

ASX Announcement

24 July 2017

Another Record Quarter Delivers FY17 Annualised Subscription Revenue Growth of 293%

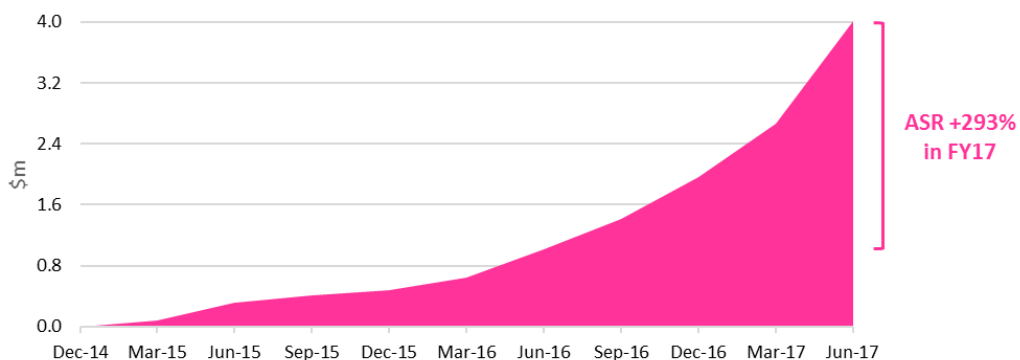
- Sixth consecutive quarter of record annualised subscription revenue¹ (ASR) growth, with \$1.4m of ASR generated in the June quarter
- 293% ASR growth achieved in FY17
- 366 paying customers signed as at 30 June 2017, of which 202 were added in FY17
- Strong growth in LiveTiles' partner channel, with the number of transacting partners up 2.4x in FY17 to 67
- Cash receipts in the June quarter of \$1.0m, up 39% on the prior quarter and up 508% on the prior corresponding quarter (June 2016)
- Expanded sales and marketing presence across all regions and a robust sales pipeline is expected to drive significant growth in FY18

LiveTiles Limited (ASX:LVT) ('LiveTiles' or 'the Company'), a global software company providing digital workplace software to the commercial, government and educational markets, has today released its Appendix 4C and is pleased to provide an update on its activities for the quarter ending 30 June 2017 and FY17.

GROWTH HIGHLIGHTS

Annualised Subscription Revenue (ASR) grew at an accelerated pace to **\$4.0m** as at 30 June 2017, with over **\$2.0m** of ASR added since 1 January 2017 and **\$1.4m** of ASR added in the June quarter. ASR grew by **293%** in FY17 (following growth of 229% in FY16), driven by a growing sales and marketing footprint, ongoing product innovation and strengthening brand awareness. LiveTiles has now achieved six consecutive quarters of record ASR growth.

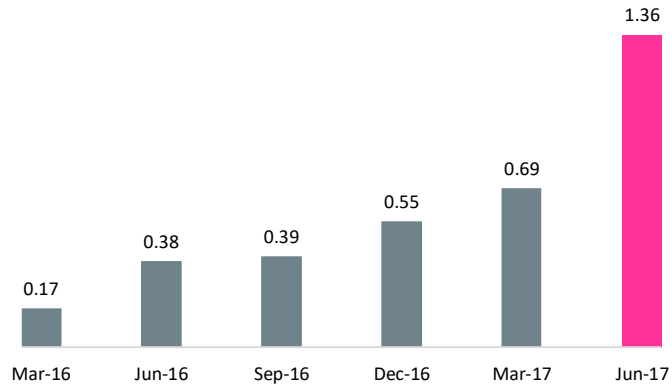
Annualised subscription revenue growth accelerated in FY17



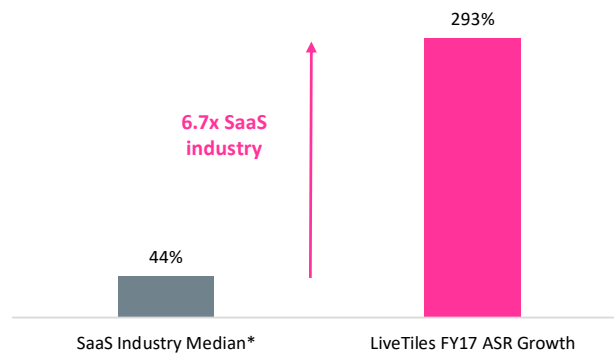
1. Annualised subscription revenue (ASR) represents committed, recurring subscription revenue on an annualised basis



Six consecutive record quarters of annualised subscription revenue generation (\$m)



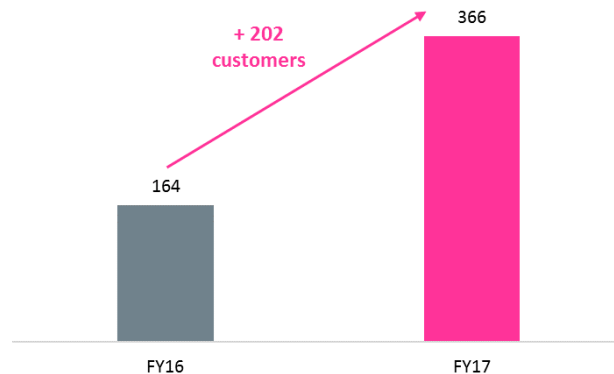
LiveTiles' ASR grew 6.7x faster than the SaaS industry median in FY17



* Pacific Crest 2016 Private SaaS Company Survey (326 respondents)

Customer numbers continued to increase strongly, with **366 paying customers** as at 30 June 2017, of which **202** were added in the last 12 months, representing an annual increase of **123%**.

From zero to 366 paying customers in 2.5 years

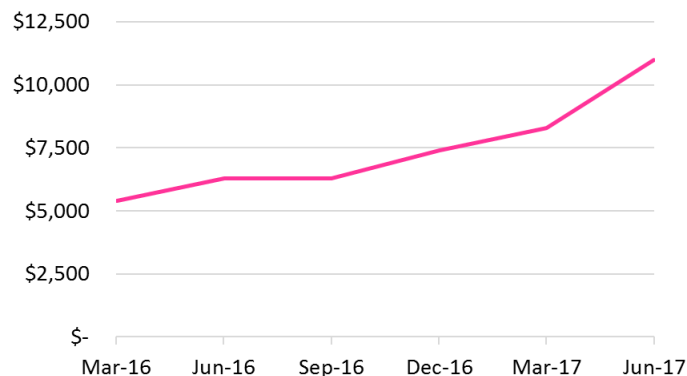


Customer highlights for the June quarter include:

- A global cosmetics company based in the United States
- A global leader in residential real estate based in the United States
- A major global food company based in the United States
- A luxury department store group based in the United Kingdom
- A leading media group based in the United Kingdom
- One of the world's largest brewers
- A major financial services group headquartered in APAC
- One of Australia's largest healthcare companies
- A top Australian university
- A large food company based in Australia

Average ASR per customer continued to grow in the June quarter, driven by several larger customer wins and increased penetration of existing customers as part of the Company's 'land & expand' growth strategy. ASR per customer increased by **33%** in the June quarter and by a total of **75%** in FY17.

Annualised subscription revenue per customer up 75% in FY17



The number of transacting partners² grew to **67** as at 30 June 2017 (**up 139%** since 30 June 2016).

LiveTiles Mosaic is now licensed to schools and school districts representing **6.4 million** students and teachers, **up 56%** since 30 June 2016. During FY17, LiveTiles successfully broadened its education business to include several paying tertiary customers. ASR from the education section stood at \$0.6m as at 30 June 2017.

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

2. LiveTiles resellers that have closed at least one LiveTiles software licensing transaction



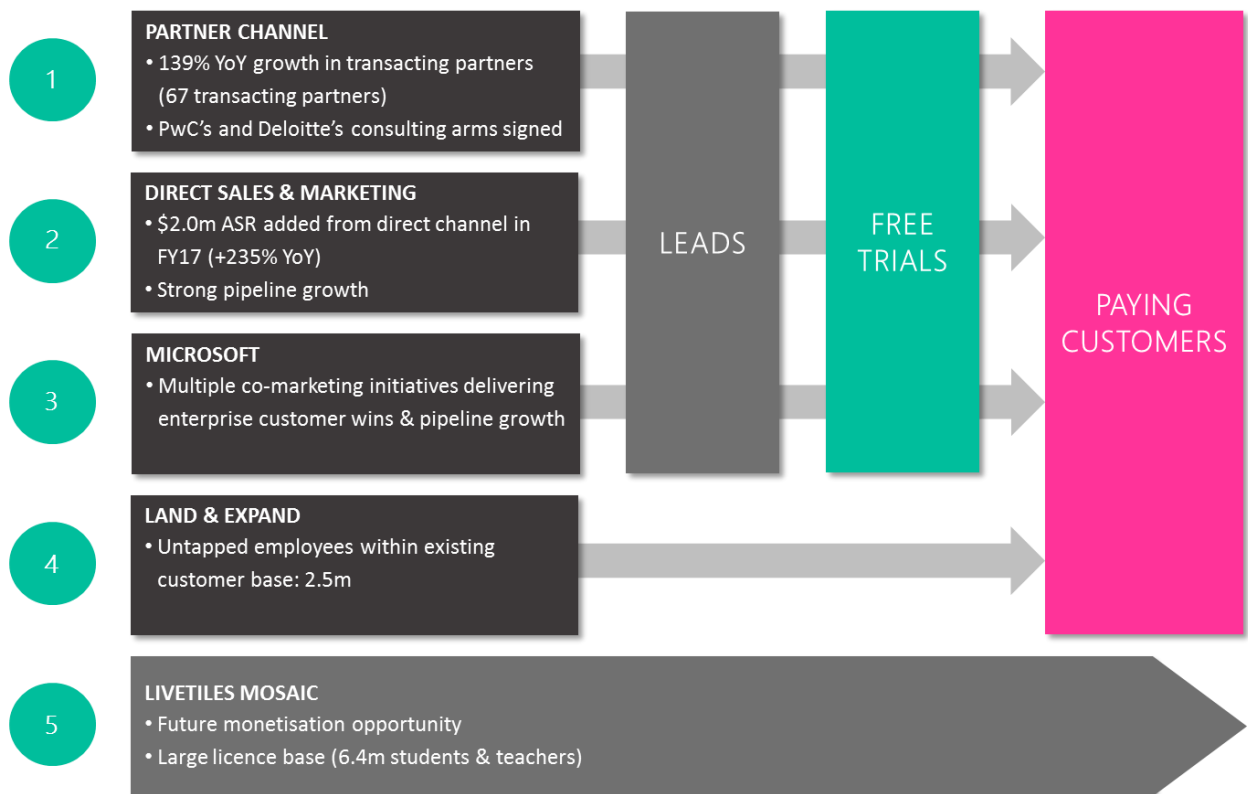
FINANCIAL UPDATE

The Company delivered another record quarter, with customer receipts of **\$1.0m**, up 39% on the March 2017 quarter. Net cash outflow from operating activities was **\$1.7m** in the June quarter.

In the second half of FY17, LiveTiles invested in additional customer-facing employees in the United States and the United Kingdom and additional marketing events. This investment has resulted in accelerated ASR growth in the June 2017 quarter and significant growth in the Company’s sales pipeline.

Pro-forma cash as at 30 June 2017 was **\$6.6m**, comprising cash at bank of **\$3.5m** and an expected FY17 R&D grant of approximately **\$3.1m** (due to be received by 31 December 2017)³. LiveTiles also expects to receive a further R&D grant in FY19 (relating to FY18).

GROWTH STRATEGY & OUTLOOK



LiveTiles has delivered a sixth consecutive record quarter driven by strong demand for its software offering. The Board and management team expect significant revenue growth in FY18, driven by a larger sales and marketing footprint, an increasingly productive partner channel, growing brand awareness and an expanding pipeline of customer opportunities.

3. 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.



LiveTiles | Your digital workplace

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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")

30 June 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	971	2,717
1.2 Payments for		
(a) research and development ¹	(334)	(1,133)
(b) product manufacturing and operating costs ²	(181)	(875)
(c) advertising and marketing ¹	(482)	(1,635)
(d) leased assets	-	-
(e) staff costs ³	(1,224)	(3,678)
(f) administration and corporate costs ²	(425)	(1,586)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	12
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	(1,674)	(4,497)

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 (12 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	80	80
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	80	80

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 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	5,081	8,055
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,674)	(4,497)
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)	80	80
4.5 Effect of movement in exchange rates on cash held	2	(149)
4.6 Cash and cash equivalents at end of quarter	3,489	3,489

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	3,489	5,081
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)	3,489	5,081

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**

268

-

- 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

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	(300)
9.2 Product manufacturing and operating costs	(300)
9.3 Advertising and marketing	(255)
9.4 Leased assets	-
9.5 Staff costs	(1,530)
9.6 Administration and corporate costs	(540)
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	(2,925)

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: 24 July 2017

Print name: Matthew Brown