

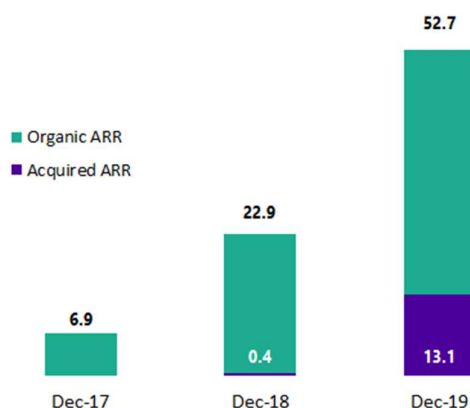
ASX Announcement

27 February 2020

1H FY20 results; growth in ARR, revenue, cash receipts and net cash

- Annualised recurring revenue¹ (ARR) reaches \$52.7 million as at 31 December 2019, up from \$40.1 million as at 30 June 2019. ARR has grown 130% in the last year and is up 7.6x in 2 years
- Q2 FY20 saw strong ARR growth of \$9.8m, comprised of organic ARR growth of \$5.1m (Q1 \$2.8m), augmented by acquired growth of \$4.7m coming from the acquisition of CYCL, completed in early December
- Subscription and services revenue for the 6 months ended 31 December 2019 rose to \$17.9 million, up 216% on the prior period of \$5.7 million
- 1,031 paying customers as at 31 December 2019, up from 598 in the prior period
- Total customer cash receipts rose 195% on the prior corresponding period to \$18.9 million. Coupled with slower growth in operating cash expenses, this resulted in net cash used in operating activities improving 45% to \$10.9 million.
- The Group's cash balance as at 31 December 2019 was \$46.6 million (30 June 2019: \$14.9 million). The rise in cash balance at period end reflected \$55 million in equity capital raised during the period, partly offset by an operating cash deficit as the Company continues to execute against its stated growth strategy
- LiveTiles continues to expect another year of strong customer and revenue growth in FY20. LiveTiles continues to pursue its short-term target of \$100m in ARR and sees significant market and growth potential beyond this level

Annualised recurring revenue growth (\$m)²



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

² Acquired ARR comprises Wisdom's ARR as at 31 December 2018 (\$8.0 million), Hyperfish's ARR as at 30 June 2018 (\$0.4 million) and CYCL's ARR as at 30 September 2019 (\$4.7 million).



LiveTiles Limited (ASX:LVT) (LiveTiles or the Company), a global software company that empowers its users to create their own intelligent workplace experiences, has today released its Appendix 4D for the six months ended 31 December 2019 and is pleased to announce another solid period of growth in annualised recurring revenue (ARR), revenue, cash receipts and net cash.

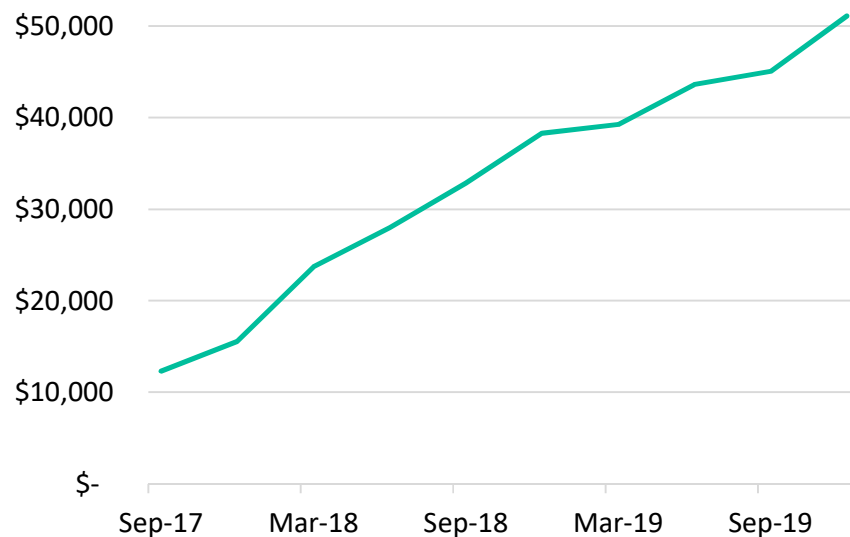
ARR reached \$52.7 million as at 31 December 2019, representing year on year growth of 130%, and up 7.6 times when compared with two years ago.

Customer numbers grew during the period, driven by organic growth and the acquisition of CYCL. The Company had 1,031 recurring revenue customers as at 31 December, compared with 598 in the prior period.

Average ARR per customer as at 31 December rose to over \$51,000, representing growth of 33% over the prior year and reflecting the Company's growing presence in the enterprise market.

In addition to the Company's direct sales channel, LiveTiles sells its software through partners to help scale and broaden the Company's reach. The number of transacting partners grew to 199 as at 31 December 2019 (up 79% since 31 December 2018).

Average ARR Per Customer up 33% year-on-year



With the 2019 acquisitions of Wizdom in February and CYCL in November LiveTiles has expanded its customer, revenue and product base. LiveTiles' base of ARR includes software subscription and related services including software support. LiveTiles has already delivered early progress to introduce LiveTiles products to CYCL customers, including the conversion of some CYCL services customers to include software subscriptions.



The Company's customer pipeline continued to grow during the half and the Company is well positioned to grow its pipeline of partners. The Company continues to focus on bundled and integrated offerings to enterprise customers across its portfolio, which naturally have a longer sales cycle but higher average contract value and retention rate.

OPERATING AND FINANCIAL UPDATE

The table below summarises the Company's statement of profit or loss and other comprehensive income for the half year, including and excluding non-cash expenses.

Subscription and services revenue for the 6 months ended 31 December 2019 rose to \$17.9 million, up 216% on the prior period of \$5.7 million. This coupled with slower growth in cash operating expenses saw the Company's loss before income tax and non-cash items reduced by 24% to \$15.4 million during the period.

	6 mths ended 31 Dec 19 (\$'000)	6 mths ended 31 Dec 18 (\$'000)
Subscription revenue	15,134	5,677
Services revenue	2,794	-
Government grant income	213	1,499
Other income	194	197
Total revenue and other income	18,335	7,373
Total operating expenses	(32,525)	(26,644)
Amortisation of development costs	(1,246)	(1,081)
LOSS BEFORE INCOME TAX EXPENSE AND NON-CASH ITEMS	(15,436)	(20,352)
<i>Non-cash expenses</i>		
Amortisation of software IP and customer contracts	(2,161)	(162)
Share based payments - Management Incentive Plan	(79)	(213)
Share based payments - Long Term Incentive Plan	(165)	-
Share based payments - post combination services for Hyperfish, Inc	-	(3,595)
Share based payments - post combination services for Wizdom A/S	(3,250)	-
Unrealised currency gain / (loss)	(655)	1,635
Loss before income tax expense per statutory accounts	(21,746)	(22,687)
Income tax expense	202	(83)
Loss after income tax expense per statutory accounts	(21,544)	(22,770)

As reported previously, the Company's cash on hand as at 31 December 2019 was **\$46.6m**, up significantly from 30 June 2019 levels due to higher cash receipts generated during the half, as well as \$55 million in equity capital raisings completed in September and October.



LiveTiles Co-Founder and Chief Executive Officer, Karl Redenbach states: "LiveTiles is pleased with its record base of annualised recurring revenue and first half operational delivery, converting our ARR into revenue and improved operating cash flows. We are executing under a clear strategy.

"We were also thrilled to have the CYCL team join LiveTiles during the first half. This acquisition consolidated our position as the global market leader in intranet software, targeting a potential total market of \$14 billion in its very early stages of adoption. With market penetration of 1% to date we see enormous opportunity to both drive intranet software adoption and extend the value of the intranet".

OUTLOOK

LiveTiles expects to deliver another year of strong customer and revenue growth in FY20, driven by our continued investment into our products, partners and sales and marketing channels.

LiveTiles continues to pursue its short-term target of \$100m in ARR and sees significant market and growth potential beyond this level.

For further information, please

contact: Investors

Rowan Wilkie, Chief Financial Officer

+61 (0)418 577 956

rowan.wilkie@livetiles.nyc

Matt Brown, Strategic Growth Advisor

+61 (0)417 201 246

matt.brown@livetiles.nyc

Media

Daniel Paperny

Media & Capital Partners

+61 (0)433 339 454

daniel.paperny@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, Chicago, North Carolina, Rochester, London, Sligo, Copenhagen, Amsterdam, Basel, Zurich, Bern, Sydney, Melbourne, Brisbane, Geelong 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 Intelligent Workplace, LiveTiles Page Designer, LiveTiles Bots, LiveTiles Intelligence, LiveTiles for SAP Software, LiveTiles MX, LiveTiles Mosaic, Hyperfish, Wizdom, MatchPoint and Condense. LiveTiles' customers represent a diverse range of sectors and are spread throughout the United States, United Kingdom, Europe, the Middle East and Asia-Pacific.