

## ASX Announcement

27 October 2017

### 252% YoY growth delivers \$5m milestone

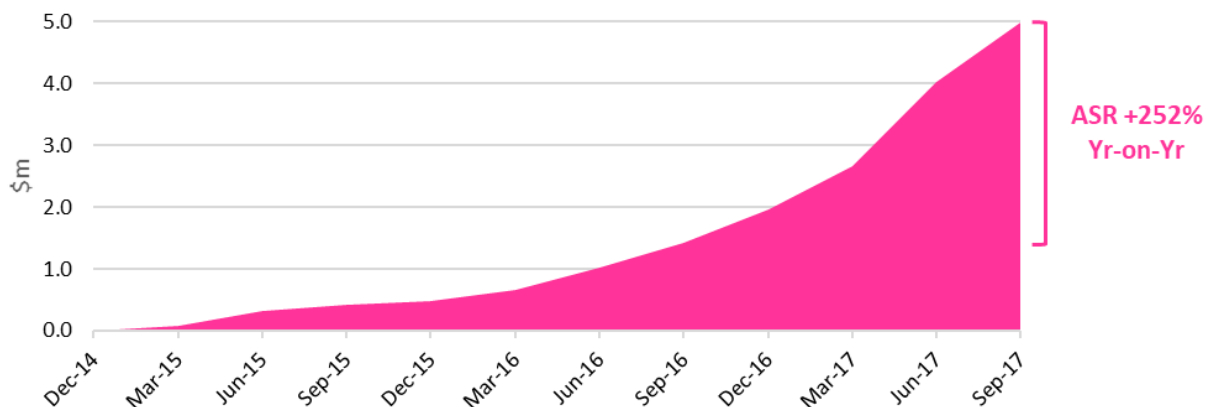
- Annualised subscription revenue<sup>1</sup> (ASR) reached \$5.0 million milestone as at 30 September 2017, up 252% year-on-year
- 405 paying customers signed as at 30 September 2017, a 79% increase over a 12-month period, with average ASR per customer up 96% in the last 12 months
- Cash receipts in the September quarter of \$1.1m, up 95% on the prior corresponding quarter (September 2016)
- Artificial Intelligence products LiveTiles Bots and LiveTiles Intelligence launched, driving strong interest and building a large sales pipeline for LiveTiles' full suite of products
- Expanded enterprise sales team and investment in global marketing events has driven a significant step-up in the sales pipeline and is expected to generate strong ASR growth in FY18

**LiveTiles Limited (ASX:LVT) ('LiveTiles' or 'the Company')**, a global software company that empowers its users to drive their own digital experiences, has today released its Appendix 4C and is pleased to provide an update on its activities for the quarter ending 30 September 2017.

### GROWTH HIGHLIGHTS

Annualised Subscription Revenue (ASR) grew to **\$5.0m** as at 30 September 2017, representing annual growth of **252%**, with \$1.0 million of ASR added in the September quarter (**up 156%** on the prior corresponding quarter).

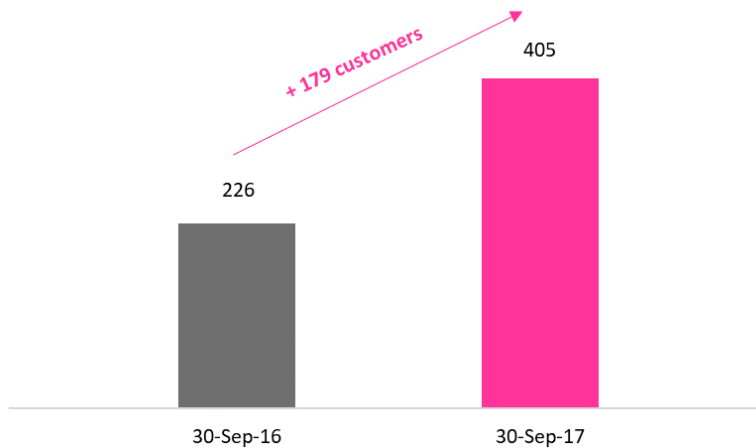
### Strong annualised subscription revenue growth



1. Annualised subscription revenue (ASR) represents committed, recurring subscription revenue on an annualised basis

Customer numbers continued to increase strongly, with **405 paying customers** as at 30 September 2017, **up 79%** over the last 12 months, with **179** customers added in the past year.

### From zero to 405 paying customers in just over 2.5 years

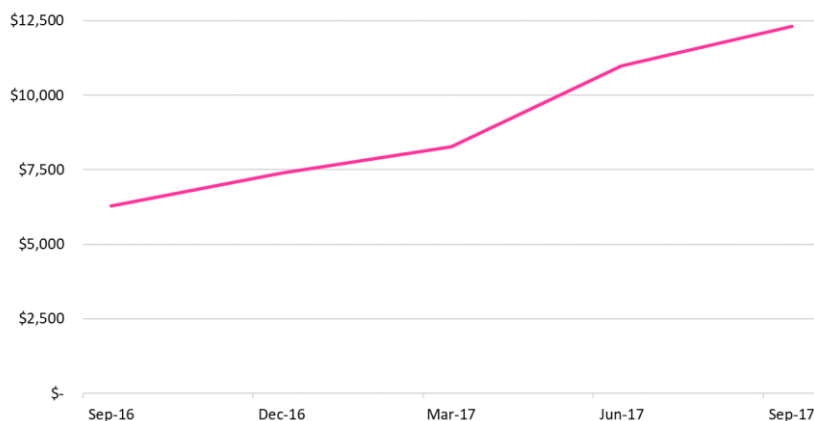


Customer highlights for the September quarter included:

- One of the world's leading apparel brands
- A major global media group based in the United States
- A large education organisation based in the United States
- A leading food manufacturer based in the United Kingdom
- One of the largest airlines in the Asia-Pacific region
- An ASX 100 mining company
- A leading Australian law firm

Average ASR per customer continued to grow in the September quarter, **up 96%** over the last 12 months, driven by several larger customer wins and increased penetration of existing customers as part of the Company's '**land & expand**' growth strategy.

### Average ASR per customer up 96% in last 12 months



The number of transacting partners<sup>2</sup> grew to **73** as at 30 September 2017 (**up 74%** since 30 September 2016).

LiveTiles Mosaic is now licensed to schools and school districts representing **6.8 million** students and teachers, **up 55%** since 30 September 2016.

LiveTiles' strategic relationship with Microsoft continues to strengthen, resulting in strong revenue and sales pipeline growth. In late September, LiveTiles was a major sponsor of Microsoft's Ignite conference in Orlando. This event, combined with the recent launches of two artificial intelligence products, LiveTiles Bots and LiveTiles Intelligence, has already generated interest and sales opportunities with over 100 large prospective customers. In addition, LiveTiles was one of a select few software vendors invited to present at Microsoft's Digital Transformation Academy in Las Vegas in late October 2017.

## FINANCIAL UPDATE

### \$12 million successfully raised in oversubscribed offer

During the quarter, LiveTiles successfully raised **\$12m** via a share placement of \$11m to sophisticated and professional investors (Placement) and a Share Purchase Plan of \$1m. The Placement was heavily oversubscribed, with strong demand from existing and new international and domestic institutional and high net worth investors.

### LiveTiles well-funded to drive further growth via sales and marketing investment

The Company generated customer receipts of **\$1.1m** in the quarter, up 95% on the September 2016 quarter. Net cash outflow from operating activities was **\$3.2m** in the quarter. This includes an investment of \$0.5m in Microsoft's global Ignite conference in September 2017 to further grow LiveTiles' brand awareness and generate additional customer opportunities.

Pro-forma cash as at 30 September 2017 was **\$15.2m**, comprising cash at bank of \$11.7m, an expected FY17 R&D grant of approximately \$3.1m<sup>3</sup> and \$0.4m to be invested by four directors of the Company as part of the placement announced in August (subject to approval by shareholders at the Company's annual general meeting on 22 November 2017). LiveTiles also expects to receive a further R&D grant in FY19 (relating to FY18).

During the September quarter, LiveTiles invested in growing its customer-facing teams in the United States, the United Kingdom, Europe and Australia. The Company also invested in marketing events in all regions, with investment in sales and marketing staff and marketing events continuing into the December quarter. This increased investment has already led to significant growth in the Company's sales pipeline.

<sup>2</sup> LiveTiles resellers that have closed at least one LiveTiles software licensing transaction

<sup>3</sup> Estimate based on the Company's expenditure in FY17. The exact quantum of the R&D grant will only be known when assessed by the relevant government authorities.

## STRATEGIC APPOINTMENTS

LiveTiles made the following key appointments during the September quarter:

- **Cassandra Kelly**

Expert global advisor, Cassandra Kelly joined the LiveTiles board as a non-executive director. Cassandra is an experienced CEO, advisor, Board director and tech entrepreneur and brings local and international expertise across multiple sectors. An expert advisor to the B20, Cassandra represents the entire G20 business community on matters including digitisation, infrastructure, finance and growth. Cassandra brings invaluable expertise to the Board and strong support to the leadership team.

- **Daniel Diefendorf**

Daniel (Dan) Diefendorf joined LiveTiles as Vice President, North-East USA. Dan has extensive experience in building and growing enterprise Software-as-a-Service businesses across business development, sales, operations and strategy. Dan was previously Senior Vice President, Sales at BrightStarr where he successfully led and grew the Unily SaaS business in North America.

- **Tom Harshbarger**

Tom Harshbarger joined LiveTiles as Vice President, Partner Network, North America. Tom has 25 years' technology experience spanning application development to sales leadership, including 14 years at Microsoft where his most recent role was Senior Channel Sales Manager. Tom will be responsible for managing and growing LiveTiles' partner network across North America.

- **Michael Maurer**

Former Microsoft Global Strategist Michael Maurer joined LiveTiles during the quarter, to lead the Company's expansion into one of the world's largest economic regions, Germany, Austria and Switzerland (DACH region). Michael brings strong consultative selling and digital transformation experience, with over 12 years in the IT industry, 7 of which were with Microsoft. Michael is responsible for driving new customer growth from the DACH region via direct, partner and Microsoft channels in accordance with the Company's strategy to expand its global footprint and drive strong revenue growth in FY18.

- **George Muir**

Former IKEA Group Process Developer and Futurist, George Muir joined LiveTiles as Product Evangelist. George brings a deep understanding of global workplace trends and developments and will actively promote LiveTiles' products and the role of digital experiences in the workplace; speaking at international technology conferences and events. It is expected that George's promotional speaking and broad network of industry contacts will drive new customer opportunities for the Company.

## OUTLOOK

LiveTiles has delivered another quarter of strong ASR growth driven by growing demand for its software offering. LiveTiles' recent investment in sales and marketing has already led to substantial growth in the Company's sales pipeline and gives management confidence in its plan to deliver significant subscription revenue growth in FY18.

### For further information, please contact:

Matt Brown, Chief Financial Officer  
+61 (0)417 201 246  
[matt.brown@livetiles.nyc](mailto:matt.brown@livetiles.nyc)

**Media Enquiries**  
Alex Liddington-Cox  
Media & Capital Partners  
+61 (0) 474 701 469  
[alex.liddingtoncox@mcpartners.com.au](mailto:alex.liddingtoncox@mcpartners.com.au)

### About LiveTiles:

LiveTiles is a global software company headquartered in New York, with operations in Seattle, Tri-Cities (Washington State), San Francisco, Los Angeles, Minneapolis, North Carolina, London, Zurich, Sydney, Melbourne and Hobart. LiveTiles offers digital workplace software for the commercial, government and education markets, and is an award-winning Microsoft Partner. LiveTiles' products comprise LiveTiles SharePoint, LiveTiles Cloud, LiveTiles for SAP Software, LiveTiles MX, LiveTiles Bots, LiveTiles Intelligence 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")**

30 September 2017

| Consolidated statement of cash flows                                                                       | Current quarter<br>\$A'000 | Year to date<br>(3 months)<br>\$A'000 |
|------------------------------------------------------------------------------------------------------------|----------------------------|---------------------------------------|
| <b>1. Cash flows from operating activities</b>                                                             |                            |                                       |
| 1.1 Receipts from customers                                                                                | 1,069                      | 1,069                                 |
| 1.2 Payments for                                                                                           |                            |                                       |
| (a) research and development <sup>1</sup>                                                                  | (303)                      | (303)                                 |
| (b) product manufacturing and operating costs <sup>2</sup>                                                 | (397)                      | (397)                                 |
| (c) advertising and marketing <sup>1</sup>                                                                 | (948)                      | (948)                                 |
| (d) leased assets                                                                                          | -                          | -                                     |
| (e) staff costs <sup>3</sup>                                                                               | (1,788)                    | (1,788)                               |
| (f) administration and corporate costs <sup>2</sup>                                                        | (555)                      | (555)                                 |
| 1.3 Dividends received (see note 3)                                                                        | -                          | -                                     |
| 1.4 Interest received                                                                                      | 1                          | 1                                     |
| 1.5 Interest and other costs of finance paid                                                               | -                          | -                                     |
| 1.6 Income taxes paid                                                                                      | (48)                       | (48)                                  |
| 1.7 Government grants and tax incentives                                                                   | -                          | -                                     |
| 1.8 Other (provide details if material)                                                                    |                            |                                       |
| Includes payment of accrued director's fees upon resignation of Michael Hill and other non-recurring items | (191)                      | (191)                                 |
| <b>1.9 Net cash from / (used in) operating activities</b>                                                  | <b>(3,160)</b>             | <b>(3,160)</b>                        |

<sup>1</sup> Includes related staffing costs

<sup>2</sup> Excludes related staffing costs which are included in 1.2(e)

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

| Consolidated statement of cash flows |                                                       | Current quarter<br>\$A'000 | Year to date<br>(3 months)<br>\$A'000 |
|--------------------------------------|-------------------------------------------------------|----------------------------|---------------------------------------|
| <b>2.</b>                            | <b>Cash flows from investing activities</b>           |                            |                                       |
| 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)                   | -                          | -                                     |
| <b>2.6</b>                           | <b>Net cash from / (used in) investing activities</b> | -                          | -                                     |

|             |                                                                             |               |               |
|-------------|-----------------------------------------------------------------------------|---------------|---------------|
| <b>3.</b>   | <b>Cash flows from financing activities</b>                                 |               |               |
| 3.1         | Proceeds from issues of shares                                              | 11,600        | 11,600        |
| 3.2         | Proceeds from issue of convertible notes                                    | -             | -             |
| 3.3         | Proceeds from exercise of share options                                     | 300           | 300           |
| 3.4         | Transaction costs related to issues of shares, convertible notes or options | (528)         | (528)         |
| 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)                                         | -             | -             |
| <b>3.10</b> | <b>Net cash from / (used in) financing activities</b>                       | <b>11,372</b> | <b>11,372</b> |

| Consolidated statement of cash flows |                                                                              | Current quarter<br>\$A'000 | Year to date<br>(3 months)<br>\$A'000 |
|--------------------------------------|------------------------------------------------------------------------------|----------------------------|---------------------------------------|
| <b>4.</b>                            | <b>Net increase / (decrease) in cash and cash equivalents for the period</b> |                            |                                       |
| 4.1                                  | Cash and cash equivalents at beginning of quarter/year to date               | 3,489                      | 3,489                                 |
| 4.2                                  | Net cash from / (used in) operating activities (item 1.9 above)              | (3,160)                    | (3,160)                               |
| 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)             | 11,372                     | 11,372                                |
| 4.5                                  | Effect of movement in exchange rates on cash held                            | (3)                        | (3)                                   |
| <b>4.6</b>                           | <b>Cash and cash equivalents at end of quarter</b>                           | <b>11,699</b>              | <b>11,699</b>                         |

|            |                                                                                                                                                                             |                            |                             |
|------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-----------------------------|
| <b>5.</b>  | <b>Reconciliation of cash and cash equivalents</b><br>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter<br>\$A'000 | Previous quarter<br>\$A'000 |
| 5.1        | Bank balances                                                                                                                                                               | 11,699                     | 3,489                       |
| 5.2        | Call deposits                                                                                                                                                               | -                          | -                           |
| 5.3        | Bank overdrafts                                                                                                                                                             | -                          | -                           |
| 5.4        | Other (provide details)                                                                                                                                                     | -                          | -                           |
| <b>5.5</b> | <b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>                                                                                            | <b>11,699</b>              | <b>3,489</b>                |

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

Current quarter  
\$A'000

430

-

- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Payment of salaries and directors' fees to current directors and payment of accrued director's fees owing to Michael Hill upon resignation.



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

| <b>7. Payments to related entities of the entity and their associates</b>                                | <b>Current quarter<br/>\$A'000</b> |
|----------------------------------------------------------------------------------------------------------|------------------------------------|
| 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                                                                                                      |                                    |

| <b>8. Financing facilities available</b><br><i>Add notes as necessary for an understanding of the position</i>                                                                                                                                                                             | <b>Total facility amount<br/>at quarter end<br/>\$A'000</b> | <b>Amount drawn at<br/>quarter end<br/>\$A'000</b> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|----------------------------------------------------|
| 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                                                                                                                                                                                                                                                                                        |                                                             |                                                    |

| <b>9. Estimated cash outflows for next quarter</b> | <b>\$A'000</b> |
|----------------------------------------------------|----------------|
| 9.1 Research and development                       | (350)          |
| 9.2 Product manufacturing and operating costs      | (600)          |
| 9.3 Advertising and marketing                      | (850)          |
| 9.4 Leased assets                                  | -              |
| 9.5 Staff costs                                    | (2,600)        |
| 9.6 Administration and corporate costs             | (790)          |
| 9.7 Other (provide details if material)            | -              |
| <b>9.8 Total estimated cash outflows</b>           | <b>(5,190)</b> |

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

| <b>10.</b> | <b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b> | <b>Acquisitions</b> | <b>Disposals</b> |
|------------|----------------------------------------------------------------------------------------|---------------------|------------------|
| 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 October 2017

Print name: Matthew Brown