

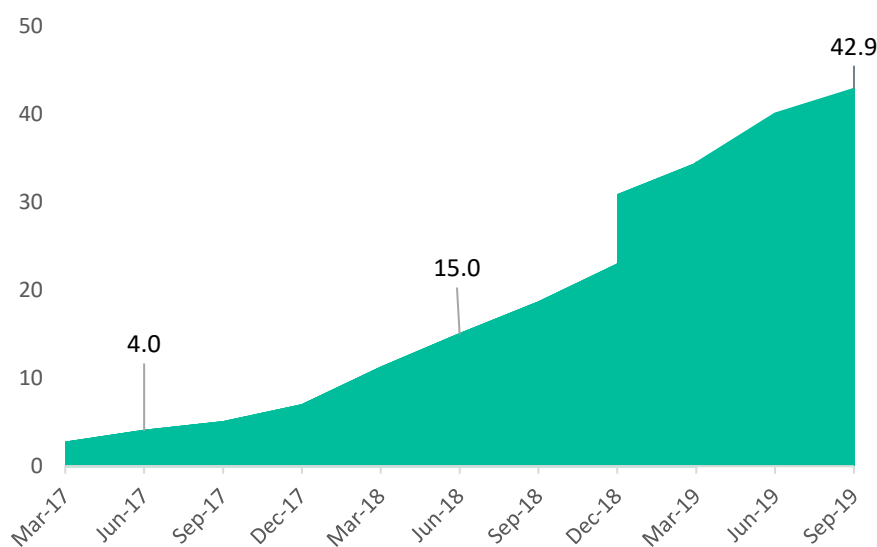
## ASX Announcement

11 October 2019

### Q1 ARR grows to \$42.9 million, confirms strong outlook

- Annualised recurring revenue<sup>1</sup> (ARR) reaches \$42.9 million as at 30 September 2019, up from \$40.1 million as at 30 June 2019. ARR has grown 131% in the last year and is up 8.6x in 2 years
- Q1 FY20 saw strong APAC region performance offset by seasonal buying patterns in the US and European regions. The Company is pleased with sales and marketing activity early in Q2, with a strengthening pipeline and more engaged partner channel
- Wizdom, the Company's recently acquired intranet software for the enterprise market, is delivering strong growth with an increasing FY20 pipeline of deals being generated through the global partner channel
- During Q1 global sales and marketing teams across Wizdom and LiveTiles were integrated with a strong response within the enterprise market to the Company's combined value proposition
- These efforts position the business to deliver on FY20 and long-term growth targets through more bundled offerings, which naturally have a longer sales cycle but higher average contract value and retention rate
- LiveTiles expects to deliver another year of strong customer and revenue growth in FY20

### Annualised recurring revenue growth (\$m)



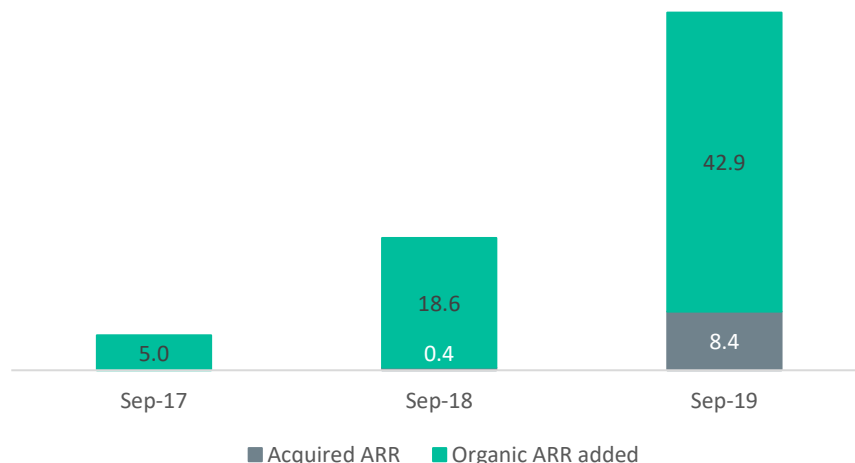
<sup>1</sup> Annualised recurring revenue (ARR) represents committed, recurring revenue on an annualised basis

**LiveTiles Limited (ASX:LVT) (LiveTiles or the Company)**, a global software company that empowers its users to create their own intelligent workplace experiences, is pleased to announce a solid quarter of annualised recurring revenue (ARR) growth. ARR reached \$42.9 million as at 30 September 2019, representing year on year growth of 131%, and up 8.6 times when compared with two years ago. Q1 saw strong APAC region performance offset by seasonal buying patterns in the US and European regions.

The Company is pleased with sales and marketing activity early in Q2, with a strengthening pipeline and a larger and more engaged partner channel. Further, early customer and partner response to Wizdom and its bundling with other LiveTiles products including Page Designer and Hyperfish is driving pipeline growth.

The marketing of bundles commenced during Q4 FY19 with pipeline and sales impact expected to strengthen throughout FY20, coupled with the Company's increasing partner-focused strategy. These efforts position the business to deliver on FY20 and long-term growth targets through more bundled offerings, which naturally have a longer sales cycle but higher average contract value and retention rate.

## Annualised recurring revenue growth (\$m)<sup>2</sup>



Customer highlights in the September quarter included:

- An international healthcare manufacturer (Europe)
- A financial services business (Europe)
- A local government (Europe)
- A public research university (Europe)
- A large housing association (Europe)

<sup>2</sup> Acquired ARR comprises Wizdom's ARR as at 31 December 2018 (\$8.0 million) and Hyperfish's ARR as at 30 June 2018 (\$0.4 million).



- An international non-profit legal corporation (USA)
- A non-profit legal advocacy organisation (USA)
- A global non-profit leadership development organisation (USA)
- An international film company (USA)
- A global construction engineering company (USA)
- An international manufacturer (USA)
- A medical research institute (Australia)
- A global infrastructure and environmental company (Australia)
- A state government department (Australia)
- A professional sports club (Australia)
- A large infrastructure services provider (Australia)
- A global communications infrastructure provider (Australia)
- A television network (New Zealand)

In addition to these major customer wins during the quarter, the Company has:

- Established a partnership with UiPath, the world leader in robotic process automation (RPA)
- Been chosen by Microsoft to present at their largest annual partner event (Inspire)
- Confirmed receipt of 2017 and 2018 R&D tax refunds of \$3.8 million
- Launched a learning & development partnership with Go1
- Raised \$50 million of equity via placement, and launched a \$5 million Share Purchase Plan
- Announced Board renewal including Dana Rasmussen joining as a non-executive Director

## CASH FLOW UPDATE

The Company confirms that based on draft unaudited management accounts, LiveTiles delivered record customer cash receipts in the first quarter, following a record quarter of cash receipts in Q4 FY19. This excludes \$3.8 million in R&D tax grant monies received during the first quarter. Underlying cash operating expenditure in Q1 was higher than its forecast for \$15.9 million, largely driven by capital raising costs and other non-recurring expenditure. The Company will provide further details on its growth and operations with its Q1 Appendix 4C announcement in late October.

**LiveTiles Co-Founder and Chief Executive Officer, Karl Redenbach states:** “LiveTiles is pleased with its first quarter sales result, progress against our medium term target and early signs in the second quarter.

“We are the global market leader in intranet software, targeting a potential total market of \$13 billion in its very early stages of adoption. With market penetration of 1% to date we see enormous opportunity to drive both intranet software adoption and extend the value of the intranet into areas such as AI. We are laying the foundations for future growth with our global market presence, with a strong focus on building new revenue streams, our partner channel and long term pipeline.

## 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. Our key financial objective is to deliver ARR of at least \$100 million by 30 June 2021. The Company grew ARR at 131% in the last 12 months and the target implies a compound annual growth rate of 62%.



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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, North Carolina, Rochester, London, Sligo, Copenhagen, Amsterdam, 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 and Wizdom. LiveTiles' customers represent a diverse range of sectors and are spread throughout the United States, United Kingdom, Europe, the Middle East and Asia-Pacific.