

Q4FY20 Results



All currency amounts in this presentation are in Australian Dollars (AUD).

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AGENDA

Snapshot
Refreshed Product Portfolio
Annualised Recurring Revenue
Q4 Financial Results
Q&A

SNAPSHOT

LiveTiles is an enterprise SaaS company headquartered in New York City



- Cloud-based intelligent workplace software for organisations
- First paying customer in February 2015
- Listed on ASX in September 2015 (ASX: LVT)
- \$58.2m of annualised recurring revenue (ARR) ⁽¹⁾
- 1,092 recurring customers across every major industry vertical¹
- Employees located across US, UK/Europe and Australia
- Large and rapidly growing addressable market
- Strong emphasis on product innovation, including Artificial Intelligence
- Close alignment and unique global relationship with Microsoft
- Long term vision, co-founders own 23%

1.As at 30 June 2020 on a constant currency basis when compared with 31 March 2020. Annualised recurring revenue (ARR) represents revenue, normalised on an annual basis, that LiveTiles has a reasonable expectation it will receive from its customers for providing them with products or services.

PRODUCT PORTFOLIO

Refreshed product portfolio in July 2020



World-leading intranet software for companies of all sizes to centralise their news, comms, policies and procedures.



Employee mobile communications app software that can be extended across the entire org, including the frontline workforce and 3rd parties.



The "Google Assistant" of the workplace. This ubiquitous panel assists workers by giving them constant access to critical information and applications .



The intelligent workplace toolkit – a suite of modules that enables customers to connect their data from multiple applications for powerful business insights and AI empowered processes.



FORRESTER RESEARCH

LiveTiles was named one of the strongest performers in the *Forrester Wave: Intranet Platforms Q2, 2020* report.

The image on the left shows LiveTiles as having the largest market presence outside of Microsoft and Atlassian, as well as being compared favourably against the two tech giants.

"LiveTiles continues to build a global presence and rich set of digital employee experience tools via its services know-how and focused acquisitions. Its strategy is to build a comprehensive set of intelligent workplace capabilities with the intranet as a foundation on which to grow. The vendor has a clear focus on serving large global enterprises and will make investments to extend its platform breadth as well as establish a presence in key markets."

The full report can be downloaded here:
<https://livetilesglobal.com/forrester-wave-report/>



Q4FY20 OPERATING ENVIRONMENT

- COVID-19 - revisited balance between cash burn and growth.
- Grow book of recurring revenue whilst maintaining strong balance sheet – lower opex
- No change in long-term strategy or market opportunity
- COVID disruption remains with us in the near-term,
- Challenging sales environment for enterprise software generally
- Strong medium and long-term tailwinds towards adoption of digital workplace software.
- Pipeline has been building strongly throughout the last quarter through both direct and partner sales channels.

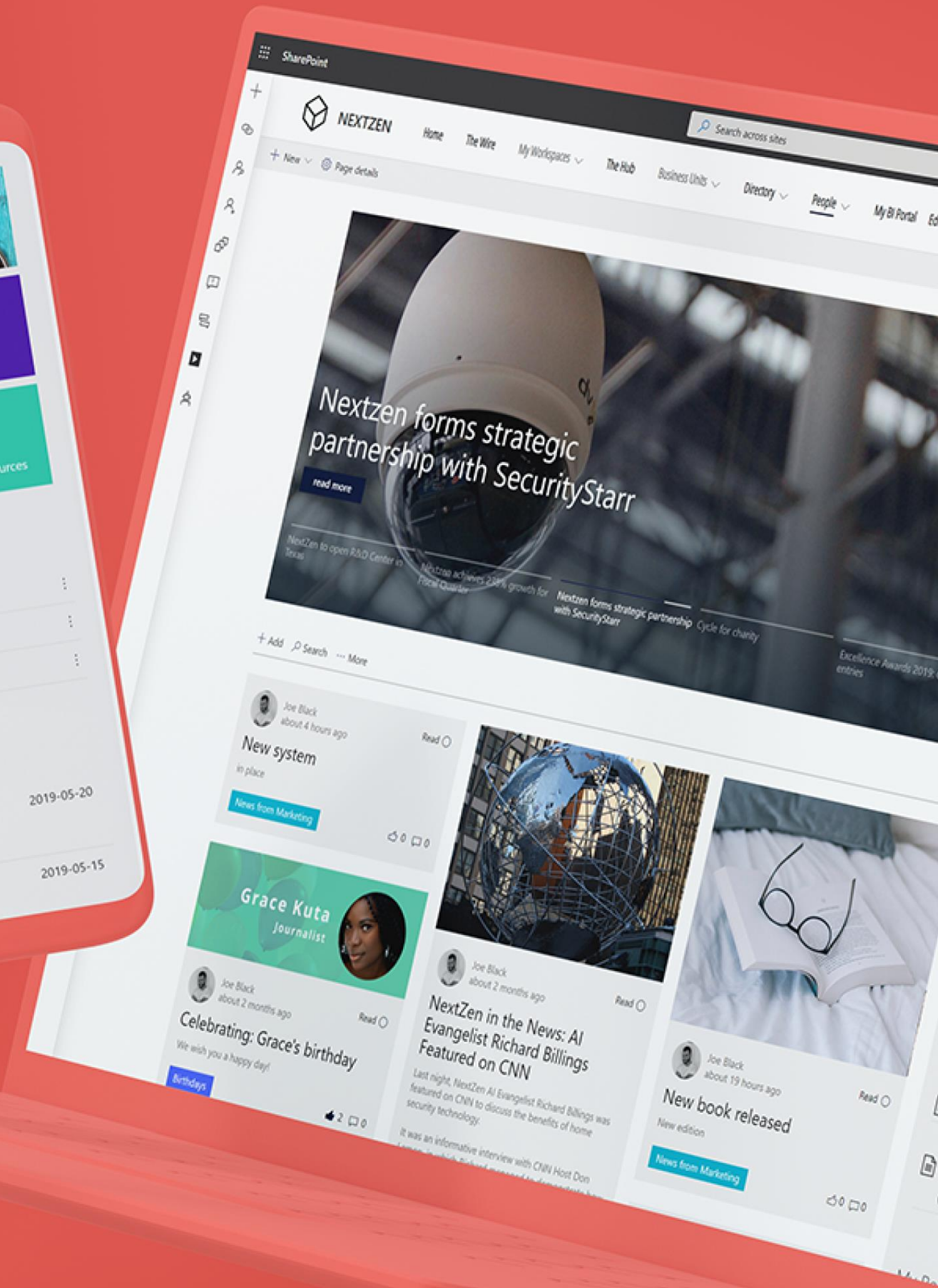
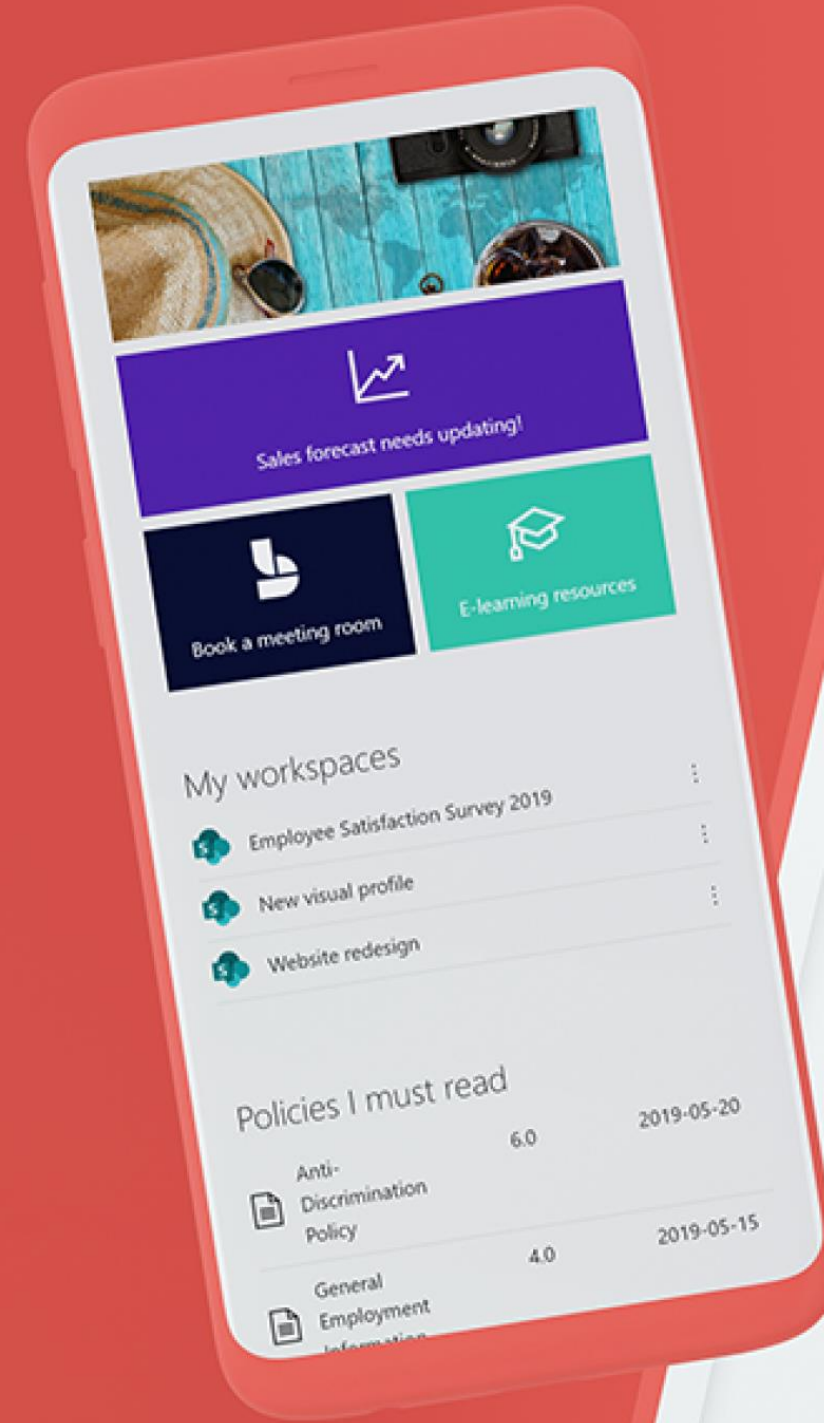
LiveTiles continues to pursue opportunities to support customers and sees significant market and growth potential notwithstanding continued challenging operating conditions

Highlights

Q4 HIGHLIGHTS

Customer wins in the June quarter included:

- A major league professional sports team (United States)
- A state government agency (Australia)
- A government owned manufacturer (Australia)
- A not-for-profit healthcare provider (United Kingdom)
- A local financial institution (United States)
- An insurance provider (Denmark)
- A global property and infrastructure development company (Australia)
- A national construction company (United States)
- A global shipping operator (United States)
- A healthcare consulting company (United States)
- A global natural resources company (Switzerland)
- A financial institution (Denmark)
- A city council (United Kingdom)
- A biopharmaceutical company (United States)
- A primary care healthcare operator (United States)



Q4 ARR HIGHLIGHTS

ARR growth of \$3.0m to

\$58.2m

In Q4 FY20 on a constant currency basis when compared with 31 March 2020

ARR customer numbers rose to

1,092

As at 30 June from 1,068 as at 31 March

Average ARR per customer rose 3% to

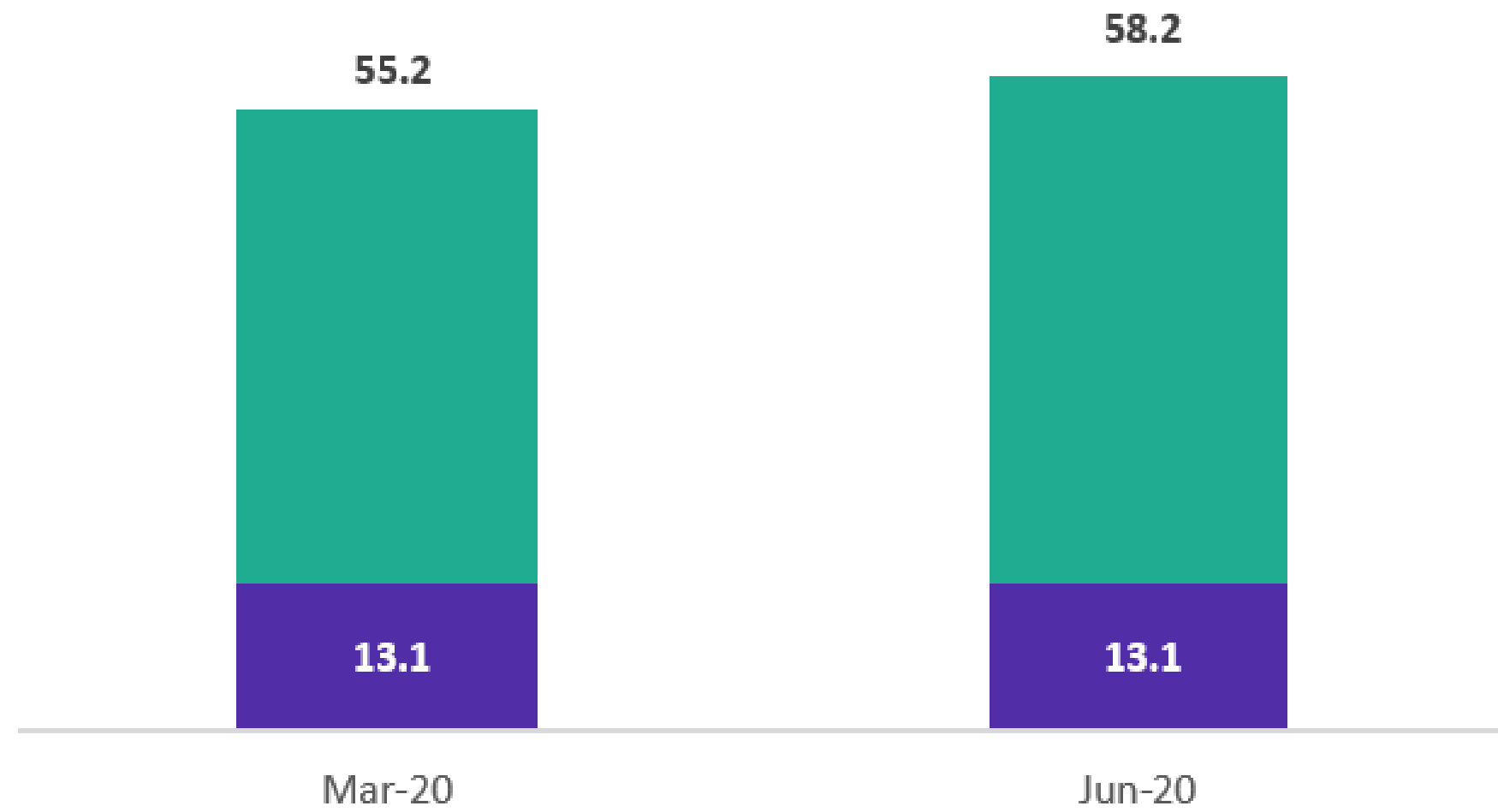
\$53.3k

on a constant currency basis when compared with 31 March 2020

1. LiveTiles defines ARR as revenue, normalised on an annual basis, that LiveTiles has a reasonable expectation it will continue to receive from its customers for providing them with products and services. This definition includes committed recurring subscriptions for products and services, and includes service types where there is a demonstrable track record of repeat revenues such as support. It excludes revenue deemed unlikely to be recurring in nature.

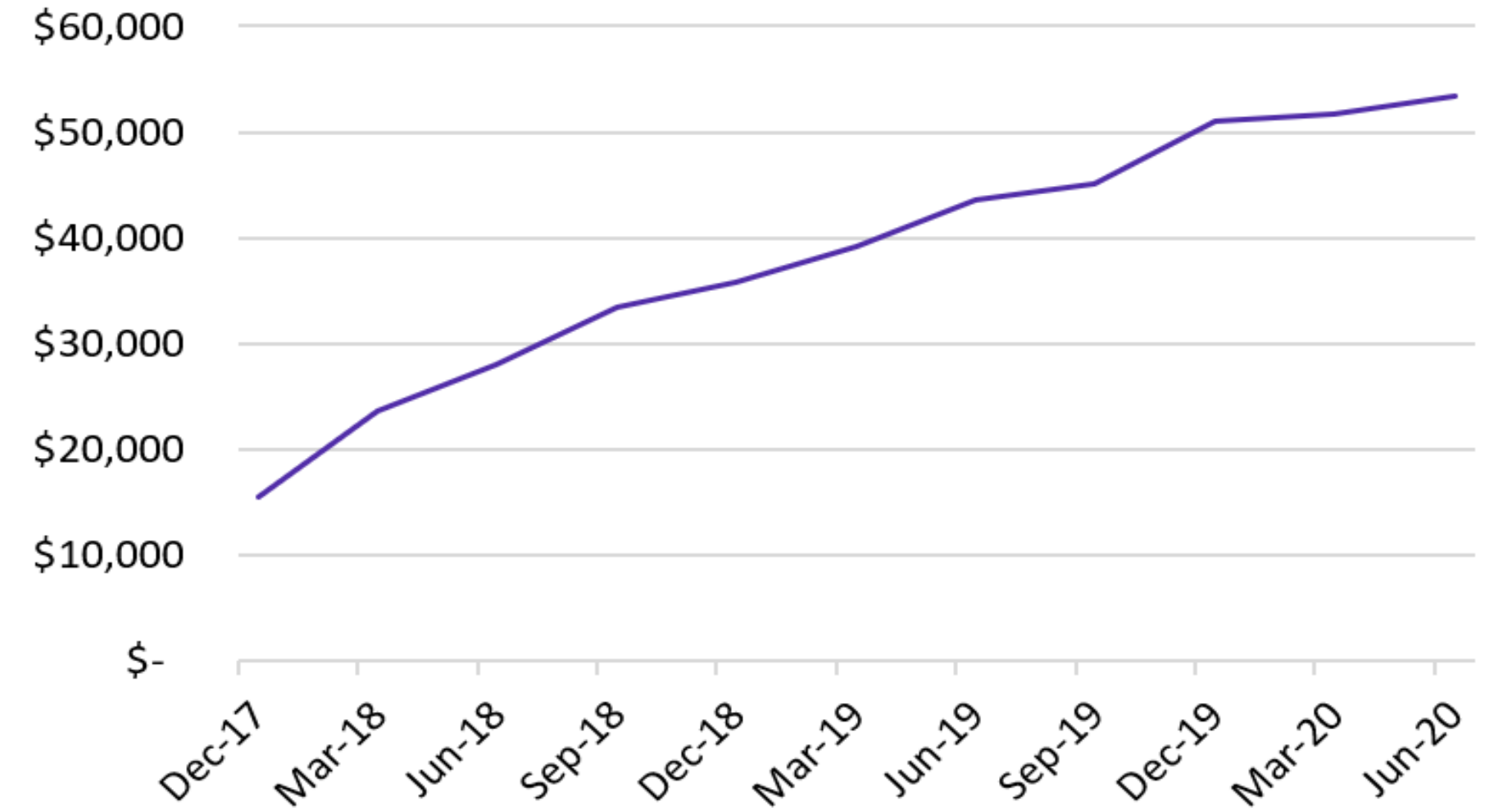
Strong Annualised Recurring Revenue Growth

Constant Currency ARR growth¹



- ARR reached \$53.8 million as at 30 June 2020, representing year on year growth of 34%, and up 3.6 times when compared with two years ago.
- On a constant currency basis, using FX rates as at 31 March 2020, ARR was \$58.2m, representing growth of \$3.0m on 31 March ARR of \$55.2m.

Average ARR per Customer

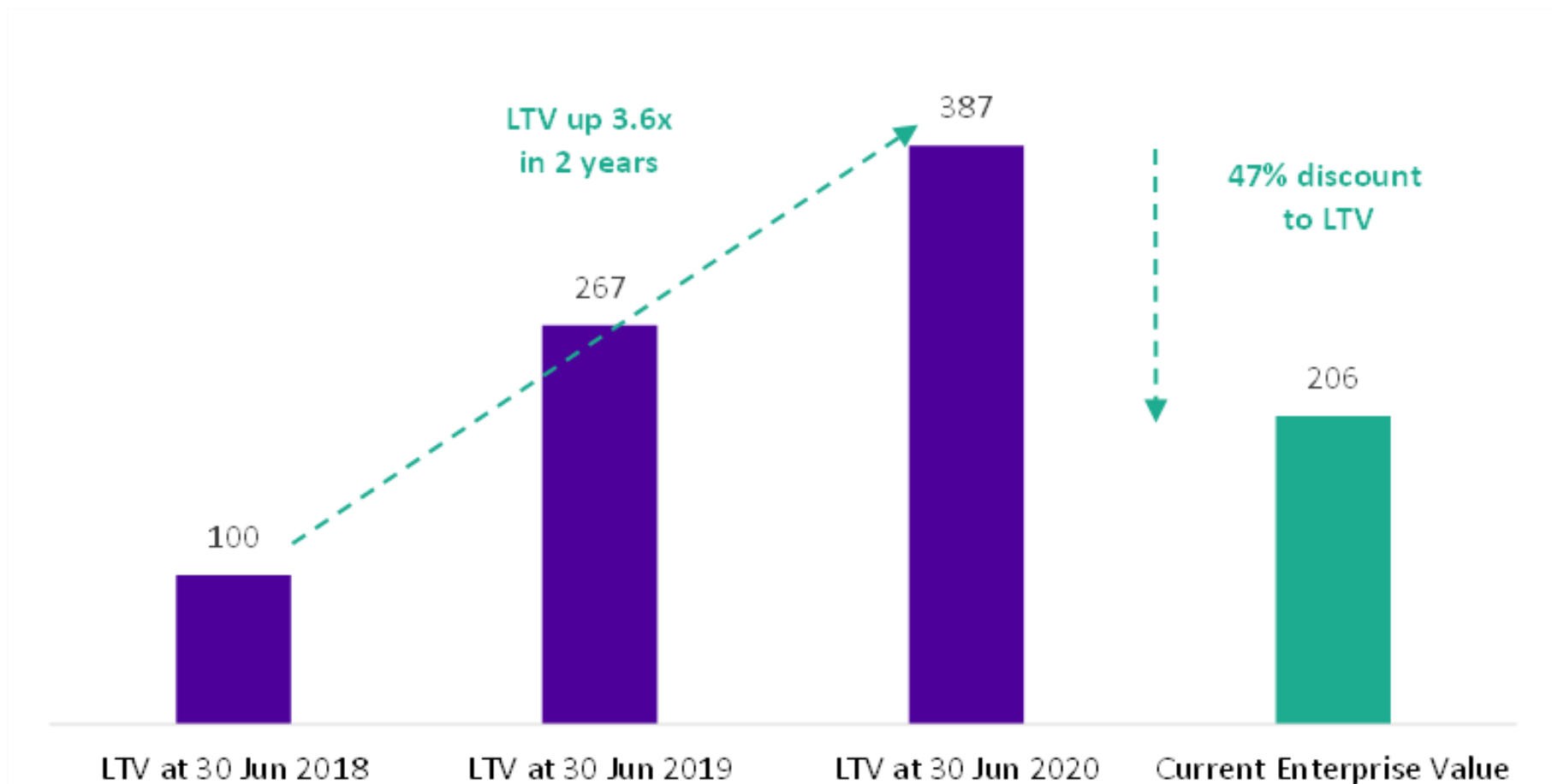


- Strong growth in average ARR per customer (+3% on 31 March levels on a constant currency basis to over \$53,300)

1. Acquired ARR comprises Wizdom'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). Constant currency refers to 31 March ARR levels.

BUILDING LONG TERM RECURRING CASH FLOWS

Long-Term Value from Annualized Recurring Revenue



- Attractive valuation metrics (EV discount to LTV of 47%)¹
- Strong future LTV in a growing pipeline
- Strategic investments continue into product and customer experience to cement recurring subscriptions and revenue

1. LTV = Lifetime Value. Assumes 80% gross margin, 95% net retention and an 8% discount rate. Gross margin assumption reflects mix of recurring product and services revenue following the acquisitions of Wizdom and CYCL. Net retention = (ARR expansion from existing customers less churn in trailing 12 months) / ARR at beginning of 12 month period. Based on LiveTiles' Enterprise Value (market capitalisation as at 28 July 2020 less net cash as at 30 June 2020). 30 June 2020 LTV reflects ARR on a constant currency basis (when compared with 31 March 2020 FX rates)

Q4FY20 FINANCIAL OVERVIEW



Q4 AND FY20 CASH FLOW HIGHLIGHTS

Total FY20 cash receipts rose 114% on pcp to

\$41.0m

Q4 operating expenses compared with Q3 fell by

38%

Q4 operating cash burn declined by

88%

When compared with Q3 (\$8.8m) to (\$1.1)m

The Company had cash on hand of

\$37.8m

At 30 June 2020, up 14% on 31 March 2020 levels

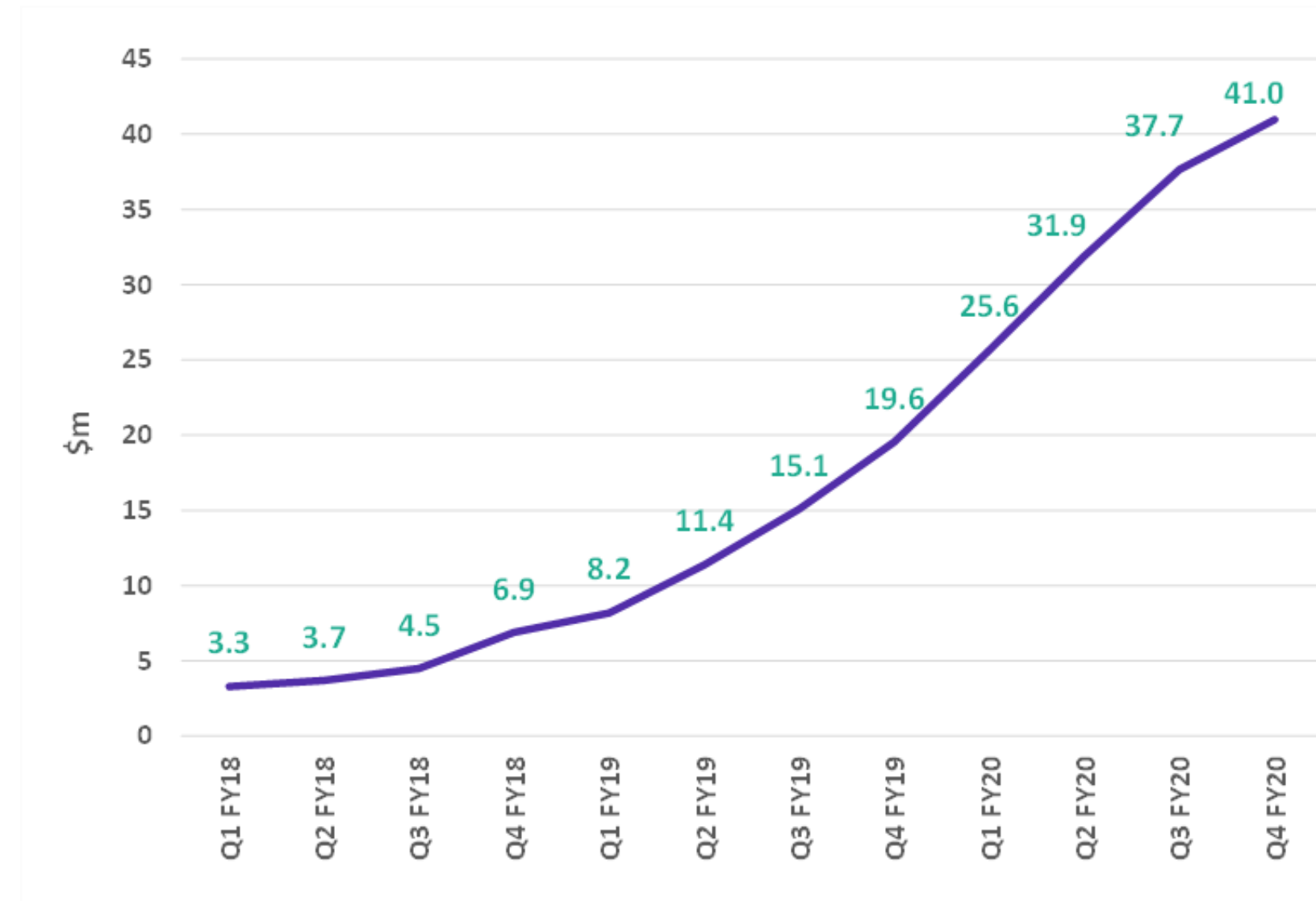
Positive Q4 operating cash flow of

+\$1.2m

Excluding non-recurring costs of \$2.3m

Substantial Cash Flow Improvement

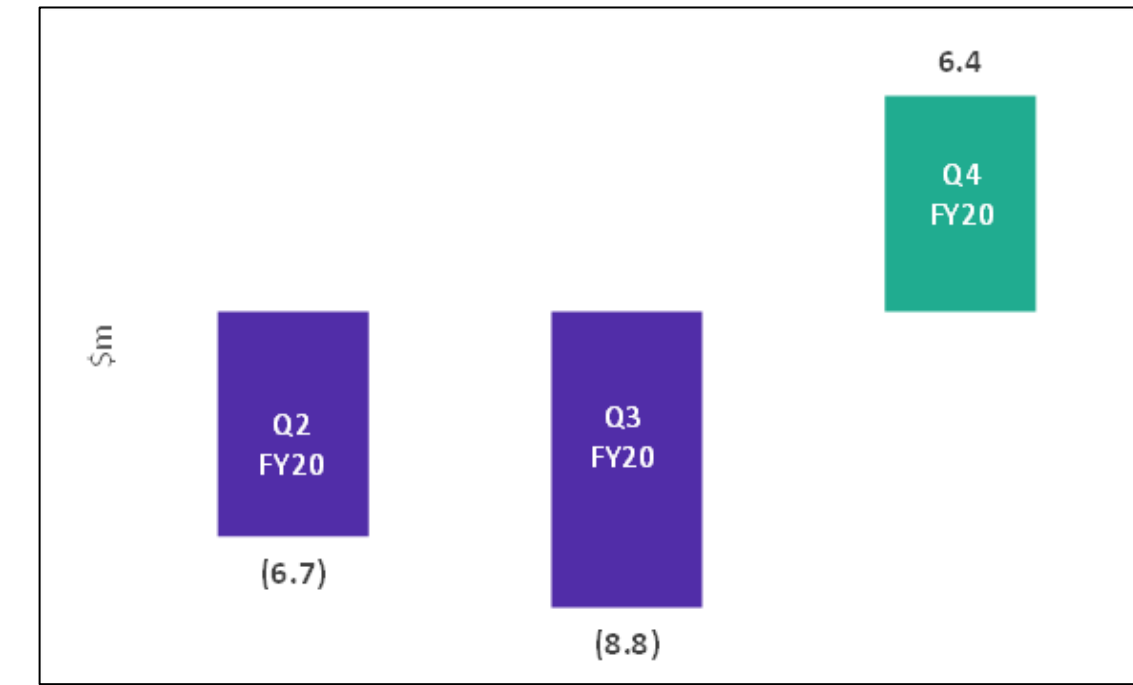
Strong Growth in Customer Cash Receipts



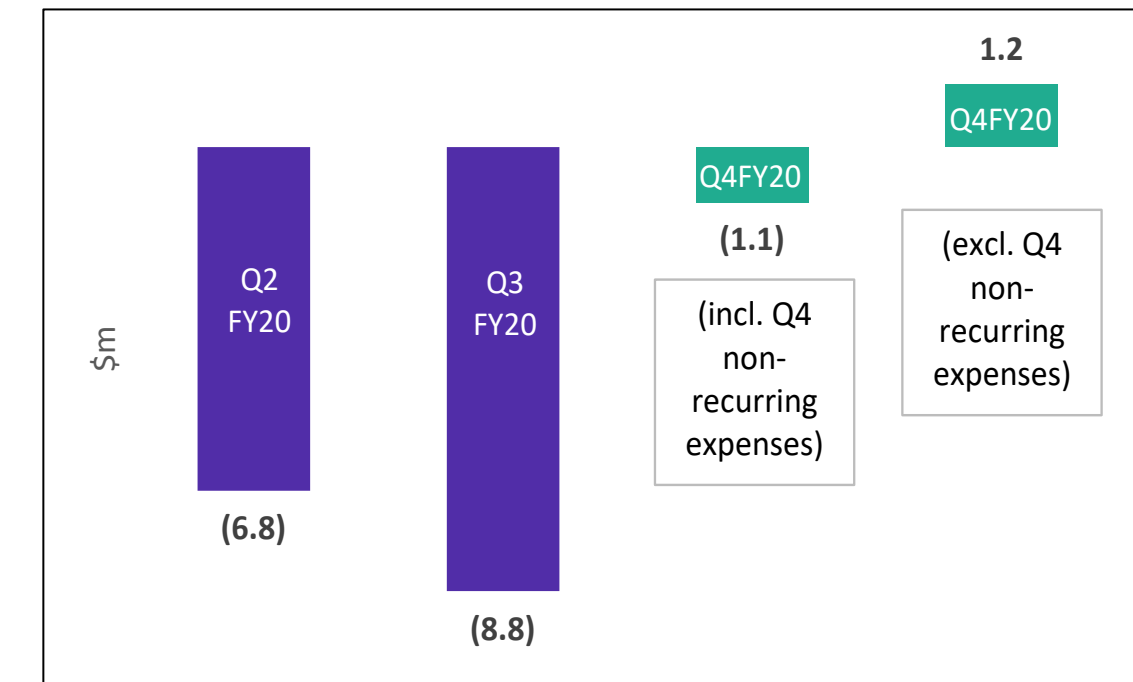
- Another record quarter for customer cash receipts in Q4 at \$11.2m
- Growth in customer cash receipts continued in Q4FY20 with trailing twelve months receipts up 9% on Q3FY20
- FY20 customer cash receipts \$41.0m, up 114% on prior period

Acquired ARR comprises Wizdom'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).

Improved Cash Burn in Q4



Net Operating Cash Flow



Net Operating Cash Flow (excluding government grants)

- Operating cash burn, inclusive of R&D and government funding, improved by \$15.2m in Q4, with an operating cash deficit of \$8.8m in Q3 followed by a \$6.4m operating cash surplus in Q4.
- Operating cash burn, excluding R&D and government funding, improved by 88% from \$8.8m in Q3 to \$1.1m in Q4. Excluding non-recurring expenses, Q4 operating cash flow was +\$1.2m
- Full benefit of cost reduction initiatives realised during Q1FY21, however at this stage LVT does not expect to be operating cash burn neutral in Q1FY2021 in light of current operating conditions
- Reconfirm objective to achieve operating cash flow breakeven point during calendar 2020, subject to market conditions. Continue to review options to reduce cash burn, including short-term revenue and cost initiatives

A futuristic digital landscape with a person standing in a large archway, surrounded by glowing screens and data streams. The scene is illuminated with blue and purple light, creating a high-tech, cybernetic atmosphere. The person is silhouetted against a bright, glowing background within the archway. The overall aesthetic is clean and modern, with a focus on digital connectivity and data visualization.

THANK YOU

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