ASX Announcement

24 February 2017

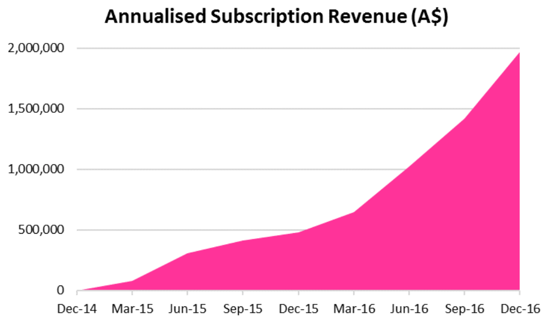
1st Half FY17 Results

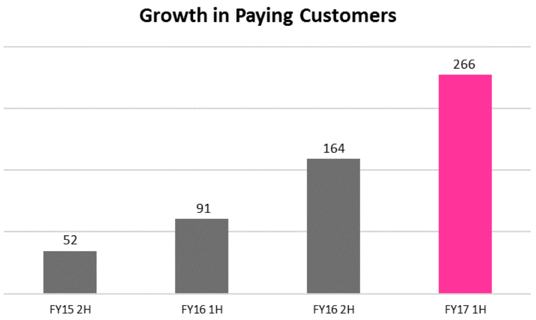
LiveTiles Limited (ASX:LVT) ("LiveTiles") today announced its financial results and operational highlights for the 6 months ended 31 December 2016.

HIGHLIGHTS

Annualised subscription revenue (ASR) and customer growth

- ASR grew to **$1.97m** as at 31 December 2016
    - $0.95m ASR added in the period
    - **310% annual growth** in ASR since 31 December 2015
- **$2m ASR milestone reached** in early January 2017





- **102 paying customers added** in the first half, taking total paying customers to **266** as at 31 December 2016
- Customer highlights for the period included:
    - A unit of the US Department of Defence
    - An Australian power utility
    - A global specialty retail chain headquartered in Europe
    - A major financial services institution in Australia
    - One of the world's largest media agency groups
    - A subsidiary of one of the world's largest brewers
    - A leading food producer in the APAC region
    - A large real estate conglomerate in the Middle East

- Average ASR per customer increased in the period due to several large customer wins and the benefit of a price increase implemented in late 2016

Continued growth in partner distribution channel

- The number of transacting partners grew to 46 as at 31 December 2016 (**up 64%** since 30 June 2016)

Focused digital marketing strategy

- Acceleration of digital marketing activities to drive web traffic and free trials
- >1,300 free trials requested since January 2016, including numerous large enterprises

Close alignment with Microsoft

- Multiple Microsoft co-marketing initiatives contributing to ASR and pipeline growth
- LiveTiles drives consumption (active use) of Microsoft SharePoint, Office 365 and Azure

Ongoing growth in LiveTiles Mosaic

- LiveTiles Mosaic now licensed to schools and school districts representing **5.7 million** students and teachers
- **128% growth** in free licences since 31 December 2015
- In December 2016, LiveTiles Mosaic was licensed to all schools within the **New York City Department of Education** (1.2m students and teachers)

Significant investment in product innovation

- **LiveTiles Cloud** (launched in September 2016) expands LiveTiles' addressable market to any organisation using the cloud
- Launched Cloud Documents tile-pack, delivering seamless integration with Dropbox, Box, Google Drive and OneDrive
- Continued development of additional third party software integrations

Strong cash position

- **$6.97m** cash balance as at 31 December 2016
- Customer receipts of $1.04m in the first half
- $1.74m R&D grant received, representing the R&D grant for FY2016. LiveTiles expects to receive a

further R&D grant in respect of FY2017

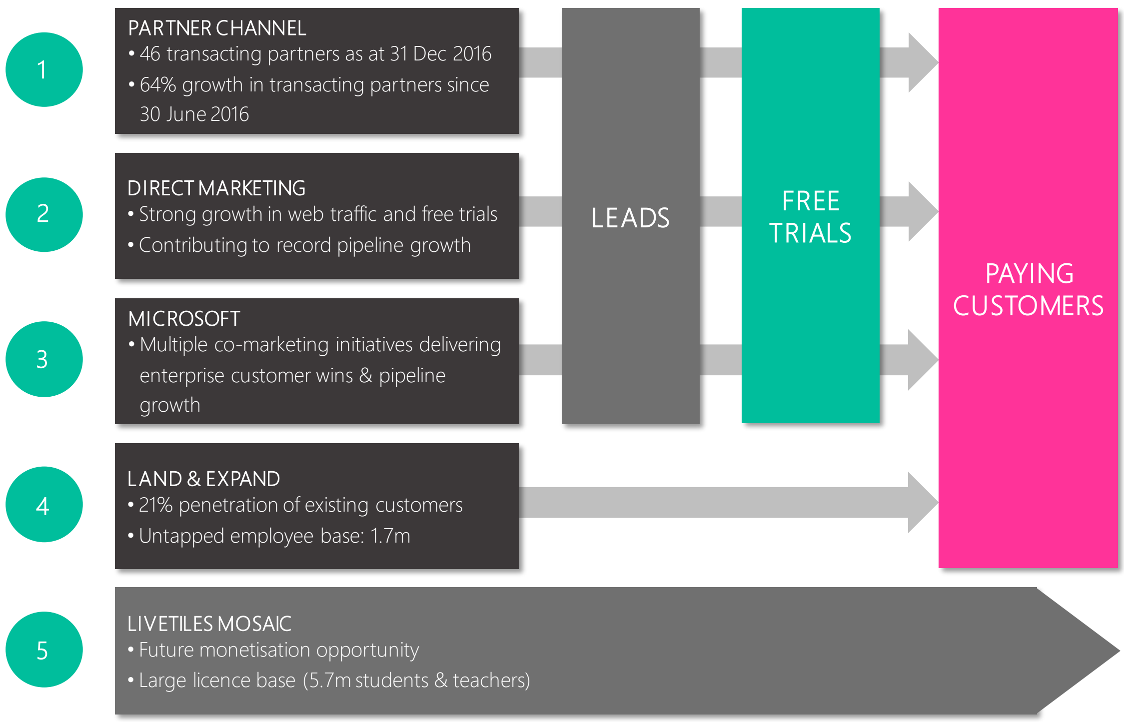
- LiveTiles is well capitalised to fund our ongoing growth

FINANCIAL RESULTS

Summary P&L	6 months ended 31 Dec 2016 ($'000)	6 months ended 31 Dec 2015 ($'000)		Change vs PCP (%)
Subscription revenue	687	186	up	269%
Research & development grant	1,253	715	up	75%
Other income	6	17		
Total revenue and other income	1,946	918	up	112%
Total operating expenses	-3,948	-3,053	up	29%
Amortisation of development costs	-434	-297	up	46%
Loss before tax and non-cash/non-recurring items	-2,436	-2,432	-	0%
Loss after tax per statutory accounts	-2,774	-9,849	up	72%

The Group's cash balance as at 31 December 2016 was $6.97m. In addition to the Company's existing cash balance, LiveTiles expects to receive a research and development grant in relation to the year ended 30 June 2017. For the 6 months ended 31 December 2016, LiveTiles has accrued a research and development grant of $1.25m.

GROWTH STRATEGY



FY2017 OUTLOOK

LiveTiles is focused on achieving strong growth in subscription revenue in FY17, driven by:

- Continued paying customer growth
- Continued growth and maturation of our partner distribution channel
- Ongoing co-marketing initiatives with Microsoft
- A substantial 'land & expand' opportunity with existing customers
- Expanding pipeline of customer opportunities including many large enterprises
- Further product innovation and extensions

For further information, please contact:

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About LiveTiles:

LiveTiles is a global software company headquartered in New York, with offices in Sydney, Melbourne, London and Tri-Cities, Washington State. LiveTiles offers digital workplace software for the commercial and education markets, and is an award-winning Microsoft Partner. LiveTiles' products comprise LiveTiles SharePoint, LiveTiles Cloud and LiveTiles Mosaic. LiveTiles' customers represent a diverse range of sectors and are spread throughout the United States, United Kingdom, Europe, the Middle East and Asia-Pacific.