

ASX Announcement

27 April 2017

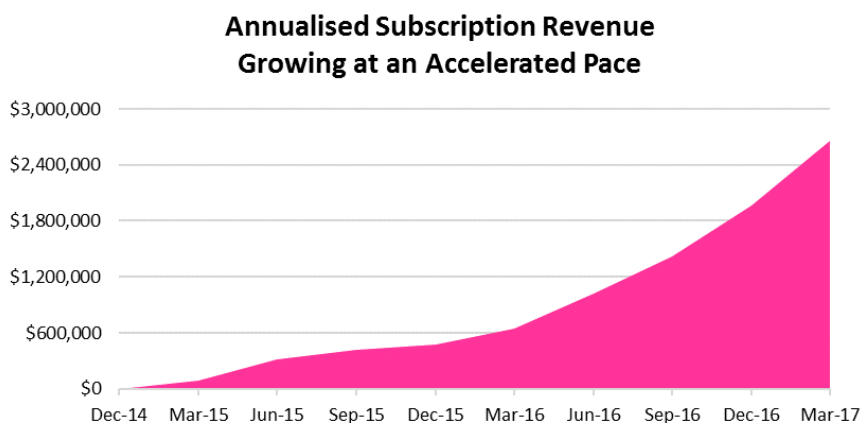
Accelerating customer and revenue growth drives record quarter

- Record quarter delivers \$2.7m in annualised subscription revenue (ASR) as at 31 March 2017, up 309% since 31 March 2016 and continuing to grow at an accelerated pace
- 321 paying customers signed as at 31 March 2017, up 168% since 31 March 2016 as rapid customer growth sees LiveTiles surpass its 300 customer milestone
- Facebook and Instagram senior executive and global marketing expert Andy McKeon joins LiveTiles board as non-executive director
- Former Microsoft executive Doug Caywood joins LiveTiles to lead the Central USA operations as the Company focuses on its USA expansion and growing its enterprise customer footprint
- New product, LiveTiles for SAP® Software to be launched this quarter, integrating SAP enterprise software and applications with LiveTiles' current digital experience platform
- Strong momentum across all regions is expected to continue to drive growth at an accelerated rate for the June 2017 quarter

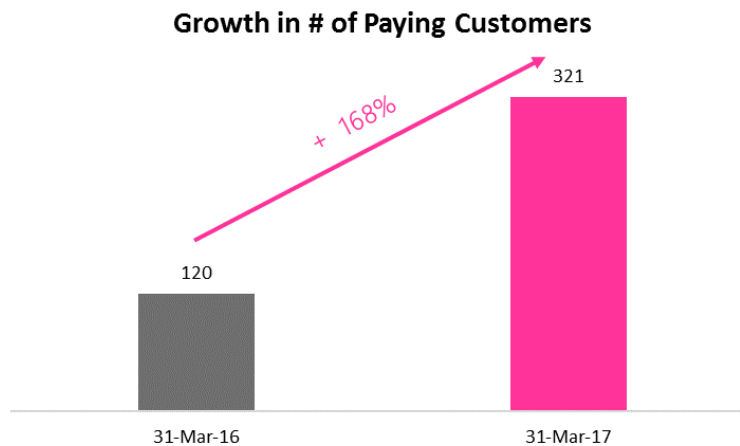
LiveTiles Limited (ASX:LVT) ('LiveTiles' or 'the Company'), a global software company providing digital workplace software to the commercial, government and educational markets, is pleased to provide an update on its activities for the quarter ending 31 March 2017. LiveTiles also released its Appendix 4C today.

GROWTH HIGHLIGHTS

Annualised Subscription Revenue (ASR) grew at an accelerated pace to **\$2.7m** as at 31 March 2017, adding an additional \$0.7m in the quarter (up from \$2.0m as at 31 December 2016) and representing **annual growth of 309%**.



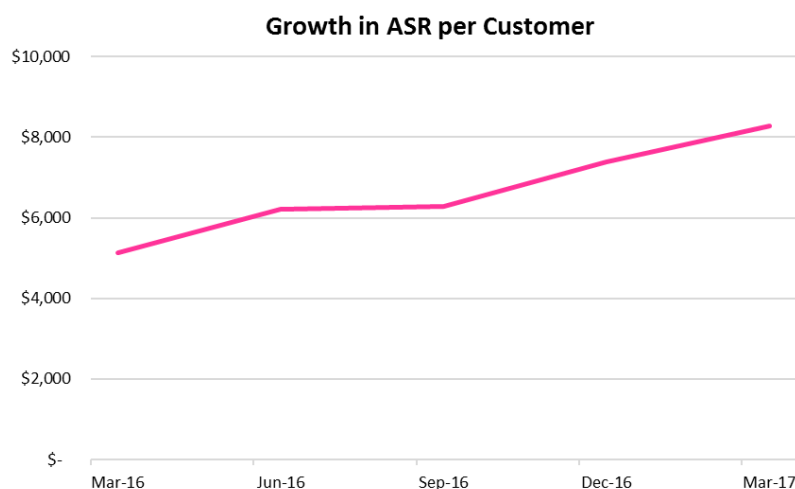
Customer numbers continued to increase strongly, with **321 paying customers** as at 31 March 2017, of which **201** were added in the last 12 months, representing an annual increase of **168%**.



New customer highlights for the quarter include:

- Microsoft
- A top tier global accounting firm
- A major global reinsurance company headquartered in Europe
- A top 5 airline in the United States
- One of the largest universities in the United States
- Two high-profile professional sports teams based in the United States
- An energy utility based in the United States
- A large healthcare business based in the United States
- A major logistics business headquartered in Australia

Average ASR per customer continued to increase in the March quarter, driven by several larger customer wins, numerous '**land & expand**' wins and a price increase implemented in the December 2016 quarter.



The number of transacting partners¹ grew to **55** as at 31 March 2017 (**up 96%** since 30 June 2016).

LiveTiles Mosaic is now licensed to schools and school districts representing **6.1 million** students and teachers, **up 144%** since 31 March 2016.

Unique Microsoft relationship continues to strengthen, with multiple co-marketing initiatives contributing to ASR and pipeline growth.

FINANCIAL UPDATE

The Company delivered another record quarter, with customer receipts of \$0.7m, up 41% on the December 2016 quarter. Net cash outflow from operating activities was \$1.6m in the March quarter. LiveTiles has invested in additional customer-facing employees in the United States and the United Kingdom to support our accelerating ASR and pipeline growth.

Cash at bank was **\$5.1m** as at 31 March 2017. The appreciation of the Australian dollar vs the US dollar in the March quarter reduced LiveTiles' AUD cash balance by \$0.24m upon translation of the Company's USD cash balance into AUD.

For FY17, LiveTiles expects to receive an R&D grant of at least **\$2.7m**, due to be received by 31 December 2017. LiveTiles also expects to receive a further R&D grant in respect of FY18.

STRATEGIC HIRES

LiveTiles made the following strategic hires during the March quarter to further support our global growth plans:

- Andy McKeon, Global Accounts and Agencies for **Facebook** and Instagram joined the LiveTiles board as a non-executive director. Andy brings over 25 years of experience and expertise in global marketing and was formerly Creative Director at **Apple** under Steve Jobs.
- Doug Caywood, former Worldwide Consumer Goods Industry Director at **Microsoft** joined LiveTiles as Vice President, Central USA, Global CPG and Retail and is responsible for rapidly growing sales and managing LiveTiles' existing customer base in the region.
- Kendra Bluhm, former senior Business Technology and Collaboration Services manager for **Walmart** joined as Innovation and Experience Lead for the Central USA region

NEW PRODUCT: LIVETILES FOR SAP® SOFTWARE

During the quarter, LiveTiles announced a new product, LiveTiles for SAP® Software, which was developed in direct response to strong demand from customers. This new product will offer integration of LiveTiles' existing digital experience platform with SAP enterprise software and applications. SAP is the world's leader in enterprise application software, with ~345,000 customers, including 87% of the Forbes Global 2000. The launch remains on-track for the June 2017 quarter and we expect strong demand from new and existing customers.

¹ LiveTiles resellers that have closed at least one LiveTiles software licensing transaction

OUTLOOK

The Company has delivered another record quarter driven by strong demand for its LiveTiles offering. The management team remains focused on growing the business across all regions, and expects LiveTiles' revenue growth to accelerate further in the June 2017 quarter, driven by strong momentum across all regions and an expanding pipeline of customer opportunities.

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, Hobart, London, Seattle, Tri-Cities (Washington State) and Minneapolis. 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, LiveTiles for SAP, LiveTiles MX 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.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

LiveTiles Limited

ABN

95 066 139 991

Quarter ended ("current quarter")

31 March 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	701	1,746
1.2 Payments for		
(a) research and development ¹	(331)	(799)
(b) product manufacturing and operating costs ²	(230)	(694)
(c) advertising and marketing ¹	(363)	(1,153)
(d) leased assets	-	-
(e) staff costs ³	(1,007)	(2,453)
(f) administration and corporate costs ²	(414)	(1,162)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	11
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	(39)
1.7 Government grants and tax incentives	-	1,744
1.8 Other (provide details if material)		
Final payment under rhipe Shared Services Agreement	-	(24)
1.9 Net cash from / (used in) operating activities	(1,642)	(2,823)

¹ Includes related staffing costs

² Excludes related staffing costs which are included in 1.2(e)

³ Includes all staffing costs, except those included in 1.2(a) and 1.2(c)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	6,965	8,055
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,642)	(2,823)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	(242)	(151)
4.6	Cash and cash equivalents at end of quarter	5,081	5,081

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	5,081	6,965
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	5,081	6,965

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	341
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Payments of salaries and directors' fees to current directors

Appendix 4C
Quarterly report for entities subject to Listing Rule 4.7B

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	
N/A	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		
N/A		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	(306)
9.2 Product manufacturing and operating costs	(240)
9.3 Advertising and marketing	(375)
9.4 Leased assets	-
9.5 Staff costs	(1,174)
9.6 Administration and corporate costs	(396)
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	(2,491)

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity	N/A	N/A
10.2	Place of incorporation or registration		
10.3	Consideration for acquisition or disposal		
10.4	Total net assets		
10.5	Nature of business		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



Chief Financial Officer & Director

Date: 27 April 2017

Print name: Matthew Brown