



ASX Announcement

27 February 2018

ASR surpasses \$10 million

Major agreement signed with key Microsoft sales and marketing vendor in North America

- Annualised subscription revenue¹ (ASR) has now surpassed \$10 million (up from \$6.9 million as at 31 December 2017)
- Q3 FY18 will deliver another record quarter of ASR generation
- Significant strategic partnership signed with key Microsoft sales and marketing vendor in North America
 - Software licensing agreement adds US\$2.7 million of ASR
 - Outsourcing agreement boosts sales and marketing resources, and provides the flexibility to adjust global sales and marketing initiatives in response to market demand

LiveTiles Limited (ASX:LVT) (LiveTiles or the Company), a global software company that empowers its users to drive their own intelligent workplace experiences, is pleased to announce that annualised subscription revenue (ASR) has surpassed \$10 million, up from \$6.9 million as at 31 December 2017.

MAJOR AGREEMENT SIGNED WITH MICROSOFT VENDOR

LiveTiles has entered into a strategic relationship with N3, a sales and marketing consultancy and execution firm based in Atlanta, USA. N3 is the leading outsourced sales and marketing execution vendor for Microsoft's Azure and Dynamics platforms. In addition to Microsoft, N3's global clients include SAP, IBM and Cisco.

The Company's strategic relationship with N3 comprises a sales and marketing execution agreement and a software licensing agreement.

Sales and marketing execution agreement

LiveTiles has engaged N3 to provide outsourced sales and marketing consulting and execution services, comprising:

- Global demand center design and deployment
- Digital demand generation
- Sales opportunity qualification
- Full-cycle sales and customer success for small and mid-sized customers

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



Approximately 75 N3 employees will be dedicated to LiveTiles. The average monthly payments by LiveTiles to N3 will be approximately US\$0.8 million (commencing in April 2018) after factoring in expected government grant funding in the United States. The strategic partnership with N3 provides LiveTiles with the flexibility to adjust the scale of N3's sales and marketing initiatives in response to market demand.

N3 has been instrumental in the implementation and execution of Microsoft's integrated cloud sales strategy for the past six years, delivering significant revenue growth for Microsoft and Microsoft partners. N3's domain expertise in the Microsoft ecosystem and sophisticated sales and marketing platform is expected to generate strong and highly scalable customer and revenue growth for LiveTiles.

Software licensing agreement

LiveTiles has licensed its full suite of intelligent workplace software to N3 for:

- implementation within N3's global sales organisation
- customised AI portals and dashboards
- collaboration with LiveTiles on innovative partner-relevant products and solutions.

The software licensing fee payable to LiveTiles is US\$225,000 per month, representing ASR of US\$2.7m (A\$3.4m).

The N3 agreement will further strengthen LiveTiles' relationship and alignment with Microsoft, and provide greater visibility of LiveTiles' differentiated solutions to Microsoft's field representatives in North America.

Jeff Laue, N3 Co-Founder and CEO, states: "N3 is extremely excited to enter into a strategic relationship to drive LiveTiles' sales and marketing efforts in the Americas and EMEA. N3 is uniquely suited to help maximise LiveTiles sales because of our many years driving integrated sales and marketing engines for several different cloud solutions and platforms, including Microsoft Azure, O365, Dynamics, and other solutions from Microsoft's partners."

"Through our daily efforts helping global clients integrate and sell cloud technology we are exposed to many solutions. N3 has chosen to license the LiveTiles platform because we are convinced LiveTiles' intelligent workplace software solutions will optimise N3's internal processes, improve collaboration and generate increased performance."

Karl Redenbach, LiveTiles Co-Founder and CEO, states: "We are very pleased to be partnering with N3, Microsoft's leading sales and marketing execution vendor in North America. The strength of LiveTiles' technology platforms, coupled with N3's go-to-market expertise in the Microsoft ecosystem is a powerful combination."

"Reaching \$10 million of annualised subscription revenue is a major milestone for LiveTiles. We are focused on continuing to rapidly grow our customer and revenue base in FY18 and beyond."



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About LiveTiles:

LiveTiles is a global software company headquartered in New York, with operations in Seattle, Tri-Cities (Washington State), San Francisco, Los Angeles, Chicago, Minneapolis, North Carolina, London, Zurich, Netherlands, Sydney, Melbourne and Hobart. LiveTiles offers intelligent workplace software for the commercial, government and education markets, and is an award-winning Microsoft Partner. LiveTiles' products comprise LiveTiles Design, 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.