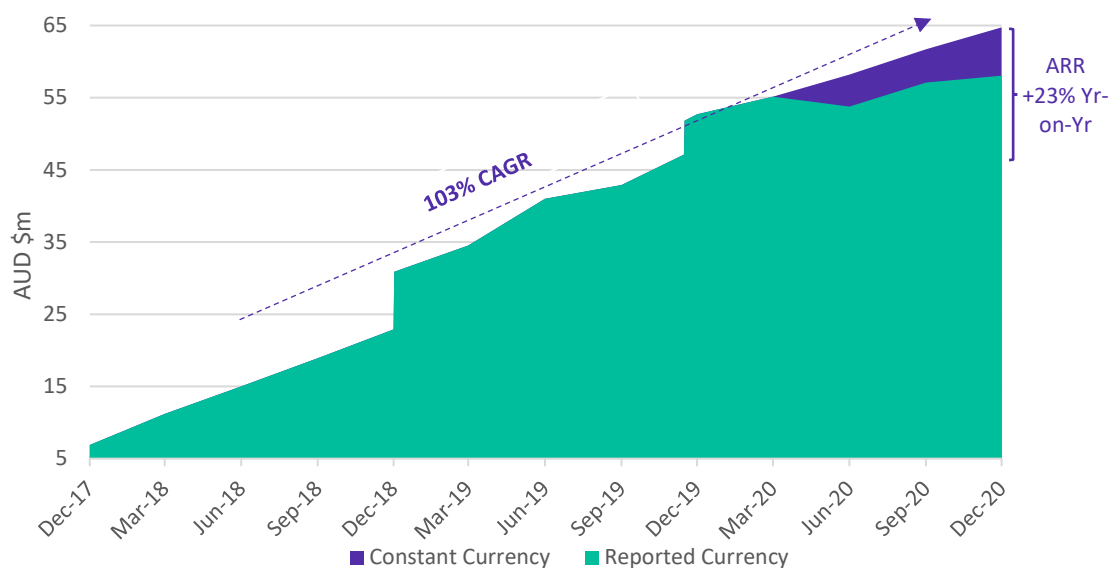


1H FY21 results; continued growth in ARR, cash receipts and an +84% improvement in Adjusted EBITDA

- Annualised recurring revenue (ARR) reached \$64.7 million on a constant currency basis¹ as at 31 December 2020, an increase of 23% over the same prior corresponding quarter at \$52.7m. On a reported currency basis, ARR \$58.1m as at 31 December 2020; up 10% year-on-year.
- Total cash receipts on trailing twelve months (TTM) rose 48% on the prior corresponding period to \$47.1 million, with \$13m in cash receipts in the Dec Quarter, a ninth record cash receipts quarter in a row. Net Operating Cashflow TTM (excl. non-recurring items) improved by 61% compared to the same prior corresponding period. Cash on hand at 31 December 2020 was \$19.4m
- 1,132 paying customers as at 31 December 2020, up 101 from 12 months prior and an average ARR per customer¹ at \$51,329 and the number of LiveTiles transacting partners grew to 226, up from 199.
- Subscription and services revenue for the 6 months ended 31 December rose to \$20.3 million, up 13% from FY 2019.
- Total Operating Expenditure (excluding non-recurring items) improved +27% for the period down to \$23m as at 31 December 2020 (2019: \$31.7m)
- Adjusted EBITDA² of \$(2.3)m for the 6 month period ending 31 December 2020 saw a +84% improvement compared to the prior period of \$(14)m.

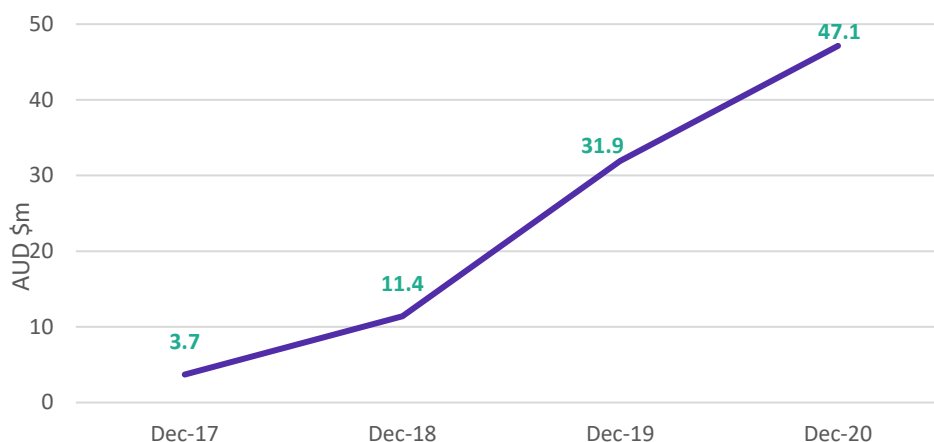
ARR growth history



¹ ARR on a Constant Currency basis when compared with 31 March 2020 FX rates

² Adjusted EBITDA excludes stock-based payments and one-off non-recurring items

Historical Cash receipts trailing 12 months (\$AUDm)



LiveTiles Limited (ASX:LVT) (LiveTiles or the Company) has today released its Appendix 4D for the six months ended 31 December 2020 and is pleased to announce another solid period of growth in annualised recurring revenue (ARR) and cash receipts, whilst significantly improving its Adjusted EBITDA position for the first half to \$(2.3)m; a 84% improvement to prior corresponding period.

ARR reached \$64.7 million on a constant currency basis, as at 31 December 2021, a growth of 23% on the previous corresponding period and a continuing growth year over year with a 103% 4-year CAGR. On a reported currency basis, ARR of \$58.1 million, up \$5.4m year-on-year.

Cash receipts also saw another record. During the 12 months to 31 December 2021, total customer cash receipts grew to \$47.1 million, up 48% compared to the same time in H1 FY 2020.

Customers numbers continued to grow as well. LiveTiles had 1,132 paying customers as at 31 December 2020, up 101 from 1,031 on 31 December 2019.

Average ARR per customer of \$57,245 as at 31 December on a constant currency basis; is 10% higher over the prior period reflecting a continued shift to Enterprise clients bolstered by stronger market brand awareness and demand for LiveTiles products in this COVID era.

The Company's cash balance is \$19.4m, a decline from the prior period driven predominantly due to non-recurring litigation costs and settlement charges. LiveTiles is pleased to note it has no unresolved litigation against it or any of its subsidiaries or officers.

In addition to the Company's direct sales channel, LiveTiles sells its software through partners to increase pipeline. As at 31 December 2020, the number of transacting partners grew over the prior period up to 226 (2019: 199).

Operating and financial update

The table below summarises the Company's statement of profit or loss and other comprehensive income for the half year, including and excluding non-cash expenses.

Subscription and services revenue for the 6 months ended 31 December rose to \$20.3 million, up 13% from the same time last year. Excluding non-cash and non-recurring expenses, the Company was able to achieve a +58% improvement in the loss before income tax to \$6,521,343 (2019: \$15,888,651) driven by strategic cost initiatives and continued revenues growth.

	6 mths ended 31 Dec 20 (\$'000)	6 mths ended 30 Dec 19 (\$'000)	Movement
Subscription revenue	14,787	15,134	-2%
Software related services revenue	5,466	2,794	96%
Total revenue and other income	20,253	17,928	13%
Government grant income	170	213	-20%
Other income	121	194	-38%
Total revenue and other income	20,545	18,335	12%
Total operating expenses	(23,009)	(31,720)	27%
Loss before income tax expense, non-cash items, amortisation and non-recurring expenses	(2,464)	(13,385)	82%
Amortisation of development costs	(2,439)	(1,246)	-96%
Depreciation	(605)	(594)	-2%
Finance Charges	(1,012)	(211)	-380%
Loss before income tax expense, non-cash items and non-recurring expenses	(6,521)	(15,436)	58%
<i>Non-cash expenses</i>			
Amortisation of software IP and customer contracts	(3,002)	(2,161)	
Share based payments - Management Incentive Plan	(55)	(79)	
Share based payments - Long Term Incentive Plan	(168)	(165)	
Share based payments - post combination services for Wizdom A/S	-	(3,250)	
Unrealised currency gain / (loss)	195	(655)	
<i>Non-recurring expenses</i>			
Litigations costs	(12,408)	-	
Loss before income tax expense per statutory accounts	(21,960)	(21,746)	1%
Income tax expense	449	202	
Loss after income tax expense per statutory accounts	(21,511)	(21,544)	0%

Sales and partnership highlights

LiveTiles signed a record customer contract during H1 FY 2021 with a major US apparel retailer to assist with its COVID-19 re-opening strategy. This record has since been broken again in H2 FY 2021 after announcing a recent deal with US healthcare giant United Health Group.

During H1 FY 2021, LiveTiles also invested in growing its sales, marketing and customer success teams in order to capitalise on its expanding pipeline. These investments were made possible after the Company turned net operating cash positive (excl. non-recurring items) in the trailing 6 months up to 30 September 2020. During 2Q FY 2021 alone, the business increased its customer facing resource capacity by 43% over the prior quarter.

These investments combined with new COVID-era marketing initiatives, including the Love Your Work Conference, and new strategic partnership announcements contributed to growth in inbound leads, record number of Request for Proposals and a healthy sales pipeline.

Under a new Alliance and Co-Sell agreement, Microsoft sales representatives will be trained to sell LiveTiles Reach and LiveTiles Directory alongside Microsoft products through the software giant's SMC (Small, Medium and Corporate) sales centres in the US. Sales representatives within the Microsoft SMC sales centres will target companies with over 1,000 employees.

Separately, LiveTiles and Microsoft will jointly target strategic Enterprise accounts in the US, focused on the target industries of retail, manufacturing and healthcare. These are three of six high-priority vertical markets identified by Microsoft. There are 25,000 customers with over 1,000 employees in the US.

LiveTiles also strengthened its strategic partnership with Canva with the launch of the LiveTiles Employee Experience Academy, creating a thought-leadership resource for current and prospective customers on best practice to enhancing digital workplaces and employee engagement initiatives.



The Company also announced a new partnership with human behaviour experts, Human Link to leverage its expertise on positive psychology, organisation psychology and nudge theory to give LiveTiles Vibe (discussed below) the ability to take executives inside the minds of their employees and read the room of their digital workplace.

LiveTiles also joined the ServiceNow Partner Program to deepen the functionality of LiveTiles products and open fresh pipeline. ServiceNow is one of the largest and fastest growing enterprise software companies in the world and works with more than 6,900 enterprise customers, including 80% of the Fortune 500.

Customer highlights in H1 FY 2021 included:

- A pharmaceutical company (USA)
- A global construction software company (USA)
- A leading all-industry Insurance Provider (Switzerland)
- Leading Accountancy and audit firm (Australia)
- A leading Financial Services company (USA)
- A North American hotel and hospitality company (Canada)
- A major hospital (Netherlands)
- Multi-national online credit rating provider (UK)
- Leading Australian Dental firm (Australia)
- Government Tourism Authority (Australia)
- Prominent Australian University (Australia)
- A leading luxury Goods producer (Switzerland)
- A leading global Diabetic care company (USA)
- A high-profile global apparel retailer (United States)
- A global consulting agency (France)
- A not-for-profit religious organisation (United States)
- A national Real Estate Agency (Australia), won via LiveTiles Reach as the lead value proposition
- A state government agency (United States)
- A large banking group (Switzerland)
- A major online betting company (United Kingdom)
- A local county government (United States)
- A global technology company (France)
- A leading law firm (Canada)
- A non-for-profit healthcare organisation (Australia)
- A leading sports betting and gaming group (UK)
- A financial institution (US)
- A national law enforcement agency (Switzerland)
- A pharmaceutical company (US)
- A primary care healthcare operator (UK)
- A leading engineering company (Switzerland)

Product Innovation

LiveTiles maintained reinvestment in its product innovation and expansion of new features.

- **LiveTiles Vibe:** launched as part of the LiveTiles Quantum suite of products. LiveTiles Vibe is a user engagement engine, and an extremely simple to deploy SaaS based AI-product designed to gather feedback quickly from large audiences. LiveTiles Vibe enters a large, established total addressable market, but has a powerful unique value proposition that will be highly attractive to customers.
- **LiveTiles Smart Video:** LiveTiles announced the launch of a personalised video experience solution called LiveTiles Smart Video, powered by LiveTiles technology and Linius Video Virtualisation Engine. The solution indexes recorded video in a way that can be reassembled as a virtual video frame-by-frame, unlocking previously inaccessible value from recorded video in platforms like Microsoft Teams, Zoom or Webex.

CYCL Integration

The CYCL operations, employee teams and products were successfully integrated into the wider global LiveTiles group during H1 FY 2021, with CYCL now trading as LiveTiles Switzerland. CYCL's MatchPoint and Condense products are now key offerings to the LiveTiles four core products, LiveTiles Intranet (MatchPoint) and LiveTiles Reach (Condense), the latter of which has been instrumental in the two most recent announced record Customer deals.



LiveTiles Co-Founder and Chief Executive Officer Karl Redenbach said, “LiveTiles is pleased to have added to its record base of annualised recurring revenue and cash receipts, and been able to reinvest into its marketing initiatives and direct sales strategy after a period of cost discipline. Importantly we have achieved all of this with a remarkable 84% improvement in our Adjusted EBTIDA for the half compared to the same period last year.

“LiveTiles is adding new products and features, strengthening longstanding partnerships, striking new ones, finding integration efficiencies and enhancing our brand awareness in enterprise space.

“We’ve started the calendar year with great momentum with our recent record customer win, which will help LiveTiles elevate itself as a clear leader in the Employee Experience industry and continue to win more Enterprise business”

This announcement has been authorised for release by the Board.

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About LiveTiles:

LiveTiles is the global leader in intranet and workplace technology software, creating and delivering solutions that drive digital transformation, productivity and employee communications in the modern workplace.

LiveTiles have operations spanning North America, Europe, Asia and Australia, and services over 1,100 Enterprise customers in over 30 countries. LiveTiles was named by The Australian Financial Review as Australia’s fastest growing technology company in 2020 and by Forrester & Gartner as a leader in this space globally.