

## ASX Announcement

25 August 2017

### FY17 Results - annualised subscription revenue up 293% Strong growth expected in FY18

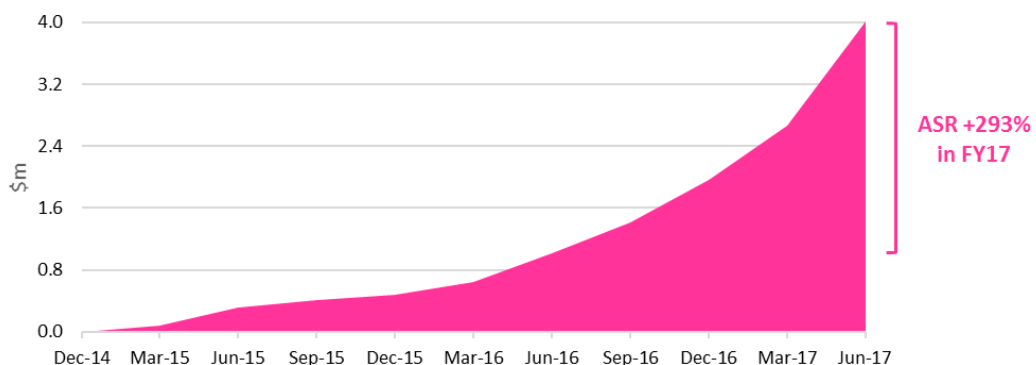
- Rapid growth achieved in FY17, with annualised subscription revenue increasing by 293%
- 366 paying customers signed as at 30 June 2017, of which 202 were added in FY17
- Strong growth in LiveTiles' partner channel, with 67 transacting partners, up 2.4x on FY16
- \$11 million of equity capital raised subsequent to year end, with a share purchase plan underway to raise up to \$1 million
- LiveTiles is well funded to continue to execute its plans to aggressively grow its global footprint
- 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 education markets, has today released its financial results and operational highlights for the 2017 financial year.

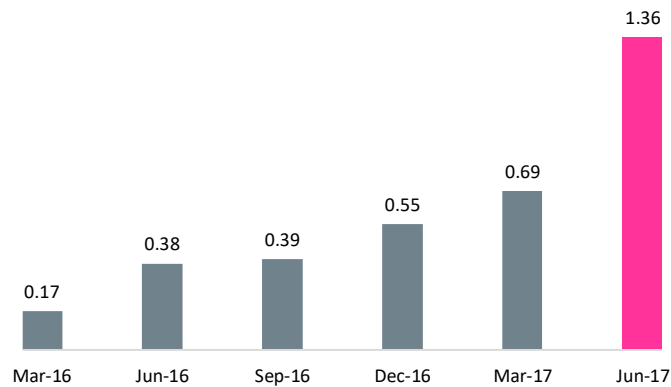
#### FY17 HIGHLIGHTS

Annualised Subscription Revenue<sup>1</sup> (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

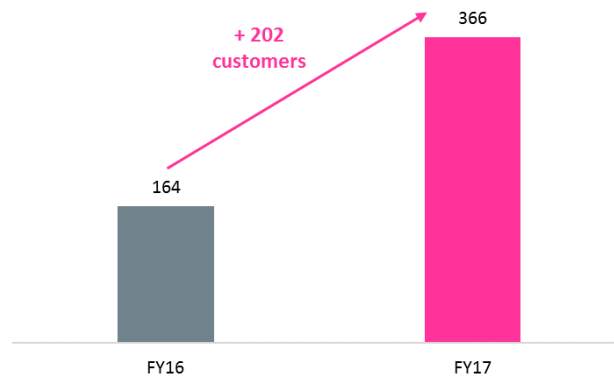


## Six consecutive record quarters of annualised subscription revenue generation (\$m)



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



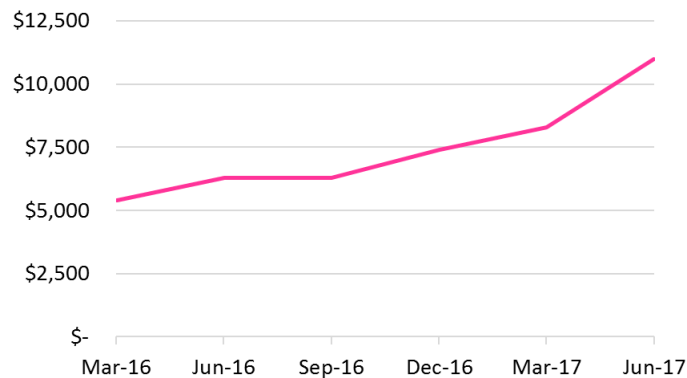
Customer highlights for FY17 include:

- Microsoft
- A top tier global accounting firm
- Two units of the United States Department of Defense
- 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 global specialty retail chain headquartered in Europe
- 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

- A leading food producer in the APAC region
- One of Australia's largest healthcare companies
- A top Australian university
- A major logistics business headquartered in Australia
- One of Australia's largest energy companies

Average ASR per customer continued to grow throughout FY17, 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 **75%** in FY17.

### Annualised subscription revenue per customer up 75% in FY17



The number of transacting partners<sup>2</sup> 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.

### FINANCIAL RESULTS

Total revenue and other income was \$4.8m (up 100% on FY16), including subscription revenue of \$1.8m (up 173% on FY16), and accrued research and development tax concession income of \$3.1m (up 72% on FY16). In addition, unearned revenue (a balance sheet item representing future committed revenue) was \$1.9m (up 242% on FY16).

Annualised subscription revenue<sup>1</sup> (ASR) grew to \$4.0m as at 30 June 2017 (up 293% in FY17), with growth accelerating throughout the year.

LiveTiles recorded a loss after tax of \$7.4m for the period. Excluding non-cash and non-recurring expenses, the loss before tax was \$6.2m.

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)<sup>3</sup>. LiveTiles also expects to receive a further R&D grant in FY19 (relating to FY18).

## **CAPITAL RAISE**

Subsequent to year-end, LiveTiles successfully raised \$11 million via a share placement. The placement closed heavily oversubscribed, with strong demand from new and existing international and domestic institutional and high net worth investors. In addition, the Company has launched a share purchase plan to raise up to \$1 million. The funds raised will be used to expand the Company's sales reach, and drive global customer and revenue growth, as LiveTiles further invests in its sales, marketing and customer success teams.

## **OUTLOOK**

LiveTiles has delivered annualised subscription revenue growth of 293% in FY17 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.

### **Footnotes:**

- 1. Annualised subscription revenue (ASR) represents committed, recurring subscription revenue on an annualised basis.*
- 2. LiveTiles resellers that have closed at least one LiveTiles software licensing transaction.*
- 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.*

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### **About LiveTiles:**

LiveTiles is a global software company headquartered in New York, with offices in Sydney, 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 software, 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.