated with software subscriptions.
- 99% organic growth is leading to low costs and improved margins. Growth can also be supplemented from the company’s new initiatives with increased sales capabilities and paid marketing.
- Brand recognition and strong search engine optimization (SEO) traffic generation.
- Introduction of new products, features, and AI to enhance the platform and increase recruiter efficiencies.
- Introduction of new tools and features can bring in more customers and introduce cross-selling strategies. The company grew customers from 90 at the end of 2Q21 to 304 at the end of 3Q21.
- Decreasing unemployment and 25% voluntary churn should lead to a rise in demand for services.
- Strategic partnerships with Managed Service and HR Providers should attract new clients.
- Investment and expansion into vertical industry groups through job boards leads to increased specialization and can result in client wins based on a company’s candidate needs.
- Introduction of additional services that can be marketed towards candidates.
- Further development of training courses and additional Marketplace offerings for aspiring professionals.
- Potential for international expansion.
- Equity raise of ~\$12M net proceeds in July provides capital to fund growth initiatives.
- Potential for future acquisitions.
- Value creation as new growth segments such as Recruiters on Demand and Software have stock peers that trade at high market multiples

**Business Review**

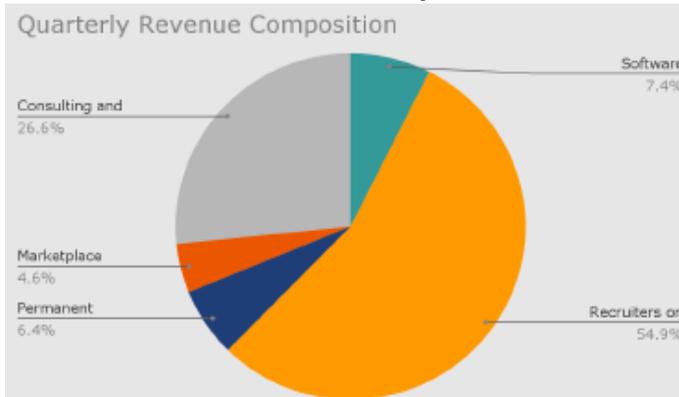
**Exhibit 7: Segment Review**

	Percent of 2020 Revenue	Percent of 2021 YTD Revenue
Recruiters on Demand	11.4%	44.9%
Consulting and Staffing Services	78.6%	42.7%
Permanent Placement Fees	6.1%	4.6%
Software Subscriptions	0.0%	4.6%
Marketplace Solutions	3.9%	3.2%

	Description
Recruiters on Demand	Allows customer to hire recruiters on a flexible time-based basis.
Consulting and Staffing Services	Places consulting and temporary employees with customer.
Permanent Placement Fees	Places full time employees with customer.
Software Subscriptions	Subscription offerings to company's AI tools and services.
Marketplace Solutions	Marketing outreach services and career training.

Source: Recruiter.com financial documents.

**Exhibit 8: 3Q21 Revenue Composition**



Source: Investor Presentation Q3 2021

**Exhibit 9: Changing Revenue Composition**



Source: Investor Presentation Q3 2021

Recruiter.com has approximately 80 full time employees, over 150 recruiter-on-demand 1099 contractors, and about 250 temporary staff working at client locations.

**Exhibit 10: Sample of Customers**



Source: Investor Presentation December 2021

**Segment Review:**

**Exhibit 11: On Demand Product Offerings**

Basic	Plus	Business	Enterprise
The essentials to start acquiring talent today.	For businesses looking to quickly attract candidates	For companies looking to fill multiple open positions	For companies looking to ramp their hiring to over 50 hires per month
<ul style="list-style-type: none"> <li>Access to the entire recruiter.com community</li> </ul>	<p><b>Everything in Basic and:</b></p> <ul style="list-style-type: none"> <li>AI Software with On Demand Recruiter to promote the job to over 150 Million Candidates (1 job search)</li> </ul>	<p><b>Everything in Plus and:</b></p> <ul style="list-style-type: none"> <li>5 Job searches</li> <li>Client Success Manager</li> </ul>	<p><b>Everything in Business and:</b></p> <ul style="list-style-type: none"> <li>Unlimited Job posting across Job Boards</li> <li>Dedicated Program Lead</li> </ul>
<p><b>Client Fee:</b> \$299 per job post</p> <p><b>Upgrade:</b> \$2500 for unlimited monthly posting</p> <p><b>On Demand Fee:</b> 20% of the Recruiter hourly rate</p>	<p><b>Client Fee:</b> \$1,999 per job post</p> <p><b>Upgrade:</b> \$1,000 for volume search</p> <p><b>Optional:</b> on-demand recruiter coordinator at \$35/hr</p>	<p><b>Client Fee:</b> \$5,000</p> <p><b>Upgrade:</b> \$1,000 for volume search for job</p> <p><b>On Demand Fee:</b> 17.5% of the recruiter hourly rate</p> <p><b>Recruiter Fee:</b> 5% processing fee</p>	<p><b>Client Fee:</b> \$7,500</p> <p><b>Upgrade:</b> \$1,000 for volume search per job</p> <p><b>On Demand Fee:</b> 15% of the recruiter hourly rate</p> <p><b>Recruiter Fee:</b> 5% processing fee</p>

Source: Company investor presentation

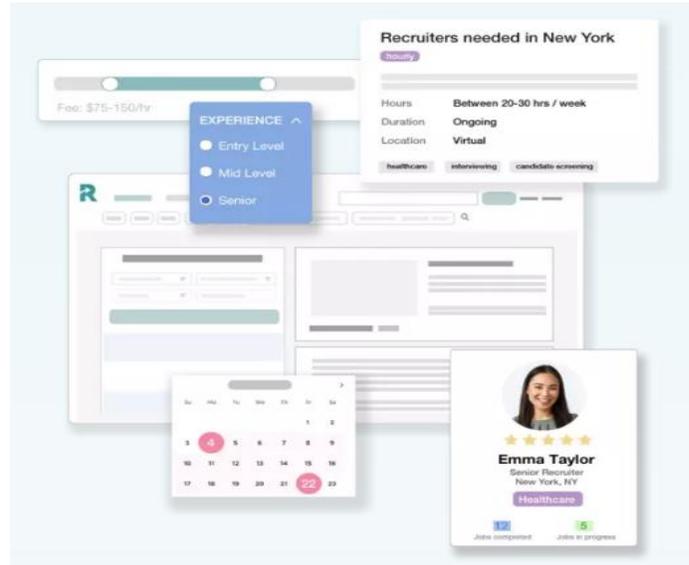
**Exhibit 12: Market Segment Pricing**

	Small Business / Self-Service	Mid Sized	Large Enterprise
	Making it simple to become a customer	For businesses looking for consistent candidate pipeline	Organizations with sophisticated hiring requirements
<b>Services Used</b>	<ul style="list-style-type: none"> <li>Job Market - \$299 / mth (like Job Board)</li> <li>Amplify - \$1,700 / mth</li> </ul> <p><b>Total = \$1,999 / month</b></p>	<ul style="list-style-type: none"> <li>AI Software - \$5,000 (2 job searches)</li> <li>On Demand Recruiter: \$60/hr or \$9,600 / mth</li> </ul> <p><b>Total = \$11,600 / month</b></p>	<ul style="list-style-type: none"> <li>AI Software - \$10,000 (3 job searches)</li> <li>On Demand Recruiter: 1 x \$100/hr or \$16,000/mth (project leader) 4 x \$70/hr or \$44,800/mth</li> </ul> <p><b>Total = \$71,000 / month</b></p>
<b>Driving Results</b>			

Source: Company investor presentation

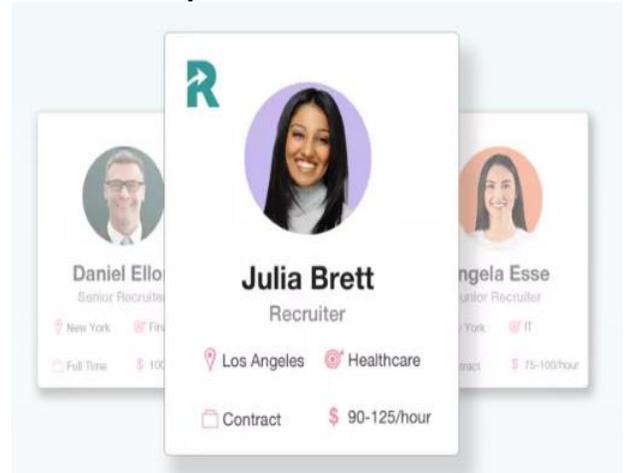
**Recruiters on Demand (44.9% of 2021 YTD Revenue)**

**Exhibit 13: Recruiters on Demand Platform**



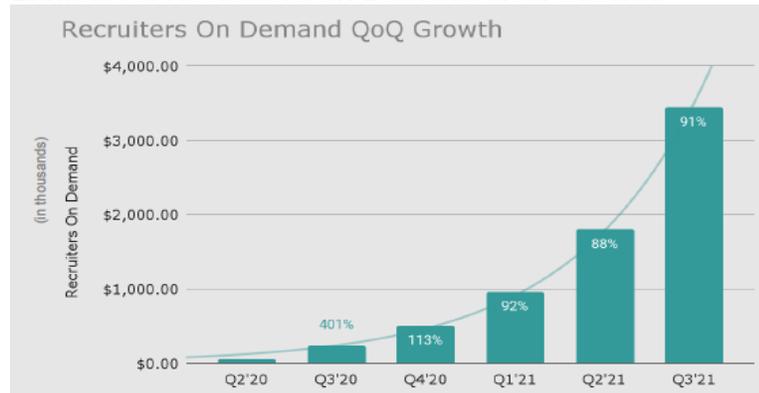
Source: Company website

**Exhibit 14: Independent Recruiters**



Source: Company website

**Exhibit 15: Recruiters on Demand QoQ Growth**



Source: Investor Presentation Q3 2021

Recruiters on Demand (ROD) is a flexible, time-based solution that provides businesses of all sizes access to recruiters on an outsourced, virtual basis for help with their hiring needs. We view this business model as a “Uber for Recruiters,” like Upwork (UPWK — NR), which provides a marketplace that connects businesses with independent talent. For ROD, once a client specifies their recruiting demands, the appropriate quantity of recruiters is delivered within 72 hours based on expertise. These recruiters are then brought inhouse and treated as if they were employees, receiving company emails and equipment. The company plans to expedite some of the onboarding process for these recruiters by utilizing the Deel (Private) platform in a recent partnership announced December 2021. Revenue earned through Recruiters on Demand is derived by billing

the clients for the placed recruiters' ongoing work at an agreed-upon, time-based rate. This rate can be determined on an hourly, weekly, or monthly basis. Recruiter.com typically takes a percent of the fee as it's billed, ranging from 20% and above, with the recruiters that are on the assignment receiving the difference. The program currently has over 30,000 independent recruiters registered and often operates in a team-based structure with a project lead that oversees the rest of the team. In addition to the income they receive, recruiters also benefit from being able to work in a freelancing environment that allows them to service clients they typically would not have the opportunity to reach. Recruiter.com's infrastructure and reputation make it so small independent recruiters can work with a variety of clients ranging from startups to Fortune 100 companies. The service is fast growing with four-digit y/y growth in Q3 2021 and provides higher margins than the company's traditional staffing revenue. Recruiters on Demand accounted for 55% of the company's revenue in Q3 2021, compared to 12% in the prior year quarter. The company works with clients of all sizes and focuses on supplying the right recruiter to fit each client's needs based on experience, seniority of the position, what industry vertical the role is in, as well as other various criteria.

### **Consulting and Staffing (42.7% of 2021 YTD Revenue)**

This segment consists of providing employers with recruiting services to satisfy their demand for long and short-term consulting and temporary employee hiring needs. The company generates revenue by first referring qualified personnel for the client's specific talent needs and then placing those personnel with the client. As part of the engagement, Recruiter.com, or its providers, act as the employer of record, billing the employer for the time and work of the placed personnel on an ongoing basis. We characterize this as a relatively low-growth and low-margin business. This service has historically provided most of the revenue for the company. Although the company is deemphasizing this segment in the long term, it remains as the company's core legacy business and retains customers that have been with the company for years. As the company further develops its Recruiters on Demand and Software Subscription products, this line of business will continue to provide stable and material revenue to the top line. This line also increases the company's ability to cross sell and introduce clients to the breadth of their products if a client opts to initially begin with these traditional recruiting methods.

### **Full-time Placement (4.6% of 2021 YTD Revenue)**

Full-time placement consists of providing referrals of qualified candidates to employers to hire staff for full-time positions. The company generates full-time placement revenue by earning a one-time fee whenever an employer hires a candidate that they refer. The full-time placement fee is typically either a percentage of the referred candidates' first-year base salary or an agreed-upon flat fee. Revenue for this segment is recognized on a deferred basis where the candidate is required to be with the company for either 60 or 90 days, depending upon the predetermined arrangement between the company and the client. After the candidate completes this period of labor and is retained as a full-time employee, the arrangement is considered successful, and revenue is recorded within the quarter where this agreed upon period ends. This segment has made up around 5% of revenue historically and is another example of a traditional service that the company provides alongside its consulting and staffing functions. We characterize this segment as relatively low-growth and low-margin.

**Marketplace (3.2% of 2021 YTD Revenue)**

**Exhibit 16: Recruiter Certification Program Offering 2021**

Choose Your Training Package			
	Free Trial	Recruiting 101	Business Development
Glossary of Recruiting Terms	✓	✓	
Welcome to the Exciting World of Recruiting	✓	✓	
Unit 1: 10 Expert Recruiting Courses		✓	
Unit 2: Deep Dive on the Job Market Platform		✓	
Private Facebook Group Access		✓	
Unit 3: 8 Business Development Courses			✓
	Free	\$299	\$99
	<a href="#">Sign up</a>	<a href="#">Purchase</a>	<a href="#">Purchase</a>

Source: Company website

**Exhibit 17: Recruiter Index July 2021**



Recruiter Index®: July 2021

Source: Company website

The marketplace is comprised of services that help businesses and individuals leverage their online presence. For businesses, this includes sponsorship of digital newsletters, online content promotion, social media distribution, banner advertising, and other branded electronic communications, such as in their digital publication on recruiting trends and issues. Customers who purchase Recruiter.com's Marketing Solutions typically specialize in B2B software or are similar platform companies that focus on recruitment and human resources processing. Companies benefit from having a broad distribution network and large social media presence. Over 200 PR firms send Recruiter.com content on a regular basis to publish. Recruiter.com recently received payment from LinkedIn (MSFT — NR) for marketing services to its community. In total, over 12,000 original articles have been published on the site. For PR and marketing purposes, Recruiter.com also distributes its Recruiter Index®, which is its proprietary analysis that pinpoints recruiting trends and forecasts business growth. Some metrics this publication tracks include job market sentiment amongst recruiters and candidates, candidate's preferences when seeking roles, average salary of openings, and the most active industries where demand for recruiting is at its highest. The index is published monthly using surveys from the company's extensive database of over 30,000 recruiters. With four of the top 10 largest professional groups on LinkedIn out of 1.8 million groups total and with over 860,000 members in their largest group, the company has an expansive reach and continuously seeks to create synergies across its platforms and brands to enhance the exposure of its clients and recruiters. The company also has further outreach programs such as allowing companies to post listings on their various job boards to reach curated talent pools, as well as allowing outside instructors to advertise courses for candidates to further develop their skills.

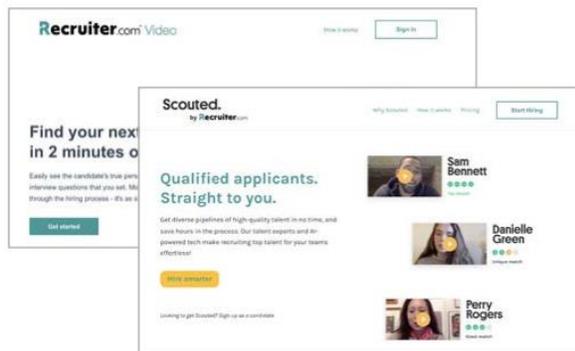
For individuals, Marketplace includes services to assist with career development and advancement, including a resume distribution service that allows job seekers to upload their resumes to the company's database for a one-time flat fee of \$39.95, which is then distributed to its network of recruiters on the Platform. Recruiter.com also offers a recruiter certification program encompassing its recruitment-related training content, which is made accessible through the company's online learning management system for a flat fee of \$299. The program is 6–12 weeks in length and offers an additional business development course for \$99. Customers of the recruiter certification program use a self-managed virtual system to navigate through a digital course of

study. Upon completion of the program, they receive a certificate of completion and a digital badge to certify their achievement, which can be displayed on their online recruiter profile on the platform. The Recruiter.com Certification Program (RCP) is a SHRM-CP® & SHRM-SCP® Recertification Provider, which is the leading HR association. Whether the client is a professional in human resources or looking for a SHRM SCP practice test to prepare for their SHRM exam, the courses offer a starting point to keep their SHRM membership active. They also partner with Careerdash, a high-quality training company, to provide Recruiter.com Academy, an immersive training experience for career changers. For approximately four months following March 31, 2020, the company provided the recruiter certification program for free in response to the COVID-19 pandemic.

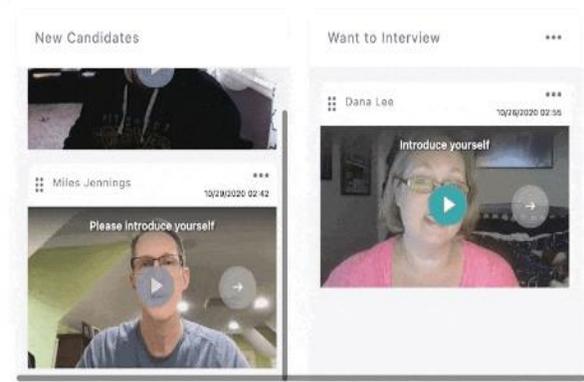
**Software Subscriptions (4.6% of 2021 YTD Revenue)**

**Exhibit 18: Scouted and Recruiter.com Video Exhibit 19: Video Platform**

**On Demand Recruiting Tools**

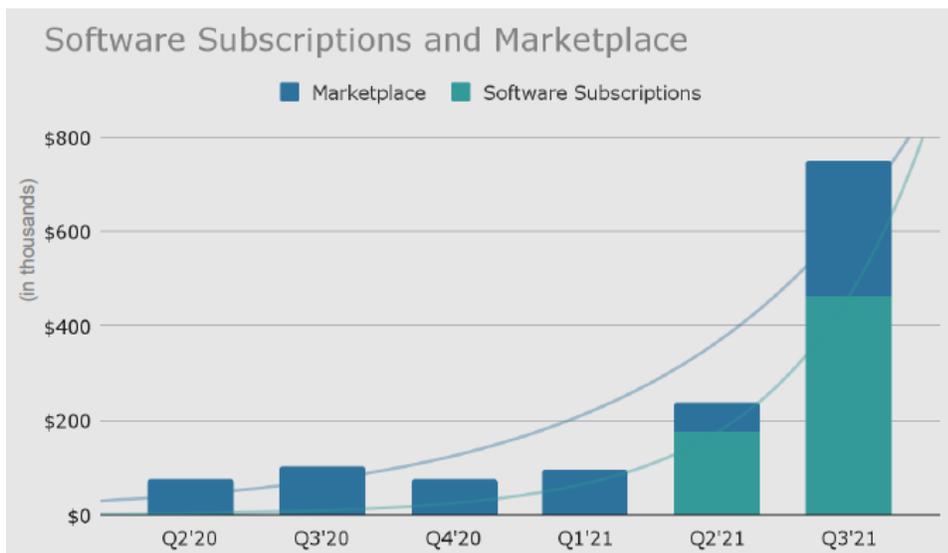


Source: Investor presentation



Source: Company website

**Exhibit 20: Software Subscriptions and Marketplace QoQ Growth**



Source: Investor Presentation Q3 2021

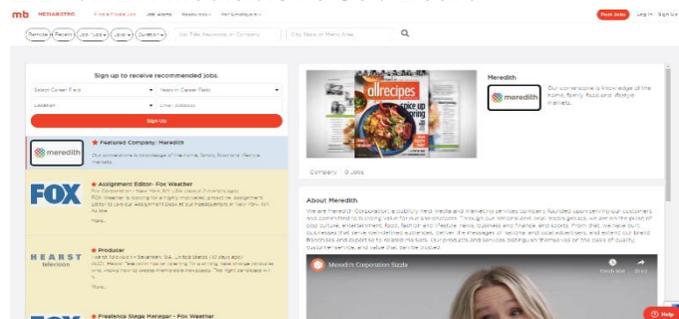
The company offers subscriptions for internal use of its web-based platforms to help employers recruit talent. The platforms source, screen, and sort candidates using data science and predictive analysis, as well as contact candidates using advanced email campaigning tools. As part of Recruiter.com's software subscriptions, the company offers enhanced support packages and on-demand recruiting support services for an additional

fee. Depending on the subscription type, additional fees may be charged when a candidate is placed with the customer. This platform utilizes the artificial intelligence technology that Recruiter.com acquired from its asset purchase agreement with Upsider and helps deliver ranked matches based on how well a candidate fits the criteria included within the search. Such criteria include meeting hard skill requirements and how relevant candidate job titles, tasks, and capabilities are to the position in question. The company also supplies email campaigns that are measured to determine effectiveness based on outreach and response rates. The segment has high retention with its customer base with churn rates estimated at less than 7% overall. The tools generate revenue on a per search basis with larger candidate openings generating greater revenues than a company needing to fill just a small number of open roles. The company estimates that around 22%–28% of the recommended candidates end up being hired, which can save a client company a lot of time and money. Rather than performing extensive searches and screenings to find the right candidates, Recruiter.com’s services can replace this process, with the client company only having to interview and hire matched candidates. Such tools are exceptionally useful for smaller startups that do not have the proper recruiting staff or capabilities inhouse. In an effort to further penetrate these markets, Recruiter.com announced a partnership with WeWork (WE — NR) in April 2021. As part of the partnership, companies within the WeWork ecosystem have access to the Recruiter.com Flex membership, which offers curated pipelines of high-quality candidates who are an excellent fit for growth-stage startups at less than \$500 a month and no minimum commitment. A recent partnership was also announced with Deel (Private) in December 2021, allowing Deel’s clients a 5% discount for subscriptions to the company’s software.

Additional subscription-based resources provided for clients include the company’s Scouted platform, which can be accessed for \$499/month. This platform features very high-potential early and mid-career candidates and leverages the power of AI and talent experts to help hiring managers recruit top talent faster. The platform also features video interviews that serve as an ideal replacement for phone screens and first-round interviews. Software subscriptions delivered over \$465,000 in Q3 2021 and feature strong recurring revenues from contracts that are negotiated on a monthly or yearly basis. The company expects this will become one of the most significant lines of business, as it is currently one of the fastest growing and provides the highest margins.

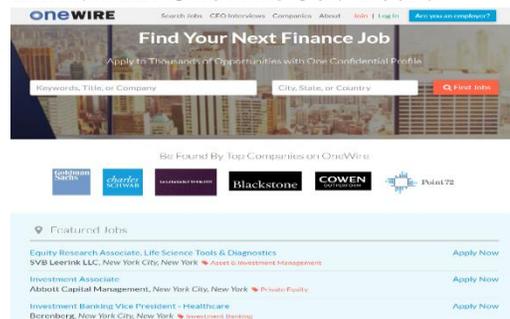
Technology

Exhibit 21: Mediabistro Job Board



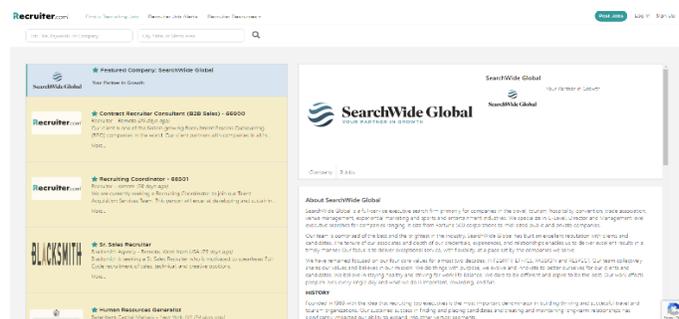
Source: www.mediabistro.com

Exhibit 22: OneWire Job Board



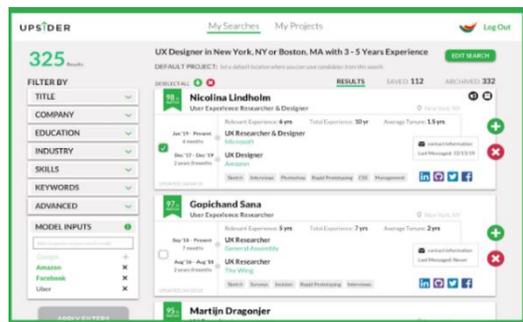
Source: www.onewire.com

Exhibit 23: Recruiter Job Board



Source: Company website

Exhibit 24: Upsider AI Sourcing Tool



Source: www.upsider.ai

Through a series of accretive acquisitions, the company now holds ownership over a collection of job boards specializing in different verticals. Most recently, the Finalist and Mediabistro job boards were acquired as part of an asset purchase agreement with Parrut in July 2021. These assets were purchased as part of the technology services division of Uncubed for a total purchase price of \$3.5M. Finalist is an exclusive job board for early career tech and data students and currently has over 700 schools represented on its platform. Mediabistro is a leading source of full-time and freelance hires for top publishers, content marketing teams, news organizations, streaming services, and more. The platform is focused on candidates within the media, content, and creative industries and currently has a talent pool of over one million candidates in its database. The earliest job board acquisition occurred in December 2020, when the company acquired the recruiting company OneWire LLC for \$1.2M. OneWire hosts a job board under the same name that is focused on the financial services industry with over 700,000 candidates in its database. The company also created its own job board, Jobs.Recruiter.com, which fosters a talent community specifically centered around recruiters. According to internal data provided by the company in conjunction with Revelio Labs, Staffing and Recruiting professionals were the third most in-demand professionals in November 2021, with over 2M job postings out of 19.4M total. In addition, recruiters also had one of the lowest turnover rates of any profession, making this database a valuable asset within the sector. The range of these job boards allows the company to offer specialized candidate referrals to fit any clients' needs.

In addition to these job boards, the company also possesses a suite of AI tools that enhance candidate outreach and provide powerful indexing. In September 2021, the company launched its Amplify tool, which leverages Recruiter.com AI software to search and market to passive candidates, transforming job posting into an active talent identification and engagement process. The product can reach people who are not actively applying to jobs and can scale to millions of people, transforming a simple job post into a sophisticated recruitment marketing campaign. Amplify is currently targeted towards the media industry and was spun off from the AI software acquired from the Upsider purchase. The company's core AI Software is available for subscription to employers and can index over 150M candidate profiles.

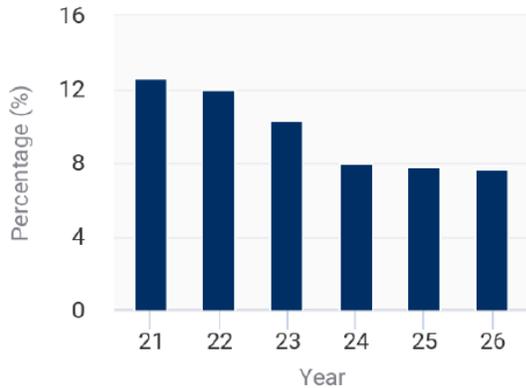
## **Sales and Marketing**

After the company's uplisting at the end of June, one of their key priorities was to increase their sales and marketing outreach. As part of this approach, they dedicated \$3.2M of the proceeds they raised to accomplishing this goal. In September 2021, the company appointed Angela Copeland as VP of Marketing and began to further expand their sales teams with a focus on enterprise sales. Enterprise customers range today from venture start-ups to major corporations. The expanded sales team is expected to go live in early January 2022 and concentrate primarily on Fortune 500 companies and large enterprises. With the unique offering the company has in Recruiters on Demand and its ability to quickly scale and fill large quantities of roles through its network of over 30,000 recruiters, this target market stands to gain numerous benefits from using the company's services. As the service has scaled and gained more traction, word of mouth amongst these large enterprises has increased, leading to 99% organic growth and high levels of inbound sales. While the recruiters on demand offering becomes more validated in the market, the company has begun seeing requests to fill up to 700–1,000 open roles as increasingly common. With an increased sales force and an experienced talent delivery team that is tasked with sourcing the recruiters for these projects, the company should be qualified to complete higher quantities of projects and more complex requests as time develops. As part of the sales process, the company also typically packages in their software offerings to these clients to increase efficiency and realize cross selling opportunities. The delivery of curated pipelines of talent helps to expedite the overall process. For clients not within the tier of enterprise, the company also has numerous business development representatives that can help fulfill requests and target markets such as startups and SMBs. Aside from its direct sales force, the company is also focusing on increasing marketing and content towards corporations, in contrast to what has been their traditional focus with content primarily directed towards recruiters. The company plans on releasing more content that is specifically relevant towards companies with articles such as "9 Ways to Leverage Data to Make Better Recruiting and Hiring Decisions" and "5 Crucial Considerations To Hire a Recruiter for Your Startup", in addition to other industry relevant material. With the added benefits of the company's Recruiter Index, they have gained additional exposure from regular monthly appearances by CEO Evan Sohn on CNBC to discuss the results of the publication. This approach should create higher brand recognition within the industry.

**Large Addressable Market**

**Exhibit 25: Online Recruitment Sites Revenue Growth Y/Y**

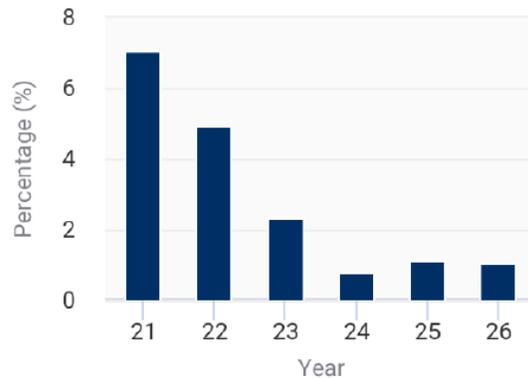
Industry Outlook  
2021–2026



Source: IBISWorld Online Recruitment Sites Report

**Exhibit 26: Employment & Recruiting Agencies Revenue Growth Y/Y**

Industry Outlook  
2021–2026



Source: IBISWorld Employment & Recruiting Agencies Report

According to the U.S. Staffing Industry Forecast published in July 2020 by Staffing Industry Analysts (“SIA”), the total recruiting and staffing revenue for 2020 was projected to be \$126.1 billion. In turn, a June 2020 report from CEO Today projected revenue at \$119 billion, which represents a 21% decrease, from its 2019 levels of \$152 billion, due to COVID-19. This revenue estimate represents the lowest level the industry has seen since 2013, however, with the vaccine administered and the economy recovering, these numbers are expected to normalize again in the near term. While the U.S. staffing industry encompasses each vertical that Recruiter.com may operate in, it does not paint the most accurate picture overall as it includes traditional recruiting firms and regional and territorial based firms that do not have an online presence in its estimates. That being said, it still gives an accurate view of the demand for recruiting in the country. IBISWorld estimated that employment and recruiting agencies generated \$22.1B in revenue in 2021. This represents a CAGR of 1.6% over the past 5 years and with a projected CAGR of 2.1% over the next 5 years, this would result in revenue of \$24.5bn in 2026. Of this \$22.1bn, LinkedIn, a major competitor of the firm, was only able to capture 5.5% of the market share. The industry is very competitive with 86% of the market being owned by companies outside of those considered to be major players. Therefore, if we were to project Recruiter.com as being able to capture about 1% of this market, it would represent ~\$250M overall. This revenue is reflective of the company’s legacy businesses in permanent placement and consulting and staffing.

Focusing more on software delivery components of the industry, the “Recruitment Software Market Forecast and Analysis 2020–2024” published by Technavio estimated that the global recruitment software market will expand by \$683.8 million during 2020–2024. The same report details that even amid the COVID-19 pandemic, the global recruitment software market registered a y/y growth of 4.74% in 2020, with the market estimated to expand at a CAGR of over 5% during the forecast period of 2020–2024. Using these figures brings us to a current market of ~\$3B. The company introduced its software subscription offerings in Q2 2021 but given its high margins and the fact that it is one of management’s key focuses moving forward, we expect this segment to contribute substantial revenues for the company LT. If the company were able to capture 5% of this market, it could add ~\$150M to annual revenue. The size of recruitment sites in the U.S. were estimated at \$13.1B in revenue in 2021 by IBISWorld and represented a CAGR of 17.9%, from 2016 to 2021. The CAGR for the five years to 2026 is projected at 9.1%, which would lead to total revenues of \$20.3B. According to a study

developed by the McKinsey Global Institute in June 2015, online talent platforms are the future of hiring and could add \$2.7T, or 2.0%, to global GDP by 2025. The firm projected that 10% of the worldwide labor force, or 540 million people, could benefit in various ways from online talent platforms by 2025.

When evaluating the “Recruiters on Demand” segment, it is reported that the use of recruitment process outsourcing (RPO) is accelerating. According to its December 29, 2020, report, “Global Recruitment Process Outsourcing Industry,” Reportlinker projects that the RPO industry will reach a revised size of \$14.4B by 2027, growing at a CAGR of 13.8%, with the current U.S. market estimated at \$1.7B. This could represent an additional ~\$100M annually if the Recruiters on Demand segment could capture 5% of the market.

There is growing demand for both remote workers and outside consultants. Overall, in 2020, IBISWorld estimated that the number of temporary employees will increase by 1.8%. Online talent marketplaces, such as Recruiter.com, may benefit as a result. Given the multiple verticals that the company operates in and the accelerating growth of the industry’s online segments, the company’s offerings present an opportunity that could be worth billions within the market. We project that the total addressable market for Recruiter.com is worth at least \$25B given the current size of recruiter sites in the U.S. in addition to mixed markets from the other services the company provides. Were the company to penetrate these respective markets successfully, we project a potential opportunity of up to \$500M in annual revenues.

## **Industry Fundamentals**

With employers struggling to find relevant candidates and more than 11 million open jobs in the U.S. as of July 2021, according to the Job Opening and Labor Turnover report by the Bureau of Labor Statistics, recruiting represents an enormous market opportunity. According to the leading human resource association, the Society for Human Resource Management, external sources — whether online job boards, recruiting agencies, campus events, job fairs, or walk-ins — produce approximately 62% of interviews compared to internal sources such as career sites, in-house recruiters, and employee referrals (38%). The 62% of role interviews generated by external sources provide a significant market opportunity for innovative recruiting technology companies to capture. According to a 2017 survey conducted by CareerBuilder LLC and Harris Poll, 57% of employers stated that they were less likely to interview a candidate if they did not have an online presence. Furthermore, 70% of surveyed employers admitted to using social networking sites, such as LinkedIn Corp., Facebook Inc. (FB — NR), and Twitter Inc. (TWTR — NR), to research candidates prior to making a hiring decision. These trends have encouraged both job candidates and employers to boost their presence online, in turn driving demand for industry services.

According to IBISWorld’s report on Online Recruitment Sites, one of the key factors to the industry’s success depends on changes to the national unemployment rate. Although an increase in unemployment leads more consumers to search online for job openings, businesses are less likely to demand labors due to current beliefs and future expectations regarding the economy, and, as a result, post fewer advertisements. The coronavirus pandemic caused the national unemployment rate to increase 120.7% in 2020. However, unemployment is expected to decline 31.6% in 2021, driving industry growth and a partial recovery from 2020. As a result, industry revenue has increased at an annualized rate of 1.6% to \$22.1 billion over the five years to 2021, including an increase of 7.1% in 2021 alone. The unemployment rate is expected to decline an annualized 1.8% over the next five years. While there may be an exorbitant amount of labor supply during an economic downturn, businesses may be uninterested in hiring due to current beliefs and future expectations regarding the economy. Accordingly, the level of corporate profit serves as a proxy for demand levels that online recruitment sites experience. When corporate profit is strong, companies often increase recruiting in line with expansion activities. An increase in corporate profit causes more businesses to hire staff and spend on industry advertising services, thereby boosting total industry revenue. Corporate profit is expected to grow an annualized 7.9% over the five years to 2026. High employee turnover levels and the growing talent gap will continue to encourage employers to compete for the most highly skilled and talented candidates, driving demand for higher-margin industry services such as candidate tracking and talent strategy development. While CEO turnover declined in 2020 due to the economic recession, it has increased in 2021.

The industry operates in an environment that has low barriers to entry and strength in demand for professional and technical recruiting, which has enabled some niche job boards to succeed within their respective markets. The rapid influx of users to online job boards during the period has created a massive database of generalized resumes and candidate profiles, which has subsequently made it difficult for employers to effectively search for

the appropriate candidate. In response, employers and highly skilled candidates have increasingly moved from generalized job boards to niche job boards, which typically focus on one vertical (e.g., finance or information technology) or line of work. Accordingly, general job boards such as Monster.com (RAND — NR) have consistently underperformed compared with the industry during the period, while more-specialized platforms such as Dice.com (DHX — NR) have experienced stronger performance. The strongest growth during the five-year period from 2016 to 2021 occurred for the most technologically advanced operators. The adoption of AI techniques has improved the efficiency of matching candidates with job listings. Increasing adoption of artificial intelligence (AI) technologies by industry operators to streamline the recruitment and screening processes and reduce the need for human labor has heightened their competitive advantage. To remain competitive, employment agencies must develop and maintain a large, up-to-date database of potential employees and contacts in key client industries. A company that has access to a well-organized database, in addition to the latest search technologies, can readily identify potential headhunting opportunities for clients. Operators increasingly leverage machine learning technologies to improve efficiency and fit when selecting candidates for recruitment.

The ability to offer internet-based advertising of jobs and online applications is now essential; operators that do not invest in such capabilities will suffer if available jobs are not brought immediately to the attention of potential candidates. Technical capacities that are now essential for successful industry operators include mobile accessibility and automated solutions. Moreover, operators must always be on top of the latest advertising trends to be maximally effective in attracting candidates. In recent years, operators have increasingly advertised their services on social media sites to achieve this goal. Technology companies increased hiring in 2020 at a rapid rate due to the sudden increase in demand for their businesses. The percentage of services conducted online has increased from 21.4% in 2016 to 29.1% in 2021 as per IBISWorld’s report on employment & recruiting agencies in the U.S.

IBISWorld’s report on Online Recruitment Sites states that within the online recruitment site industry, 6.6% of revenue comes from the IT segment, 7% from the finance industry, 30% from manufacturing and retail, 40.1% from healthcare, 11.5% from other professional services, and 4.8% is labeled as other. In IBISWorld’s report on employment & recruiting agencies, 45.1% of revenue for the industry came from permanent placement services, 29.7% from executive search, 18.3% from temporary staffing, 4.7% from independent contractor placement, and 2.2% from other services. While market share for online recruitment sites is fairly concentrated with the four largest operators accounting for 68.4% of industry revenue in 2021, the employment and recruiting agency industry’s top-three largest operators generated only 16.1% of industry revenue in 2021, due to the immense size and regionality of the industry. One thing both industries have in common is a trend toward consolidation as large, traditional recruiting companies continue to acquire smaller competitors, while internet-based recruiters continue to outperform the industry through product development and aggressive marketing.

## Competitive Environment and Competitive Advantages

### Exhibit 27: Industry Landscape

NAME	WHAT THEY DO	DIFFERENTIATOR
 Korn Ferry	Traditional staffing and recruiting firm	Clients pay for services as an extension of their in-house teams and are not hit with 15%-25% of the salary fees.
 Hudson RPO	Recruitment Process Outsourcing	Clients choose from a network of over 30k experienced recruiters and can scale up or down with no long term contracts. All on demand recruiters are 1099 (like Uber)
 LinkedIn	Do it yourself platform	Recruiter.com’s AI Sourcing and Engagement includes all of LinkedIn plus 1B more contacts with diversity filtering.
 ZipRecruiter	Do it yourself platform that runs digital advertising to drive candidates (NYSE:ZIP)	Recruiter.com’s network finds both active candidates looking for work <i>and</i> passive candidates not found on job boards.
 eightfold.ai	Private VC backed unicorn (recently raised \$125M) providing AI search and matching platform	Recruiter.com has fully integrated AI search and matching plus video screening and on-demand recruiters to assist in recruiting talent faster.

Source: Company investor presentation

The recruiting and staffing industry is wide-ranging and spans across many different segments. As such, Recruiter.com faces competition across various industry verticals. This includes traditional talent acquisition and staffing service providers and other outsourcing providers such as the Adecco Group (ADEN — NR), Korn Ferry (KFY — NR), Randstad Holding (RAND — NR), Russell Reynolds Associates, Inc. (Private), and Robert Half International, Inc (RHI — NR). Other e-staffing and recruitment marketplace providers are Hired.com (Private), DHI Group (DHX — NR), Scout Exchange (Private), and Reflik Professional (Private). Personal social media platforms include LinkedIn and Facebook. Recruiter.com also competes with software and business services companies focused on video hiring talent acquisition, management, invoicing, or staffing management products and services. Other areas of competition include online and offline job boards, classified ads, and other traditional means of finding work and service providers, such as Craigslist (Private), CareerBuilder (Private), Recruit Holdings (RCRRF — NR), Monster, and ZipRecruiter (ZIP — NR).

Within this segment, incumbent industry operators hold a significant advantage over new entrants due to their brand recognition and existing user base. One of the industry's most recognizable names, Indeed.com (RCRRF — NR) currently generates more than 250 million monthly unique visitors, which illustrates some of this favorability for reputable brands and ease of scale as these larger companies continue to grow. Additionally, well-established internet companies, such as Google (GOOGL — NR) and Amazon (AMZN — NR), have entered or may decide to join the market and compete with Recruiter.com's platform. Operators in the industry also compete with companies that post their own job listings online. When the number of online job listings by corporations rises, revenue for online employment agencies may decline. However, many companies use online recruitment sites to complement their own postings.

Despite the stiff competition in the industry, Recruiter.com still holds distinctive advantages that make it an attractive name within the industry. For starters, the name Recruiter.com itself is highly recognizable and has led to multiple benefits such as a 99% organic growth rate and high returns from SEO optimization. SpyFu.com, a traffic analysis website, estimated that, as of January 2021, Recruiter.com had obtained over 4,952 search terms on the first page of Google.com, resulting in an estimated click value of \$4.14 million per month, which is estimated by calculating the price of the company's organic traffic, were it to buy that traffic from paid search engine listings, such as on Google.com. Recruiter.com is a popular destination for the recruiting and talent acquisition profession, with millions of pages of indexed content on career and recruitment issues and trends, email newsletters, and digital publications issued every quarter. The company also hosts its own job board specifically catered towards recruiters, making it a hub for industry professionals.

From a business standpoint, the company has also developed its Recruiters on Demand service which is a unique differentiator within the industry. The ability to provide recruiters to fit every client's needs on an on-demand basis with a time-based rate is something that many of its major competitors do not provide. The ability for these teams to be scaled at any time and the company's data base of over 150 million candidate profiles that are indexed by machine language and artificial intelligence tools gives them a clear advantage within the industry and makes them an optimal solution for a company's hiring needs. Competitors such as Indeed.com and LinkedIn do not possess any similar offerings and act more as a tool that external parties can use to enhance their recruiting processes. Recruiter.com on the other hand, with their Recruiters on Demand platform, can act as an end-to-end solution in a company's hiring needs. No further work is required other than the company determining it is needs for the project. This also allows their customers to potentially achieve additional cost savings by reducing headcount in their internal HR departments devoted to recruiting. Furthermore, following the acquisitions of the job boards of OneWire, Finalist, and Mediabistro, the company has increased its ability to specialize within certain industry verticals. Whereas some of the companies mentioned above act as broad-ranging platforms that compile candidates from every direction, these job boards are concentrated to focus on specific industries including financial services, early career software and data professionals, and media candidates, respectively. Having these job boards under Recruiter.com's umbrella allows synergies across its platforms that enable companies to hire the right candidates given their requirements.

Through enhancements in AI & ML, and further acquisitions and product developments, the company seeks to provide the most optimized and simplified way for companies to hire new employees. The company's subscription offerings allows clients to easily source viable candidates and fill their open roles cheaper and faster. This can save clients countless hours compared to searching in house and lots of fees compared to

traditional staffing and recruiting agencies. Normal staffing agencies take a large fee based on a percentage of a candidate's first-year salary. This can range anywhere from \$25,000–\$35,000 compared to a monthly subscription of \$5,000–\$10,000, that has the potential to fill multiple roles. In addition, the company also has automated tools and email campaigns that allow customers to expand their outreach tremendously. Companies like LinkedIn require recruiters to spend up to 80% of their time searching for viable candidates and then manually messaging them through inMail. With Recruiter.com, both processes can be automated in a matter of minutes, saving countless time, and providing immense value. While job board sites like Indeed.com are useful for reaching a lot of candidates through a job posting, most of these candidates end up being poor matches or unqualified for the role. Furthermore, the company still must take the time to interview and screen each of these candidates until they find the right fit. Recruiter.com has matching technology and can fulfill much of the screening process inhouse so the client saves time and can review a much smaller sample size of candidates that are more likely to fit their needs.

## Balance Sheet and Cash Flow

RCRT ended September 2021 with \$5.3M in cash and \$4.9M in debt. The debt includes \$4.8M in promissory notes that were issued in conjunction with the acquisition agreements with Parrut and the Novo Group. These loans bear interest at 6%. RCRT began trading on the Nasdaq on June 30, 2021, raising \$13.8M in gross proceeds. The company does not have capex currently as most of their spending is on G&A. RCRT is not yet generating positive cash flow, however CEO Evan Sohn projects the company will be able to reach cash flow breakeven at \$3M in monthly revenue, or \$9M quarterly (revenue was \$6.3M in 3Q21). As of December 31, 2020, the company had net operating loss carryforwards of ~\$18.9 million. The company plans to use current cash balances and proceeds from its recent uplisting for working capital, sales & marketing, research & development, potential future acquisitions, and to further generate organic growth. The company had a \$3.8M cash outflow for working capital in Q3 2021, which we view as due to historical balances in accounts payable and accrued expenses that needed to be serviced following their uplisting. Such issues are not expected to persist in the future now that the company maintains adequate cash balances. We project a free cash outflow of (\$5.0M) in 2021 and (\$2.7M) in 2022 before turning positive with free cash flow of \$3.7M in 2023 and \$14.6M in 2024. We believe the company has sufficient cash to extend its operations through the next fiscal year without the need for additional debt or equity raises.

## Historical Financials

Recruiter.com merged with Truli Technologies and began trading under the ticker RCRT in May 2019. Revenue has increased from \$6.0M in 2019 to \$8.5M in 2020 and \$13.8M for the first nine months of 2021. As the company has introduced new product lines in software subscriptions and Recruiters on Demand, gross margins have improved from 26% in 2019 to 28% in 2020, and to 34% for the first nine months of 2021. Adjusted EBITDA losses for F2019 and F2020 were (\$2.4M) and (\$2.8M), respectively, compared to (\$3.1M) for the first nine months of 2021. Prior to its acquisition, revenue generated by Genesys Talent was reported at \$7.6M in 2018 and \$1.4M for the first quarter of 2019. Proforma revenue from the acquisitions of Upsider and Scouted was listed at \$3.3M for the first quarter of 2021 compared to \$2.6M in Q1 2020. After the acquisition of OneWire, proforma revenue in addition to Scouted and Upsider was listed at \$7.8M for the first six months of 2021 and \$4.9M over the same period in 2020. Pro forma results from Parrut, which was the parent company of Uncubed, list revenue at \$8.1M for the first six months of 2021 and \$4.7M over the same period in 2020. Yearly run rates are estimated at \$1.2M for Scouted, \$3.5M for Upsider, and \$2M for Uncubed.

For 3Q21, revenue was \$6.3M, up 214% y/y and 43%, sequentially. RCRT posted an adjusted EBITDA loss of (\$1.3M). Recruiter.com has signed up over 30,000 recruiters and have over 150M candidates in their database. Gross margin was reported at 36.8%, an improvement over 30.9% in the prior year quarter and 32.8% in 2Q21. Operating expenses for the quarter were \$8.9M, however this included certain non-cash expenses of stock-based compensation at \$1.9M and a 1x impairment expense of \$2.5M.

## Earnings Outlook

## Exhibit 28: Percent of Revenues by Segments

Segments:	2020 A	2021 E	2022 E	2023 E	2024 E
Recruiters on Demand	11%	50%	70%	75%	77%
Consulting and staffing services	79%	36%	13%	7%	4%
Permanent placement fees	6%	4%	3%	2%	1%
Software Subscriptions	0%	6%	9%	10%	11%
Marketplace Solutions	2%	4%	5%	6%	6%

Source: Historical financials and Maxim Group LLC estimates

## Exhibit 29: Y/Y Growth Rates by Segments

Segments:	2020 A	2021 E	2022 E	2023 E	2024 E
Recruiters on Demand	99%	968%	154%	80%	63%
Consulting and staffing services	39%	9%	-34%	-9%	-3%
Permanent placement fees	89%	70%	13%	13%	19%
Software Subscriptions	N/A	N/A	196%	80%	75%
Marketplace Solutions	-53%	407%	180%	68%	75%

Source: Historical financials and Maxim Group LLC estimates

Three key factors in our earnings outlook are the company's focus towards expanding high margin segments, cost synergies from acquisitions, and a shift to cashflow profitability in 2023. The company is starting out with a business that recently generated roughly \$6.3M of quarterly revenue. We believe with the additional capital raised, management is likely to increase sales and marketing spending to spur faster growth LT. We project that as the company continues to increase its revenues, adjusted EBITDA will increase over time, turning positive in Q1 2023. We expect fast growth in the company's highest-margin segments of Recruiters on Demand, Software Subscriptions, and Marketplace Solutions. We expect Consulting and Staffing services to slowly decrease overtime, and for Permanent Placement fees to stay relatively flat with moderate growth LT. As a result, we project revenue to grow from \$8.5M in 2020 to increase y/y 141% in 2021, 84% in 2022, and 66% in 2023. We model adjusted EBITDA to dip from (\$2.8M) in 2020 to (\$4.4M) in 2021, before increasing to (\$2.6M) in 2022, \$4.3M in 2023, and \$17.7M in 2024. We believe the revenue growth outlook is well-supported when compared to other recruiting companies. We believe EBITDA margin expansion is reasonable given RCRT has the potential for operating leverage to improve results over time as the company scales.

## Risks

- History of net losses.
- Reported material weaknesses in both the design and effectiveness of the company's internal control over financial reporting for the year ended December 31, 2020. Specifically, Recruiter.com lacks a sufficient number of employees to properly segregate duties and provide adequate monitoring during the process leading to and including the preparation of the consolidated financial statements. The company anticipates that, prior to December 31, 2021, it will be able to hire a sufficient number of employees to remediate the material weakness identified.
- Impact of changes in government regulations.
- Ability to obtain funding.
- Ability to attract collaborators and strategic partnerships.
- Ability to meet financial obligations.
- Ability to secure intellectual property rights over proprietary products or enter into license agreements to secure the legal use of certain patents and intellectual property.
- Limited operating history.
- Integration of acquisitions.
- Refunds distributed for candidates that do not last 90 days.
- Customer concentration. For the nine months ended September 30, 2021 one customer accounted for 10% or more of total revenue, at 14%.
- If recruiters are classified as employees instead of contractors, it could lead to increased costs and regulation.
- Damage to reputation.
- Inability to find sufficient candidates for staffing business.
- Ability to maintain a large community of recruiters.
- Technological advancement.
- Errors, defects, and disruptions to the platform.
- Reliability of internet, mobile, and other infrastructures.
- Reliance on third parties to host platform.
- Impact of COVID-19.
- Changes to search engine results.
- Security/data breaches.
- Complying with licenses for open-source software components.
- Use of licensed software.
- IP infringement claims.
- Compliance with anti-discrimination laws from predictive technology and external independent recruiters.
- Ability to manage growth effectively.
- As of December 31, 2021, approximately 52% of the recruiters on their platform were located in jurisdictions outside the United States whereas only 12% of clients were international.
- Operates in an intensively competitive industry, where many of its current and potential competitors enjoy substantial competitive advantages. These companies may use these advantages to offer similar products and services at a lower price and could also develop different products and services to compete with Recruiter.com's platform.
- Emerging growth company disclosure distinctions.
- Privacy and data protection regulations.
- Unanticipated costs, liabilities, charges, or expenses resulting from violations of covenants under existing or future financing agreements.
- The company reported substantial doubt regarding ability to continue as a going concern absent obtaining adequate new debt or equity financing and achieving sufficient sales levels in its 2020 10-K.

## Compelling Valuation

RCRT trades at an EV/EBITDA multiple of 12.5x based on our 2023E adjusted EBITDA vs. a peer group at 49.7x. Our \$9 PT is based on applying a 30x multiple to our 2023E adjusted EBITDA. This equates to a 2x multiple on our 2023E revenue. Our 30x target multiple is a discount to the peer group average 49.7x which we view as warranted given RCRT's smaller size and integration risk. As the company executes on various growth initiatives and potential acquisitions, we believe its stock could get re-rated at a higher multiple. While traditional staffing and recruiting companies have traded at modest multiples, the market assigns relatively high multiples to SaaS and marketplace companies. These higher-valued segments now account for around two-thirds of RCRT's stock and are expected to grow to an even greater percent of the total revenue, a factor we believe the market has not yet recognized. We also believe that the stock is relatively undiscovered, as we are the only analyst covering the stock and institutional investment is relatively low. Our positive view is also supported by the large TAM and management's executions in transitioning RCRT to attractive high-growth end markets.

## Exhibit 30: RCRT Comparative Valuation All Comps

Company	Ticker	Rating	Price	M'Cap	EV/EBITDA			EV/Sales		
			12/8/2021	(\$M)	2021E	2022E	2023E	2021E	2022E	2023E
UPWORK	UPWK.O	NR	37.91	4,861	N/A	240.5x	118.5x	449.6x	9.5x	1.5x
INSPERITY	NSP	NR	115.54	4,448	N/A	15.7x	14.1x	1.0x	0.9x	0.8x
TRINET GROUP	TNET.K	NR	98.10	6,461	13.4x	12.3x	12.7x	5.9x	5.5x	5.3x
CERIDIAN HCM HOLDING	CDAY.K	NR	108.57	16,430	108.1x	107.5x	87.3x	20.4x	16.9x	14.4x
PAYCOM SOFTWARE	PAYC.K	NR	435.74	26,156	2173.7x	62.8x	49.9x	567.6x	25.1x	20.3x
WORKDAY	WDAY.O	NR	282.30	70,575	59.3x	48.4x	45.9x	15.9x	13.5x	11.3x
HUDSON GLOBAL	HSO.N	NR	28.16	76	4.2x	8.4x	6.9x	1.1x	0.3x	0.3x
BG STAFFING	BGSF.K	NR	14.48	151	10.2x	9.7x	8.3x	0.7x	0.6x	0.6x
HEIDRICK & STRUGGLES	HSIL.O	NR	43.99	859	42.8x	3.8x	4.1x	11.2x	0.5x	0.5x
KFORCE	KFRC.O	NR	74.73	1,601	18.5x	12.8x	12.1x	1.1x	1.0x	1.0x
KELLY SERVICES	KELYA.O	NR	17.34	625	49.1x	6.0x	4.7x	12.8x	0.1x	0.1x
KORN FERRY	KFY	NR	75.98	4,141	8.3x	8.4x	7.8x	1.6x	1.5x	1.5x
MANPOWERGROUP	MAN	NR	94.75	5,139	6.8x	5.7x	5.0x	0.2x	0.2x	0.2x
ADECCO GROUP	ADEN.S	NR	49.68	8,259	7.1x	6.2x	5.5x	0.4x	0.3x	0.3x
ZIPRECRUITER	ZIP	NR	27.82	3,249	78.7x	37.3x	22.5x	4.6x	3.9x	3.3x
RECRUIT HOLDINGS	RCRRF.PK	NR	64.09	104,727	27.1x	25.1x	21.3x	4.3x	4.0x	3.7x
DOMO	DOMO.O	NR	52.53	1,689	N/A	N/A	381.0x	6.7x	5.6x	4.7x
ZUORA	ZUO	NR	20.20	2,517	435.1x	121.7x	117.4x	6.8x	5.9x	5.1x
GLOBALDATA	DATA.L	NR	17.94	2,123	25.9x	22.6x	20.1x	8.5x	8.0x	7.5x
<b>Median</b>				<b>4,141</b>	<b>26.5x</b>	<b>14.3x</b>	<b>14.1x</b>	<b>5.9x</b>	<b>3.9x</b>	<b>1.5x</b>
<b>Average</b>				<b>13,899</b>	<b>191.8x</b>	<b>41.9x</b>	<b>49.7x</b>	<b>59.0x</b>	<b>5.4x</b>	<b>4.3x</b>
<b>RECRUITER.COM</b>	<b>RCRT.O</b>	<b>Buy</b>	<b>3.76</b>	<b>54</b>	<b>NM</b>	<b>NM</b>	<b>12.5x</b>	<b>2.6x</b>	<b>1.4x</b>	<b>0.9x</b>

Source: Consensus estimates and Maxim Group LLC estimates for RCRT.

**Exhibit 31: RCRT Comparative Valuation HR and HCM (Human Capital Management) Platforms**

Company	Ticker	Rating	Price	M'Cap	EV/EBITDA			EV/Sales		
			12/8/2021	(\$M)	2021E	2022E	2023E	2021E	2022E	2023E
UPWORK	UPWK.O	NR	37.91	4,861	N/A	240.5x	118.5x	449.6x	9.5x	1.5x
INSPERITY	NSP	NR	115.54	4,448	N/A	15.7x	14.1x	1.0x	0.9x	0.8x
TRINET GROUP	TNET.K	NR	98.10	6,461	13.4x	12.3x	12.7x	5.9x	5.5x	5.3x
CERIDIAN HCM HOLDING	CDAY.K	NR	108.57	16,430	108.1x	107.5x	87.3x	20.4x	16.9x	14.4x
PAYCOM SOFTWARE	PAYC.K	NR	435.74	26,156	2173.7x	62.8x	49.9x	567.6x	25.1x	20.3x
<b>Median</b>				<b>6,461</b>	<b>108.1x</b>	<b>62.8x</b>	<b>49.9x</b>	<b>20.4x</b>	<b>9.5x</b>	<b>5.3x</b>
<b>Average</b>				<b>11,671</b>	<b>765.1x</b>	<b>87.7x</b>	<b>56.5x</b>	<b>208.9x</b>	<b>11.6x</b>	<b>8.5x</b>
<b>RECRUITER.COM</b>	<b>RCRT.O</b>	<b>Buy</b>	<b>3.76</b>	<b>54</b>	<b>NM</b>	<b>NM</b>	<b>12.5x</b>	<b>2.6x</b>	<b>1.4x</b>	<b>0.9x</b>

Source: Consensus estimates and Maxim Group LLC estimates for RCRT.

**Exhibit 32: RCRT Comparative Valuation HR and Recruiting Service Solutions**

Company	Ticker	Rating	Price	M'Cap	EV/EBITDA			EV/Sales		
			12/8/2021	(\$M)	2021E	2022E	2023E	2021E	2022E	2023E
HUDSON GLOBAL	HSO.N.O	NR	28.16	76	4.2x	8.4x	6.9x	1.1x	0.3x	0.3x
BG STAFFING	BGSF.K	NR	14.48	151	10.2x	9.7x	8.3x	0.7x	0.6x	0.6x
HEIDRICK & STRUGGLES	HSII.O	NR	43.99	859	42.8x	3.8x	4.1x	11.2x	0.5x	0.5x
KFORCE	KFRC.O	NR	74.73	1,601	18.5x	12.8x	12.1x	1.1x	1.0x	1.0x
KELLY SERVICES	KELYA.O	NR	17.34	625	49.1x	6.0x	4.7x	12.8x	0.1x	0.1x
KORN FERRY	KFY	NR	75.98	4,141	8.3x	8.4x	7.8x	1.6x	1.5x	1.5x
MANPOWERGROUP	MAN	NR	94.75	5,139	6.8x	5.7x	5.0x	0.2x	0.2x	0.2x
ADECCO GROUP	ADEN.S	NR	49.68	8,259	7.1x	6.2x	5.4x	0.4x	0.3x	0.3x
ZIPRECRUITER	ZIP	NR	27.82	3,249	78.7x	37.3x	25.8x	4.6x	3.9x	3.4x
RECRUIT HOLDINGS	RCRRF.PK	NR	64.09	104,727	27.1x	25.1x	21.6x	4.3x	4.0x	3.7x
<b>Median</b>				<b>2,425</b>	<b>14.4x</b>	<b>8.4x</b>	<b>7.3x</b>	<b>1.4x</b>	<b>0.6x</b>	<b>0.6x</b>
<b>Average</b>				<b>12,883</b>	<b>25.3x</b>	<b>12.3x</b>	<b>10.2x</b>	<b>3.8x</b>	<b>1.3x</b>	<b>1.2x</b>
<b>RECRUITER.COM</b>	<b>RCRT.O</b>	<b>Buy</b>	<b>3.76</b>	<b>54</b>	<b>NM</b>	<b>NM</b>	<b>12.5x</b>	<b>2.6x</b>	<b>1.4x</b>	<b>0.9x</b>

Source: Consensus estimates and Maxim Group LLC estimates for RCRT.

**Exhibit 33: RCRT Comparative Valuation Marketplace Platforms, Consolidated Industry Platforms, & Business Management Software**

Company	Ticker	Rating	Price	M'Cap	EV/EBITDA			EV/Sales		
			12/8/2021	(\$M)	2021E	2022E	2023E	2021E	2022E	2023E
DOMO	DOMO.O	NR	52.53	1,689	N/A	N/A	381.0x	6.7x	5.6x	4.7x
ZUORA	ZUO	NR	20.20	2,517	435.1x	121.7x	117.4x	6.8x	5.9x	5.1x
GLOBALDATA	DATA.L	NR	17.94	2,123	25.9x	22.6x	20.1x	8.5x	8.0x	7.5x
<b>Median</b>				<b>2,123</b>	<b>230.5x</b>	<b>72.2x</b>	<b>117.4x</b>	<b>6.8x</b>	<b>5.9x</b>	<b>5.1x</b>
<b>Average</b>				<b>2,110</b>	<b>230.5x</b>	<b>72.2x</b>	<b>172.8x</b>	<b>7.3x</b>	<b>6.5x</b>	<b>5.7x</b>
<b>RECRUITER.COM</b>	<b>RCRT.O</b>	<b>Buy</b>	<b>3.76</b>	<b>54</b>	<b>NM</b>	<b>NM</b>	<b>12.5x</b>	<b>2.6x</b>	<b>1.4x</b>	<b>0.9x</b>

Source: Thomson Reuters consensus estimates and Maxim Group LLC estimates for RCRT.

Table 1. Recruiter.com Group, Inc. Income Statement  
(\$ in 000s, except per share data)

	2018	2018	2018	2018	2018	2019	2019	2019	2019	2019	2020	2020	2020	2020	2020	2021	2021	2021	2021	2021	2022	2022	2022	2022	2022	2023	2023	2023	2023	2023	2024	2024
	Mar A	Jun A	Sep A	Dec A	Mar A	Jun A	Sep A	Dec A	Mar A	Jun A	Sep A	Dec A	Mar E	Jun E	Sep E	Dec E	Mar E	Jun E	Sep E	Dec E	Mar E	Jun E	Sep E	Dec E	Mar E	Jun E	Sep E	Dec E	Mar E	Jun E	Sep E	Dec E
Total Revenue	-	163.3	1,972.5	1,945.7	1,916.5	5,998.0	2,313.1	1,853.4	1,992.2	2,344.2	8,502.9	3,164.5	4,380.9	6,257.9	6,693.0	20,496.3	7,557.0	8,699.9	10,074.1	11,318.8	37,649.7	12,794.0	14,493.3	16,450.0	18,696.4	62,433.7	20,880.2	23,338.4	26,106.0	29,215.0	99,539.5	
% Change YoY	N/A	N/A	N/A	N/A	N/A	N/A	1316.47%	-6.04%	2.38%	22.32%	41.8%	36.81%	136.37%	214.12%	185.51%	141.1%	138.80%	98.59%	60.98%	69.11%	83.7%	69.30%	66.59%	63.29%	65.18%	65.8%	63.20%	61.03%	58.70%	56.26%	59.4%	
% Change Sequentially	N/A	N/A	1107.9%	-1.4%	-1.5%	20.7%	-19.9%	7.5%	17.7%	35.0%	38.4%	42.8%	7.0%	12.9%	15.1%	15.8%	12.4%	13.0%	13.3%	13.5%	13.7%	13.0%	13.3%	13.5%	13.7%	11.7%	11.8%	11.9%	11.9%	11.9%		
Cost of revenue	-	-	1,461.9	1,491.8	1,494.5	4,448.2	1,751.2	1,418.2	1,377.5	1,591.4	6,138.4	2,254.9	2,946.1	3,953.7	4,148.4	13,303.0	4,614.6	5,264.4	6,085.9	6,824.2	22,789.1	7,678.7	8,664.6	9,801.6	11,112.0	37,256.8	12,339.5	13,715.0	15,256.2	16,982.9	58,293.7	
% Sales	N/A	0.0%	74.1%	76.7%	78.0%	74.2%	75.7%	76.5%	69.1%	67.9%	72.2%	71.3%	67.2%	63.2%	62.0%	64.9%	61.1%	60.5%	60.4%	60.3%	60.5%	60.0%	59.8%	59.6%	59.4%	59.7%	59.1%	58.8%	58.4%	58.1%	58.6%	
% Chg YoY	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3.2%	-9.8%	-12.9%	-2.7%	-5.9%	-12.1%	-8.6%	-8.7%	-10.1%	-14.3%	-10.0%	-4.4%	-2.7%	-6.7%	-1.7%	-1.2%	-1.4%	-1.4%	-1.4%	-1.5%	-1.7%	-1.9%	-2.2%	-1.9%	
Total Gross Profits	-	163.3	510.6	453.9	422.0	1,549.8	561.9	435.2	614.6	752.8	2,364.5	909.6	1,434.8	2,304.2	2,544.6	7,193.3	2,942.3	3,435.5	3,988.1	4,494.6	14,860.6	5,115.4	5,828.7	6,648.4	7,584.4	25,176.9	8,540.6	9,623.4	10,849.7	12,231.1	41,245.8	
Total Gross Margin	N/A	100.0%	25.9%	23.3%	22.0%	25.8%	24.3%	23.5%	30.9%	32.1%	27.8%	28.7%	32.8%	36.8%	38.0%	35.1%	38.9%	39.5%	39.6%	39.7%	39.5%	40.0%	40.2%	40.4%	40.6%	40.3%	40.9%	41.2%	41.6%	41.9%	41.4%	
Incremental Gross Margins	N/A	100.0%	25.9%	23.3%	22.0%	25.8%	18.5%	63.3%	346.2%	77.3%	32.5%	40.8%	39.6%	39.6%	41.2%	40.3%	46.3%	46.3%	44.1%	42.2%	44.7%	41.5%	41.3%	41.7%	41.9%	41.6%	42.4%	42.9%	43.5%	44.2%	43.3%	
<b>Operating Expenses</b>																																
Sales & marketing	679.0	-	3.0	63.4	53.2	119.6	25.2	15.1	22.4	20.2	82.9	57.5	75.0	138.4	148.1	419.1	167.2	192.5	222.9	250.4	832.9	283.0	320.6	363.9	413.6	1,381.2	461.9	516.3	577.5	646.3	2,202.1	
% Sales	N/A	0.0%	0.2%	3.3%	2.8%	2.0%	1.1%	0.8%	1.1%	0.9%	1.0%	1.8%	1.7%	2.2%	2.2%	2.0%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	
Technology & product development	452.8	-	44.9	47.7	110.7	203.4	83.1	57.4	79.7	79.4	299.5	70.7	75.0	465.1	481.3	1,092.1	512.4	551.1	594.6	631.4	2,289.5	672.5	717.2	765.6	817.9	2,973.2	865.6	916.6	971.0	1,028.8	3,782.0	
% Sales	N/A	0.0%	2.3%	2.5%	5.8%	3.4%	3.6%	3.1%	4.0%	3.4%	3.5%	2.2%	1.7%	7.4%	7.2%	5.3%	6.8%	6.3%	5.9%	5.6%	6.1%	5.3%	4.9%	4.7%	4.4%	4.8%	4.1%	3.9%	3.7%	3.5%	3.8%	
Amortization of intangibles	1,131.4	-	-	-	477.5	477.5	159.2	159.2	184.2	184.2	686.7	159.2	675.1	842.9	892.8	2,570.0	771.2	771.2	771.2	771.2	3,084.9	731.4	731.4	731.4	731.4	2,925.7	341.1	341.1	341.1	341.1	1,364.5	
% Sales	N/A	0.0%	0.0%	0.0%	24.9%	8.0%	6.9%	8.6%	9.2%	7.9%	8.1%	5.0%	15.4%	13.5%	13.3%	12.5%	10.2%	8.9%	7.7%	6.8%	8.2%	5.7%	5.0%	4.4%	3.9%	4.7%	1.6%	1.5%	1.3%	1.2%	1.4%	
Impairment expense	-	-	-	-	3,113.0	3,113.0	-	-	-	-	-	-	-	2,530.3	-	2,530.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
% Sales	N/A	0.0%	0.0%	0.0%	162.4%	51.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	40.4%	0.0%	12.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
G&A	864.1	469.7	2,653.4	2,293.5	2,723.8	8,140.4	2,148.9	1,626.4	2,223.3	2,035.1	8,033.7	2,545.9	3,062.6	4,882.8	4,995.9	15,487.2	5,157.2	5,352.1	5,563.5	5,735.3	21,808.1	5,922.2	6,118.9	6,325.4	6,541.3	24,907.8	6,732.4	6,930.5	7,136.0	7,348.4	28,147.2	
% Sales	N/A	287.6%	134.5%	117.9%	142.1%	135.7%	92.9%	87.7%	111.6%	86.8%	94.9%	80.5%	69.9%	78.0%	74.6%	75.6%	68.2%	61.5%	55.2%	50.7%	57.9%	46.3%	42.2%	38.5%	35.0%	39.9%	32.2%	29.7%	27.3%	25.2%	28.3%	
Total operating expenses	3,127.3	469.7	2,701.3	2,404.6	6,478.3	12,054.0	2,416.5	1,858.0	2,509.5	2,318.8	9,102.8	2,833.3	3,887.7	8,859.6	6,518.1	22,098.7	6,607.9	6,867.0	7,152.2	7,388.4	28,015.5	7,609.2	7,888.1	8,186.4	8,504.3	32,188.0	8,401.1	8,704.5	9,025.6	9,364.6	35,495.8	
% Sales	N/A	287.6%	137.0%	123.6%	338.0%	201.0%	104.5%	100.2%	126.0%	98.9%	107.1%	89.5%	88.7%	141.6%	97.4%	107.8%	87.4%	78.9%	71.0%	65.3%	74.4%	59.5%	54.4%	49.8%	45.5%	51.6%	40.2%	37.3%	34.6%	32.1%	35.7%	
Income (loss) from operations	(3,127.3)	(306.4)	(2,190.8)	(1,950.7)	(6,056.3)	(10,504.2)	(1,854.5)	(1,422.8)	(1,894.9)	(1,566.0)	(6,738.3)	(1,923.6)	(2,452.9)	(6,555.4)	(3,973.5)	(14,905.4)	(3,665.6)	(3,431.4)	(3,164.1)	(2,893.8)	(13,154.9)	(2,493.9)	(2,059.4)	(1,538.0)	(919.9)	(7,011.1)	139.6	918.8	1,824.1	2,867.5	5,750.0	
Operating margin	N/A	-187.8%	-111.1%	-100.3%	-316.0%	-175.1%	-80.2%	-76.8%	-95.1%	-66.8%	-79.2%	-60.8%	-56.0%	-104.8%	-59.4%	-72.7%	-48.5%	-39.4%	-31.4%	-25.6%	-34.9%	-19.5%	-14.2%	-9.3%	-4.9%	-11.2%	0.7%	3.9%	7.0%	9.8%	5.8%	
Adjusted EBITDA	-	-	-	-	-	(2,379.8)	(761.6)	(546.1)	(712.6)	(817.0)	(2,837.3)	(1,088.7)	(776.2)	(1,259.5)	(1,284.4)	(4,408.7)	(1,049.0)	(808.0)	(532.4)	(254.6)	(2,644.1)	314.3	759.0	1,292.2	1,923.8	4,289.2	3,106.0	3,900.0	4,821.9	5,883.9	17,711.7	
Adjusted EBITDA margin	N/A	0.0%	0.0%	0.0%	0.0%	-39.7%	-32.9%	-29.5%	-35.8%	-34.9%	-33.4%	-34.4%	-17.7%	-20.1%	-19.2%	-21.5%	-13.9%	-9.3%	-5.3%	-2.2%	-7.0%	2.5%	5.2%	7.9%	10.3%	6.9%	14.9%	16.7%	18.3%	20.1%	17.8%	
Total other expense	64.7	(75.9)	(89.2)	922.7	(2,096.8)	(1,339.3)	(628.1)	(6,518.4)	3,330.3	(6,482.4)	(10,298.6)	(4,356.4)	5,981.2	(1,094.7)	(168.0)	362.1	(151.2)	(134.4)	(117.6)	(100.8)	(504.0)	(84.0)	(67.2)	(50.4)	(33.6)	(235.2)	(16.8)	-	-	-	(16.8)	
Pre-tax income/(loss)	(3,062.6)	(382.3)	(2,280.0)	(1,028.0)	(8,153.2)	(11,843.5)	(2,482.6)	(7,941.2)	1,435.4	(8,048.4)	(17,036.8)	(6,280.1)	3,528.3	(7,650.1)	(4,141.5)	(14,543.4)	(3,816.8)	(3,565.8)	(3,281.7)	(2,994.6)	(13,658.9)	(2,577.9)	(2,126.6)	(1,588.4)	(953.5)	(7,246.3)	122.8	918.8	1,824.1	2,867.5	5,733.2	
Taxes	11.8	-	-	-	-	-	-	-	-	(0.0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Tax Rate	-0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Net income/(loss)	(3,074.3)	(382.3)	(2,280.0)	(1,028.0)	(8,153.2)	(11,843.5)	(2,482.6)	(7,941.2)	1,435.4	(8,048.4)	(17,036.8)	(6,280.1)	3,528.3	(7,650.1)	(4,141.5)	(14,543.4)	(3,816.8)	(3,565.8)	(3,281.7)	(2,994.6)	(13,658.9)	(2,577.9)	(2,126.6)	(1,588.4)	(953.5)	(7,246.3)	122.8	918.8	1,824.1	2,867.5	5,733.2	
Non-GAAP net income / (loss)	(3,139.1)	(306.4)	(2,190.8)	(1,950.7)	(6,056.3)	(8,159.7)	(1,810.3)	(1,219.0)	(1,012.6)	(674.2)	(4,716.2)	(496.1)	(860.1)	(6,387.7)	(3,805.5)	(11,549.3)	(3,514.4)	(3,297.0)	(3,046.5)	(2,793.0)	(12,650.9)	(2,409.9)	(1,992.2)	(1,487.6)	(886.3)	(6,775.9)	156.4	918.8	1,824.1	2,867.5	5,766.8	
GAAP EPS - diluted	(0.13)	N/A	(0.02)	(0.56)	(5.70)	(8.28)	(0.59)	(1.64)	0.16	(1.65)	(3.50)	(0.96)	0.60	(0.56)	(0.29)	(1.44)	(0.26)	(0.23)	(0.21)	(0.19)	(0.89)	(0.16)	(0.13)	(0.10)	(0.06)	(0.45)	0.01	0.05	0.11	0.17	0.34	
% Change YoY	N/A	N/A	647.12%	32108.41%	255471.82%	6224.8%	8144.1%	1007.53%	-129.21%	-71.04%	-57.8%	61.83%	-136.53%	-444.25%	-82.70%	-58.9%	-73.33%	-139.02%	-82.39%	-33.41%	-38.0%	-37.02%	-43.91%	-54.19%	-69.72%	-50.0%	-104.54%	-141.29%	-289.93%	-388.22%	-175.7%	
Non-GAAP-EPS - Diluted	N/A	N/A	(0.02)	(1.06)	(4.24)	(5.71)	(0.43)	(0.25)	(0.12)	(0.14)	(0.97)	(0.08)	(0.15)																			



Table 3. Recruiter.com Group, Inc. Balance Sheet  
(\$ in 000s, except per share data)

	2018	Mar A	Jun A	Sep A	Dec A	2019	Mar A	Jun A	Sep A	Dec A	2020	Mar A	Jun A	Sep A	Dec E	2021 E	Mar A	Jun A	Sep A	Dec E	2022 E	Mar A	Jun A	Sep A	Dec E	2023 E	Mar A	Jun A	Sep A	Dec E	2024 E	
Cash	1.0	436.5	893.8	675.7	306.3	306.3	301.5	1,731.1	581.5	99.9	99.9	662.4	86.9	5,346.8	6,930.9	6,930.9	5,362.5	4,077.1	3,104.8	2,346.9	2,346.9	1,945.8	2,026.3	2,679.9	3,884.7	3,884.7	5,712.6	8,833.8	12,904.8	18,068.5	18,068.5	
Accounts receivable, net of allowance for doubtful accounts	4,251.3	806.6	1,306.0	634.3	864.4	864.4	849.4	583.4	712.2	942.8	942.8	1,780.4	2,916.4	5,160.6	4,015.8	4,015.8	4,534.2	5,219.9	6,044.4	6,791.3	6,791.3	7,676.4	8,696.0	9,870.0	11,217.9	11,217.9	12,528.1	14,003.0	15,663.6	17,529.0	17,529.0	
Accounts receivable - related parties	326.9	-	-	22.2	-	-	-	-	13.7	41.1	41.1	44.4	46.7	26.1	66.9	66.9	75.6	87.0	100.7	113.2	113.2	127.9	144.9	164.5	187.0	187.0	208.8	233.4	261.1	292.1	292.1	
Prepaid expenses & other current assets	93.3	67.0	197.1	162.0	98.5	98.5	118.5	94.9	72.6	167.0	167.0	138.1	353.4	287.8	334.6	334.6	377.8	435.0	503.7	565.9	565.9	639.7	724.7	822.5	934.8	934.8	1,044.0	1,166.9	1,305.3	1,460.7	1,460.7	
Investments - marketable securities	-	25.0	172.5	85.4	44.8	44.8	11.0	9.0	7.5	1.4	1.4	1.6	0.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total current Assets</b>	<b>4,672.5</b>	<b>1,335.1</b>	<b>2,569.4</b>	<b>1,579.6</b>	<b>1,313.9</b>	<b>1,313.9</b>	<b>1,280.4</b>	<b>2,418.4</b>	<b>1,387.4</b>	<b>1,252.3</b>	<b>1,252.3</b>	<b>2,626.9</b>	<b>3,404.3</b>	<b>10,821.3</b>	<b>11,348.3</b>	<b>11,348.3</b>	<b>10,350.1</b>	<b>9,819.0</b>	<b>9,753.7</b>	<b>9,817.3</b>	<b>9,817.3</b>	<b>10,389.8</b>	<b>11,591.8</b>	<b>13,536.9</b>	<b>16,224.3</b>	<b>16,224.3</b>	<b>19,493.5</b>	<b>24,237.2</b>	<b>30,134.7</b>	<b>37,350.4</b>	<b>37,350.4</b>	
Property and equipment	59.0	-	3.4	3.1	2.8	2.8	2.5	2.2	1.9	1.6	1.6	1.3	1.1	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	1.5	1.5	1.5	1.5	1.5	3.1	3.1	3.1	3.1	3.1	
Right of use asset	14.4	269.1	250.7	232.4	214.0	214.0	195.7	177.3	159.0	140.6	140.6	122.3	104.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred offering costs	307.3	-	-	-	-	-	-	-	-	-	-	-	473.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intangible assets	-	7,868.5	8,441.2	8,521.9	1,432.6	1,432.6	1,273.4	1,114.2	980.0	795.9	795.9	6,489.7	5,645.0	9,363.0	8,470.2	8,470.2	7,698.9	6,927.7	6,156.5	5,385.2	5,385.2	4,653.8	3,922.4	3,190.9	2,493.5	2,493.5	2,118.4	1,777.3	1,436.1	1,095.0	1,095.0	
Software development	-	113.0	113.0	113.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Goodwill	-	-	-	-	3,517.3	3,517.3	3,517.3	3,517.3	3,517.3	3,517.3	3,517.3	3,517.3	4,929.9	9,161.5	9,161.5	9,161.5	9,161.5	9,161.5	9,161.5	9,161.5	9,161.5	9,161.5	9,161.5	9,161.5	9,161.5	9,161.5	9,161.5	9,161.5	9,161.5	9,161.5	9,161.5	9,161.5
<b>Total assets</b>	<b>5,053.2</b>	<b>9,585.7</b>	<b>11,377.7</b>	<b>10,450.0</b>	<b>6,480.6</b>	<b>6,480.6</b>	<b>6,269.2</b>	<b>7,229.5</b>	<b>6,045.7</b>	<b>5,707.8</b>	<b>5,707.8</b>	<b>12,757.6</b>	<b>14,558.1</b>	<b>29,346.52</b>	<b>28,980.7</b>	<b>28,980.7</b>	<b>27,211.3</b>	<b>25,909.0</b>	<b>25,072.4</b>	<b>24,364.8</b>	<b>24,364.8</b>	<b>24,206.7</b>	<b>24,677.2</b>	<b>25,890.8</b>	<b>27,846.8</b>	<b>27,846.8</b>	<b>30,776.5</b>	<b>35,179.0</b>	<b>40,735.4</b>	<b>47,609.9</b>	<b>47,609.9</b>	
Accounts payable	4,686.9	371.4	1,490.6	603.0	621.4	621.4	823.9	316.8	321.5	616.4	616.4	748.8	1,168.2	813.1	1,673.2	1,673.2	1,889.2	2,175.0	2,518.5	2,829.7	2,829.7	3,198.5	3,623.3	4,112.5	4,674.1	4,674.1	5,220.0	5,834.6	6,526.5	7,303.7	7,303.7	
Accounts payable - related parties	1,665.7	-	-	860.7	825.8	825.8	1,166.4	932.5	719.9	779.9	779.9	921.2	1,194.8	107.0	1,673.2	1,673.2	1,889.2	2,175.0	2,518.5	2,829.7	2,829.7	3,198.5	3,623.3	4,112.5	4,674.1	4,674.1	5,220.0	5,834.6	6,526.5	7,303.7	7,303.7	
Accrued expenses	119.8	75.3	12.7	8.4	2,276.4	2,276.4	338.3	387.8	365.1	423.2	423.2	710.9	827.6	1,023.3	1,338.6	1,338.6	1,511.4	1,740.0	2,014.8	2,263.8	2,263.8	2,558.8	2,898.7	3,290.0	3,739.3	3,739.3	4,176.0	4,667.7	5,221.2	5,843.0	5,843.0	
Accrued expenses - related party	-	-	-	-	-	-	-	-	-	8.0	8.0	9.7	9.6	-	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Accrued compensation	-	234.5	292.6	258.8	276.2	276.2	448.1	406.0	522.4	617.1	617.1	886.0	1,192.9	321.2	1,807.1	1,807.1	2,040.4	2,349.0	2,720.0	3,056.1	3,056.1	3,454.4	3,913.2	4,441.5	5,048.0	5,048.0	5,637.6	6,301.4	7,048.6	7,888.0	7,888.0	
Accrued compensation - related party	-	-	-	-	-	-	-	-	-	122.5	122.5	116.0	116.0	116.0	116.0	116.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued interest	-	-	1.5	-	1.0	1.0	6.5	13.6	73.9	60.4	60.4	101.9	376.3	34.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contingent consideration for acquisitions <sup>(1)</sup>	-	-	-	-	-	-	-	-	-	-	-	1,974.4	2,000.1	2,375.8	2,000.1	2,000.1	2,000.1	2,000.1	2,000.1	2,000.1	2,000.1	2,000.1	2,000.1	2,000.1	2,000.1	2,000.1	2,000.1	2,000.1	2,000.1	2,000.1	2,000.1	2,000.1
Liability on sale of future revenues	-	-	-	-	404.1	404.1	308.8	208.0	101.9	8.2	8.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances on receivables	-	-	-	-	-	-	180.8	68.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred payroll taxes	-	-	-	-	-	-	-	35.1	94.5	159.0	159.0	159.0	159.0	23.3	23.3	23.3	23.3	23.3	23.3	23.3	23.3	23.3	23.3	23.3	23.3	23.3	23.3	23.3	23.3	23.3	23.3	23.3
Other liabilities	-	-	-	-	-	-	51.8	14.5	38.5	14.5	14.5	14.5	14.5	17.3	17.3	17.3	17.3	17.3	17.3	17.3	17.3	17.3	17.3	17.3	17.3	17.3	17.3	17.3	17.3	17.3	17.3	17.3
Loans payable - current portion	-	110.9	51.5	25.5	25.9	25.9	27.8	27.3	27.8	28.2	28.2	28.6	30.7	1,752.1	1,322.6	1,322.6	876.7	430.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Convertible notes payable	-	-	-	-	-	-	-	149.1	928.5	1,905.8	1,905.8	2,795.0	4,154.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Refundable deposit on preferred stock purchase	-	-	500.0	285.0	285.0	285.0	310.0	285.0	285.0	285.0	285.0	285.0	285.0	285.0	285.0	285.0	285.0	285.0	285.0	285.0	285.0	285.0	285.0	285.0	285.0	285.0	285.0	285.0	285.0	285.0	285.0	285.0
Warrant derivative liability	-	691.8	1,733.0	781.7	612.0	612.0	1,177.1	9,783.9	5,573.4	11,538.0	11,538.0	11,538.0	16,496.4	8,921.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lease liability - current portion - related party	-	73.4	73.4	73.4	73.4	73.4	73.4	73.4	73.4	73.4	73.4	73.4	73.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred revenue	-	20.5	132.5	104.9	145.5	145.5	130.0	86.7	79.0	51.5	51.5	139.4	476.9	677.5	334.6	334.6	377.8	435.0	503.7	565.9	565.9	639.7	724.7	822.5	934.8	934.8	1,044.0	1,166.9	1,305.3	1,460.7	1,460.7	
<b>Total current liabilities</b>	<b>6,472.5</b>	<b>1,577.8</b>	<b>4,287.8</b>	<b>3,001.5</b>	<b>5,546.8</b>	<b>5,546.8</b>	<b>5,042.9</b>	<b>12,787.8</b>	<b>9,204.5</b>	<b>16,691.3</b>	<b>16,691.3</b>	<b>25,460.1</b>	<b>21,001.3</b>	<b>7,546.0</b>	<b>10,601.3</b>	<b>10,601.3</b>	<b>10,920.6</b>	<b>11,640.5</b>	<b>12,611.3</b>	<b>13,881.0</b>	<b>13,881.0</b>	<b>15,385.7</b>	<b>17,118.9</b>	<b>19,114.7</b>	<b>21,406.1</b>	<b>21,406.1</b>	<b>23,633.6</b>	<b>26,140.9</b>	<b>28,963.9</b>	<b>32,135.1</b>	<b>32,135.1</b>	
Lease liability - long term portion - related party	208.5	195.7	177.3	159.0	140.6	140.6	122.3	104.0	85.6	67.3	67.3	48.9	30.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Loans payable - long term portion	-	97.3	91.1	84.5	77.9	77.9	71.0	461.7	454.6	73.5	73.5	41.4	34.0	3,167.6	1,900.6	1,900.6	1,403.3	684.2	238.3	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Long-term Liabilities</b>	<b>208.5</b>	<b>293.0</b>	<b>268.4</b>	<b>243.5</b>	<b>218.5</b>	<b>218.5</b>	<b>193.3</b>	<b>565.6</b>	<b>540.2</b>	<b>140.8</b>	<b>140.8</b>	<b>90.4</b>	<b>64.5</b>	<b>3,167.6</b>	<b>1,900.6</b>	<b>1,900.6</b>	<b>1,403.3</b>	<b>684.2</b>	<b>238.3</b>	<b>-</b>												
<b>Total Liabilities</b>	<b>6,681.0</b>	<b>1,870.8</b>	<b>4,556.2</b>	<b>3</b>																												

DISCLOSURES

Recruiter.com Group, Inc. Rating History as of 12/08/2021

powered by: BlueMatrix



Maxim Group LLC Ratings Distribution		As of: 12/08/21	
		% of Coverage Universe with Rating	% of Rating for which Firm Provided Banking Services in the Last 12 months
<b>Buy</b>	Fundamental metrics and/or identifiable catalysts exist such that we expect the stock to outperform its relevant index over the next 12 months.	89%	55%
<b>Hold</b>	Fundamental metrics are currently at, or approaching, industry averages. Therefore, we expect this stock to neither outperform nor underperform its relevant index over the next 12 months.	11%	48%
<b>Sell</b>	Fundamental metrics and/or identifiable catalysts exist such that we expect the stock to underperform its relevant index over the next 12 months.	0%	0%

*\*See valuation section for company specific relevant indices*

I, Allen Klee, CFA, attest that the views expressed in this research report accurately reflect my personal views about the subject security and issuer. Furthermore, no part of my compensation was, is, or will be directly or indirectly related to the specific recommendation or views expressed in this research report.

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**Maxim Group makes a market in Recruiter.com Group, Inc.**

**Maxim Group expects to receive or intends to seek compensation for investment banking services from Recruiter.com Group, Inc. in the next 3 months.**

**RCRT:** We use the Russell 2000 as the relevant index for RCRT.

**Valuation Methods**

**RCRT:** We utilize a forward EV/EBITDA multiple to value the shares.

**Price Target and Investment Risks**

**RCRT:** Aside from general market and other economic risks, risks particular to RCRT price target and rating include: 1) the company is not yet profitable, has a limited operating history, and a history of net losses, 2) potential risk that regulators may require recruiters to be listed as employees instead of contractors, 3) the ability to access capital, if needed, 4) material weakness in internal control over financial reporting identified in the company's 2020 10-K, 5) customer concentration: for the nine months ended September 30, 2021 one customer accounted for 14% of total revenue, 6) ability to integrate acquisitions, 7) ability to attract collaborators and strategic partnerships, 8) ability to secure patents and license intellectual property, 9) potential errors, defects and disruptions to the platform, 10) changes to search engine results that may impact traffic to their site, 11)

compliance with anti-discrimination laws from predicative technology and external recruiters, 12) refunds that are distributed for candidates that don't last 90 days, 13) services are dependent on external platforms the company doesn't control, 14) the impact of COVID-19 and economic conditions on the recruiting industry, 15) potential changes in government regulation, 16) competition from larger companies.

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## RISK RATINGS

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Risk ratings take into account both fundamental criteria and price volatility.

**Speculative – Fundamental Criteria:** This is a risk rating assigned to early-stage companies with minimal to no revenues, lack of earnings, balance sheet concerns, and/or a short operating history. Accordingly, fundamental risk is expected to be significantly above the industry. **Price Volatility:** Because of the inherent fundamental criteria of the companies falling within this risk category, the price volatility is expected to be significant with the possibility that the investment could eventually be worthless. Speculative stocks may not be suitable for a significant class of individual investors.

**High – Fundamental Criteria:** This is a risk rating assigned to companies having below-average revenue and earnings visibility, negative cash flow, and low market cap or public float. Accordingly, fundamental risk is expected to be above the industry. **Price Volatility:** The price volatility of companies falling within this category is expected to be above the industry. High-risk stocks may not be suitable for a significant class of individual investors.

**Medium – Fundamental Criteria:** This is a risk rating assigned to companies that may have average revenue and earnings visibility, positive cash flow, and is fairly liquid. Accordingly, both price volatility and fundamental risk are expected to approximate the industry average.

**Low – Fundamental Criteria:** This is a risk rating assigned to companies that may have above-average revenue and earnings visibility, positive cash flow, and is fairly liquid. Accordingly, both price volatility and fundamental risk are expected to be below the industry.

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ADDITIONAL INFORMATION IS AVAILABLE UPON REQUEST

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