

Investor Presentation

31 January 2019

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1. Overview

2. Growth
Highlights &
Strategy

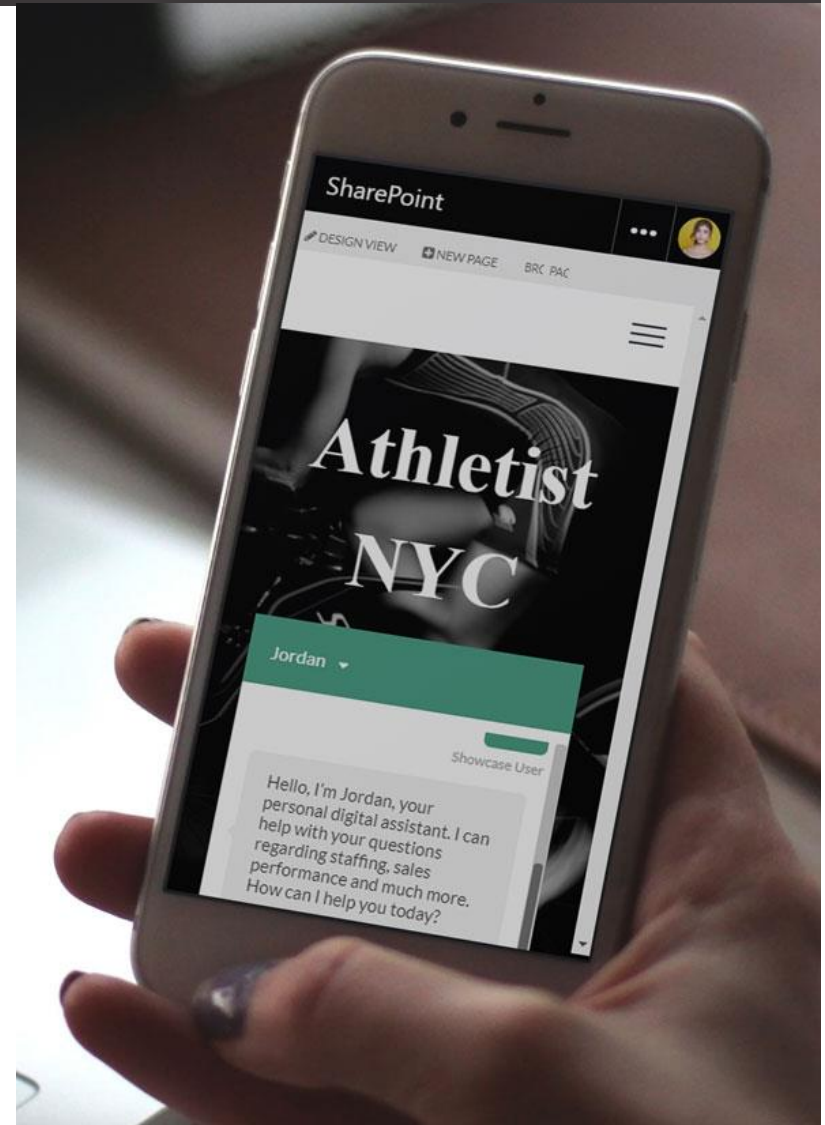
3. Outlook



1. Overview

LiveTiles is a fast-growing cloud subscription software company headquartered in New York

- Monetisation of product commenced in February 2015
- Listed on ASX in September 2015
- 232% y-o-y growth in annualised recurring revenue¹ to \$22.9m²
- 598 paying customers²
- Very large and growing addressable market
- Strong emphasis on product innovation, including Artificial Intelligence
- Close alignment and unique global relationship with Microsoft
- Directors (including founders) own 40%



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

2. As at 31 December 2018

Share Price Performance



Global Presence

- **USA** (New York, Rochester, Seattle, Tri-Cities (Washington State), San Francisco, Los Angeles, Chicago, North Carolina)
- **Australia** (Sydney, Melbourne, Geelong, Hobart, Brisbane)
- **United Kingdom** (London)
- **Europe** (Sligo, The Netherlands)

Capital Structure

ASX:LVT

Share price as at 29 Jan 2019	\$0.38
Shares on issue	552m
Market capitalisation	\$210m
Cash as at 31 Dec 2018	\$22.5m
Enterprise value	\$187m

Major Shareholders

Holder	%
Karl Redenbach (CEO & Co-Founder)	20.1
Peter Nguyen-Brown (CXO & Co-Founder)	17.7
Other directors	2.6
Directors (including Co-Founders)	40.4

Annualised recurring revenue (ARR)¹

+ 232%

yr-on-yr to **\$22.9m** as at 31 Dec 18

Paying customers

598

in under 4 years²

ARR per customer

+ 145%

in year to 31 Dec 18

2018 awards

Winner

Homegrown Export
(ARN Innovation Awards)

Winner

Top 50 SaaS CEOs 2018
(The SaaS Report)

Finalist

Emerging Vendor of the Year (UK)
(CRN Channel Awards)

Finalist

**Greatest Contribution to Ethics,
Gender Equality and Diversity in AI**
(Alconics San Francisco)

Finalist

**Best Application of AI in a Large
Enterprise (Ireland)**
(AI Ireland)



MSUS Partner Award Winner
**MODERN WORKPLACE
TRANSFORMATION**










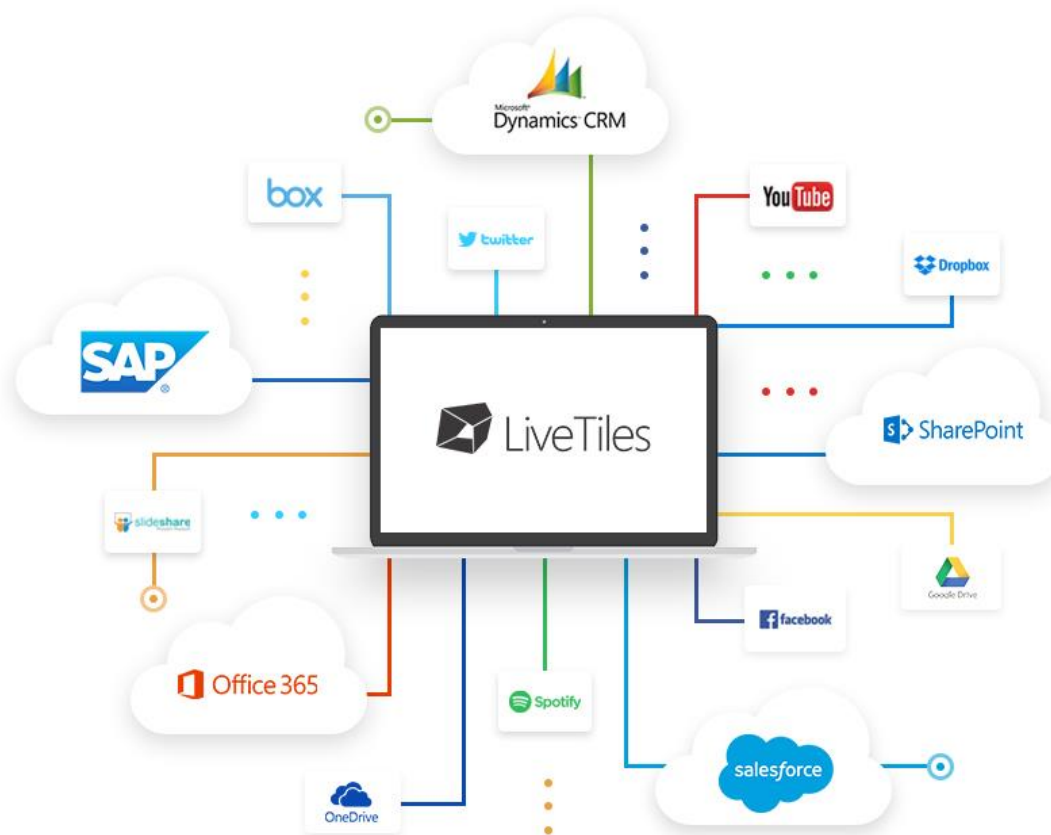
The Alconics

Third Annual Alconics Winner
**BEST APPLICATION
OF AI IN THE ENTERPRISE**



LiveTiles provides intelligent workplace software for the commercial, government and education markets

	Product	Description	Pricing Model
Software Platforms	 LiveTiles Design	<ul style="list-style-type: none"> Digital workplace on top of Microsoft SharePoint/Office 365 or hosted in Azure Targeting 200+ million SharePoint users and rapidly growing Azure platform 	Subscription per user (~US\$2/user/month with volume discounts)
	 LiveTiles Bots	<ul style="list-style-type: none"> An intuitive web-based tool built on Microsoft's Azure Bot Service, enabling users to quickly and easily create customised bots 	Subscription per organisation
	 LiveTiles Mosaic	<ul style="list-style-type: none"> Digital classroom software for the K-12 education market 	Currently free
	 hyperfish™	<ul style="list-style-type: none"> Next generation employee profile and directory management software 	Subscription per employee
Add-On Products	 LiveTiles MX	<ul style="list-style-type: none"> Customised mobile apps built from the LiveTiles responsive page canvas 	Subscription per mobile app (US\$490/month)
	 LiveTiles for SAP software	<ul style="list-style-type: none"> Easily integrates and surfaces content from SAP applications within LiveTiles pages 	Subscription per user (equivalent to LiveTiles Design pricing)
	 LiveTiles Intelligence	<ul style="list-style-type: none"> Provides insights and analytics into how a digital workplace is performing 	Subscription per user (50% uplift on LiveTiles Design Pricing)
Bundle	LiveTiles Intelligent Workplace	<ul style="list-style-type: none"> Combines LiveTiles Design, LiveTiles Bots, LiveTiles Intelligence, LiveTiles MX and Hyperfish 	Subscription per organisation



LiveTiles provides the **flexible intelligent workplace platform** to enable organisations to drive greater productivity and embrace constant change in a fast-paced modern world

- ✓ Integrates seamlessly
- ✓ Rapid deployment
- ✓ Easy to use & configure
- ✓ Employee engagement & adoption
- ✓ Mobile friendly & device agnostic
- ✓ Significantly reduces custom development > cost effective
- ✓ Incorporates Bots and Artificial Intelligence

Large and fast-growing global market opportunity

US\$160b

global public cloud market

21.9% CAGR from 2016 to 2021¹

20x

growth in AI industry

from 2015>2024²

200+ million

SharePoint users

major investment by Microsoft

+76%

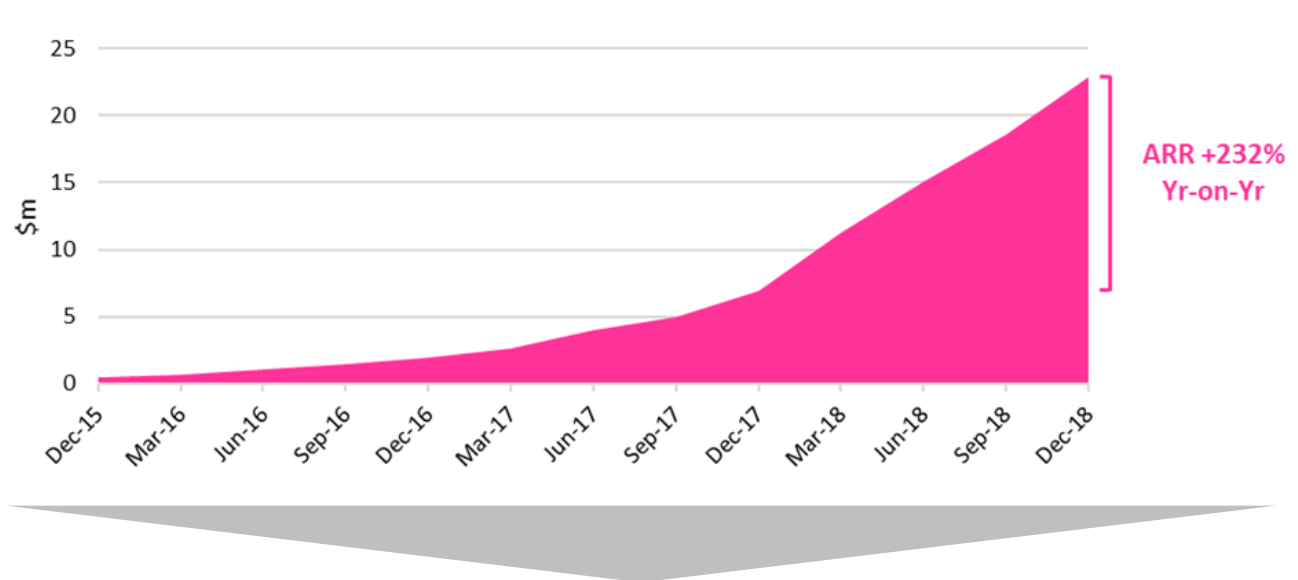
YoY growth

Microsoft Azure Revenue³



2. Growth Highlights & Strategy

Annualised recurring revenue growing rapidly



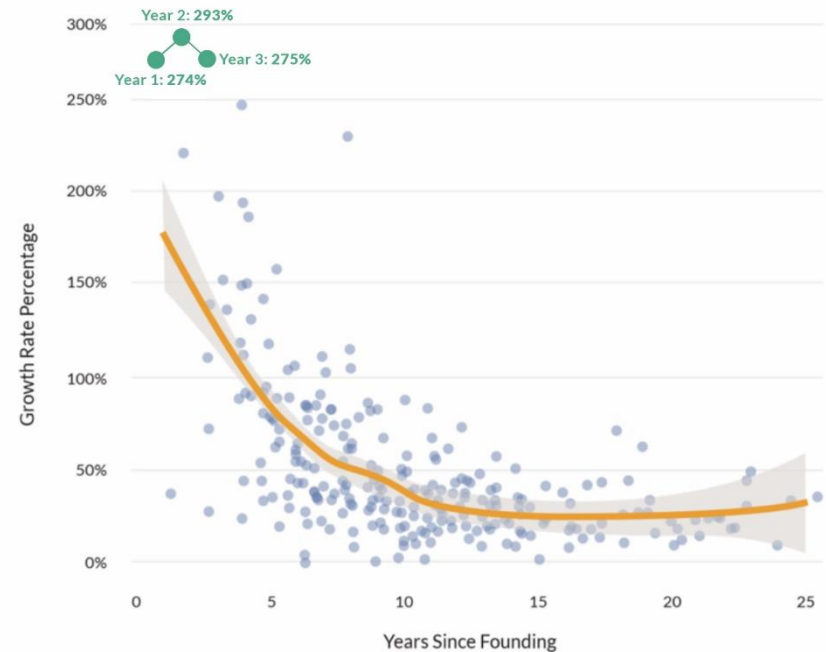
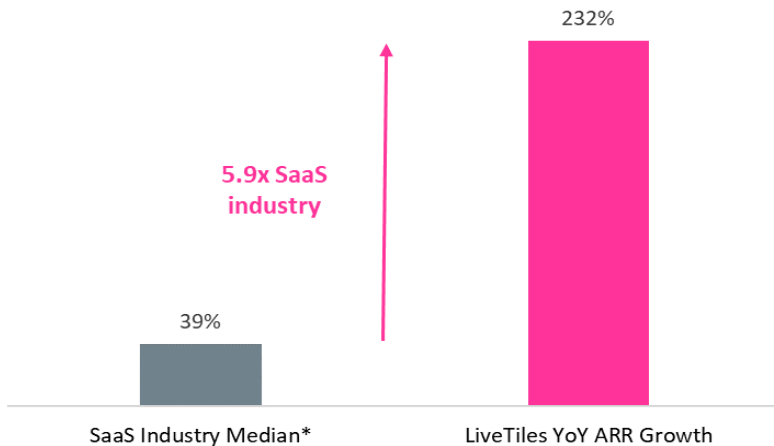
ARR +232%
yr-on-yr to \$22.9m as at 31 Dec 18

\$16m ARR
added in last 12 months

Strong growth
in sales pipeline

LiveTiles is growing at almost 6x the rate of the SaaS industry

LiveTiles ARR growth vs global publicly-listed SaaS companies



* Source: KeyBanc 2018 Private SaaS Company Survey (for companies with >US\$5m ARR; 171 respondents)

Source: Thomas Tunguz, tomtunguz.com (with LiveTiles ARR growth rates added)

Multiple channels driving lead generation and monetisation with new and existing customers

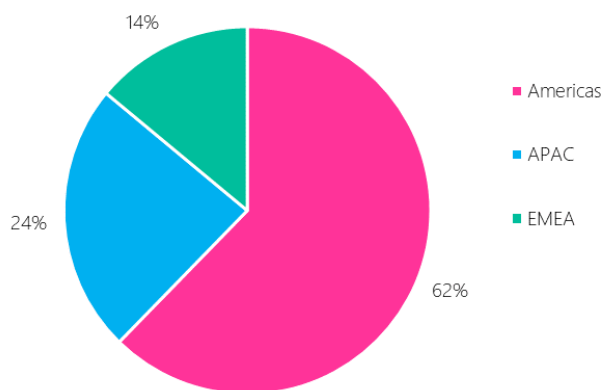
PRODUCTS				
LiveTiles Intelligent Workplace, LiveTiles Design, LiveTiles Bots, LiveTiles Intelligence, LiveTiles for SAP, Hyperfish				
CHANNEL	1 Direct	2 N3	3 Microsoft	4 Partner Channel
KPIs	<ul style="list-style-type: none"> # of paying customers ARR 	<ul style="list-style-type: none"> # of qualified opportunities ARR 	<ul style="list-style-type: none"> # of leads ARR 	<ul style="list-style-type: none"> # of transacting partners ARR
Recent Progress	<ul style="list-style-type: none"> ✓ Experienced enterprise sellers in key markets ✓ Driving growth in average deal size 	<ul style="list-style-type: none"> ✓ Dedicated team onboarded in Q4 FY18 ✓ >\$50 million sales pipeline generated through mid-November 2018 	<ul style="list-style-type: none"> ✓ Several co-marketing initiatives ✓ AI campaigns in USA & Australia ✓ Frequent leads and customer references 	<ul style="list-style-type: none"> ✓ 111 transacting partners (+37% YoY)



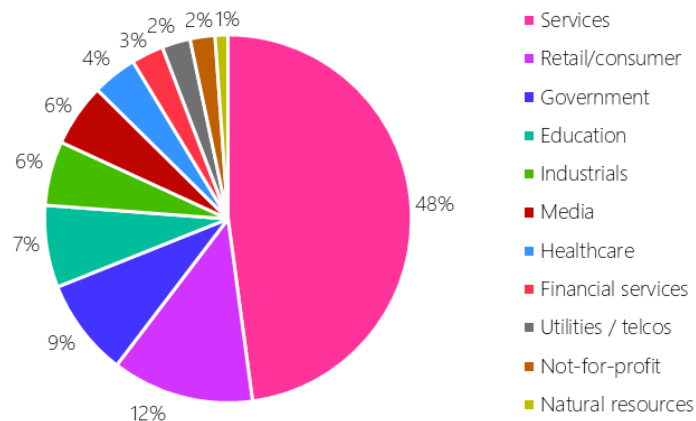
Paying Customers (ARR)

Expand with existing customers

ARR by region¹



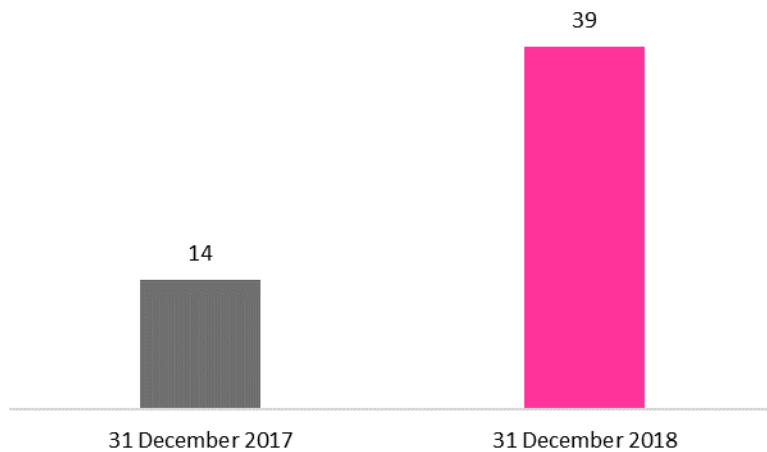
ARR by industry vertical¹



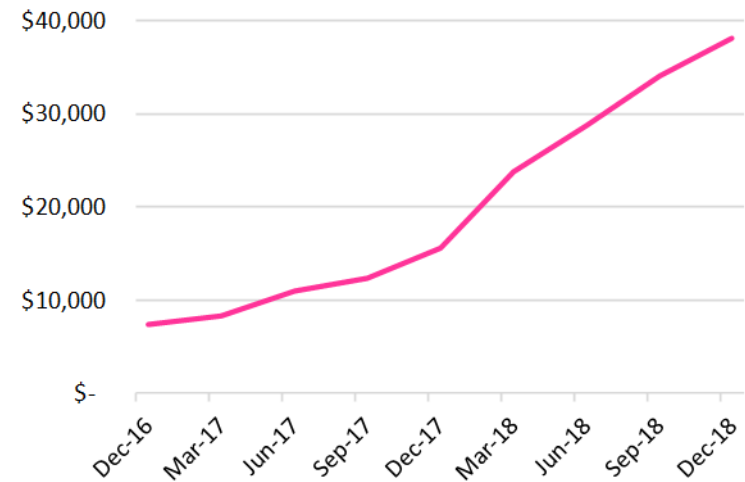
Recent customer highlights

- One of the world's largest IT consulting companies (USA)
- Top-tier global real estate services company (USA)
- Multinational engineering and construction company (USA)
- Major university (USA)
- Large agricultural cooperative (USA)
- Multinational media and entertainment conglomerate (USA)
- Large clothing and homewares retailer (USA)
- Major banking and payment services company (USA)
- Top-tier online stockbroking businesses (USA)
- Large logistics group (USA)
- Multinational bank (Europe)
- Global luxury goods conglomerate (Europe)
- Major food manufacturer (UK)
- Top-tier professional services firm (Australia)
- Global insurance company (Australia)
- Two government departments (Australia)
- Large mining and metals company (Australia)
- Major government-owned corporation (Australia)

Strong growth in large accounts¹



Average ARR per customer up 145% in last 12 months



1. Customers contributing ARR of at least \$100,000

Multiple high-impact campaigns and go-to-market initiatives contributing to strong customer and revenue growth

- Successfully aligning itself with **Microsoft's 'AI-first' vision**, LiveTiles has become one of Microsoft's key strategic partners in the data and AI space
- 2018 **Microsoft US Partner of the Year Award for Modern Workplace Transformation** (Microsoft has ~100,000 US-based partners)
- **AI Spark Partner Program**: designed by LiveTiles and Microsoft to accelerate the pace at which AI can be deployed by enterprises
- **AI Inner Circle Partner Program**: LiveTiles invited as the first software company following independent customer evaluations
- **LiveTiles Bots heavily showcased by Microsoft** at its global Inspire conference in Las Vegas in July 2018
- Access to Microsoft's partner **co-sell program** to accelerate leads and new customer growth
- **Airline AI Solution**: LiveTiles Gate Agent Assistant Bots launched in conjunction with Microsoft
- **P2P Global Integrated Solution**: co-creation of IP with select partners to deliver industry solutions via Microsoft's Marketplace (AppSource)
- Former Microsoft senior executive, **David Vander**, appointed as Global Growth Director



MSUS Partner Award Winner
**MODERN WORKPLACE
TRANSFORMATION**



LiveTiles showcased at Microsoft Inspire keynote (17 July 2018, Las Vegas)

Highly complementary software business

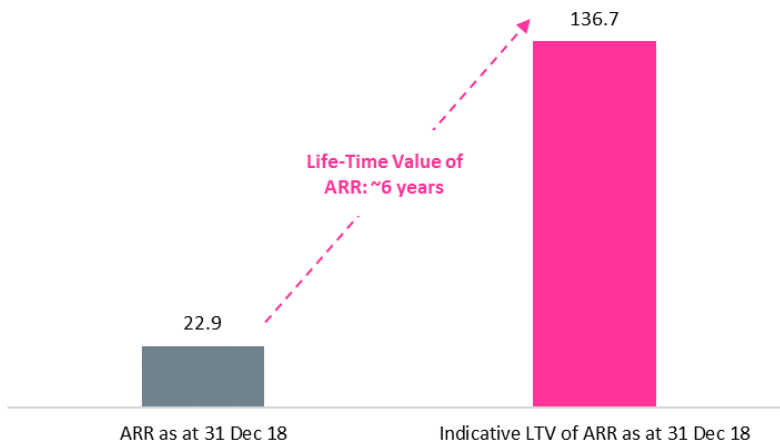
- LiveTiles acquired Hyperfish in June 2018
- Recognised leader in next generation employee profile and directory management software
- Deep relationships with Microsoft's global executive team
- Unique and highly complementary artificial intelligence technology, strongly aligned with LiveTiles' intelligent workplace platform offering
- **Enables LiveTiles to achieve its strategic product vision more quickly**
- Several customers have already acquired Hyperfish software as part of the LiveTiles Intelligent Workplace bundle



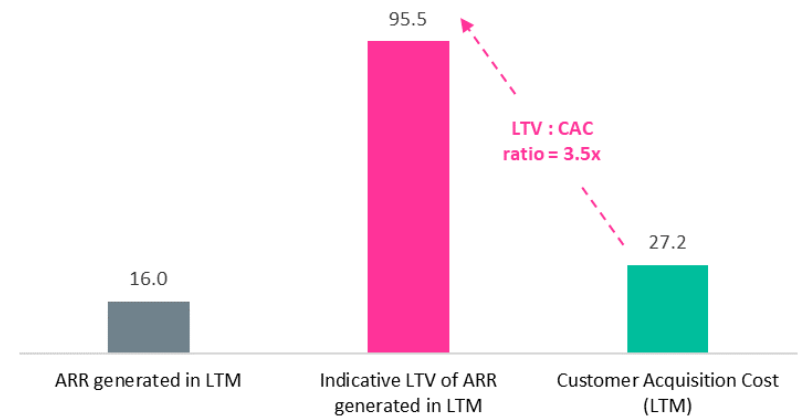
Performing ahead of plan

- Hyperfish is performing strongly, with **ARR more than tripling since completion of the acquisition**
- Hyperfish has successfully exceeded the first earn-out target by achieving ARR of more than US\$1.0m by 31 December 2018
 - 6.77 million LiveTiles shares have been issued to the vendors as consideration for achieving the first earn-out
 - The earn-out shares are subject to an escrow period of 12 months
- Second earn-out target: US\$1.5m ARR by 30 June 2019
- The Hyperfish sales pipeline continues to grow rapidly, including via the N3 channel
- LiveTiles expects Hyperfish will be **cash flow positive** on a run-rate basis by 31 December 2019

Indicative Life-Time Value of ARR base (\$m)



Efficiency of Customer Acquisition Cost (\$m)



CAC has also generated large sales pipeline and driven early demand for AI products

ARR = Annualised Recurring Revenue.

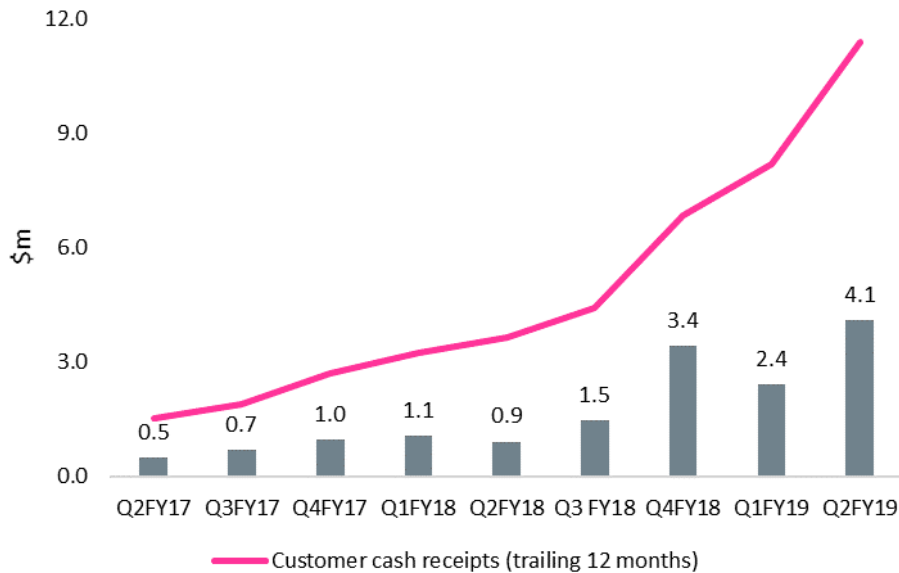
LTV = Life-Time Value. Assumes 95% gross margin, 92.5% net retention and a 10% discount rate.

Net retention = (ARR expansion from existing customers less churn in trailing 12 months) / ARR at beginning of 12 month period.

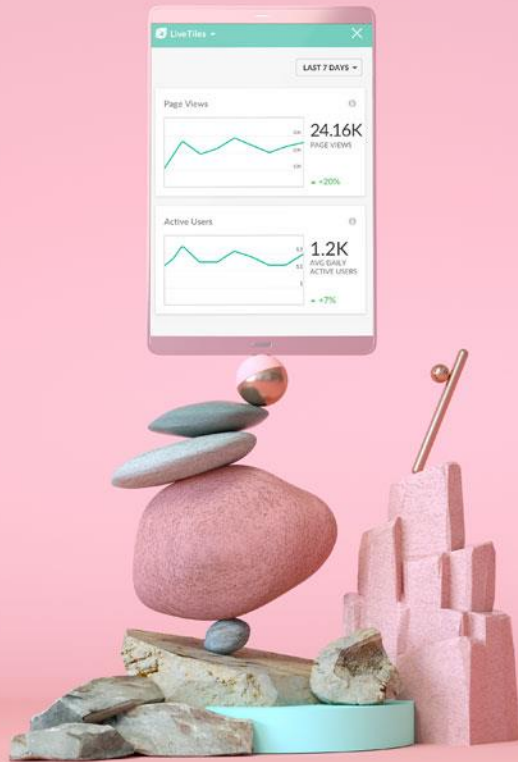
CAC = Customer Acquisition Cost. Comprises 100% of sales and marketing costs and 50% of customer success costs.

LTM = Last Twelve Months (to 31 December 2018)

Strong growth in customer cash receipts



- **\$4.1 million** customer cash receipts in the December 2018 quarter
 - ✓ **up 350%** on the prior corresponding quarter (December 2017)
 - ✓ **up 69%** on the September 2018 quarter



3. Outlook

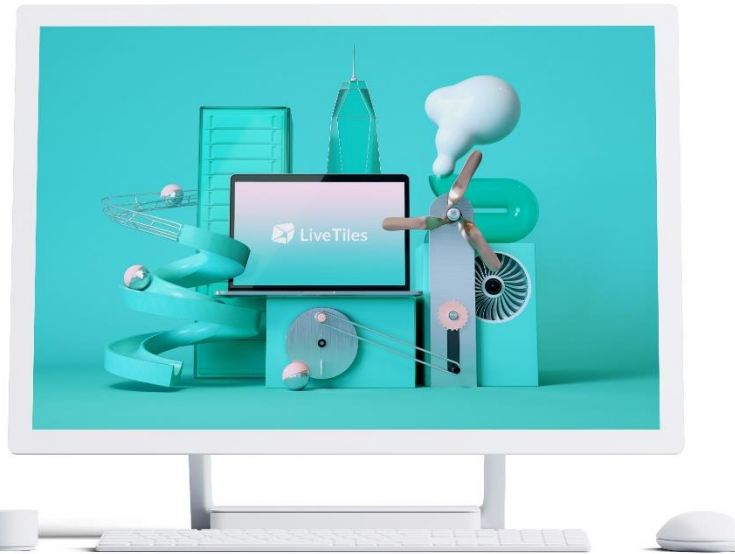
LiveTiles' key objective is to achieve ARR of \$100m by 31 December 2021

Strong growth in ARR

- Continued strong ARR growth driven by:
 - ✓ Focused direct sales & marketing strategy targeting larger enterprises
 - ✓ Conversion of large pipeline generated by N3 team in the United States
 - ✓ Ongoing co-marketing initiatives with Microsoft
 - ✓ Continued growth in partner/reseller distribution channel
 - ✓ Strong early demand for Artificial Intelligence products
 - ✓ Substantial 'expand' and cross-sell opportunity with existing customers

Improving operating cash flow

- Growing customer cash receipts
- Gross cash operating expenses expected to be significantly lower in 2H FY19 vs 1H FY19
 - Q3 FY18 estimated gross operating expenses of \$11.7m (down from \$13.7m in Q2 FY18)



LiveTiles website:

www.livetiles.nyc

Videos:

www.youtube.com/c/livetiles

Social:

www.linkedin.com/company/livetiles/
www.instagram.com/livetiles/
www.facebook.com/LiveTiles/
www.twitter.com/livetilesui

