



ASX Announcement

27 July 2023

Quarterly Activities Report and Appendix 4C Q4 FY23

LiveTiles Limited (ASX:LVT) (LiveTiles or the Company), a global leader in employee experience software for employee collaboration and communications, has today released its Appendix 4C and Quarterly Activities Report for the three-month period ended 30 June 2023.

Highlights:

- **Cash Receipts from customers of \$8.67m, cash balance of \$6.66m at 30 June 2023. Operating cash outflow of \$1.51m**
- **Continued momentum in key customer wins, demonstrating the global demand for LiveTiles' products and services**
- **Strong support from existing customers with Q4 net revenue retention of 93%**
- **In line with Software Roadmap, Enhanced Digital Workplace Experience release deployed on schedule in June with next release scheduled for October**
- **Ongoing focus on driving operational rigour, discipline and profitability following completion of operational review**

LiveTiles Chief Executive Officer David Vander said: "I'm pleased to report continued momentum with key new customer wins across all regions as we continue to prioritise rigour and discipline within every aspect of our business. LiveTiles is singularly focused on creating a sustainable business to address a growing and significant market worldwide.

"We've made strong operational progress within the quarter, executing on our commitment to deploy three major product releases a year, an initiative we introduced earlier this year. The first of our major releases was successfully achieved in June, receiving positive customer feedback.

"In addition, we are pleased to have won several new clients over the period including a multiyear partnership with a large government organisation in Switzerland.

"This quarter we have continued our rigid focus on simplifying our business model and investing in our product while being highly diligent with capital expenditure. Q4 was and is typically a strong quarter for customer renewals, with high customer retention reported. However, given the seasonality of LiveTiles' business, we have a lower renewal base in Q1. While this is typical of our business, it reinforces the importance of ensuring sustainable spending and operational efficiency throughout the business."



Q4 FY23 Operational Highlights

- LiveTiles had several large client wins throughout the period, including a significant multiyear engagement with a large government organisation in Switzerland. This win is a strong example of the power of LiveTiles' platform for large government and enterprise partners.
- LiveTiles deployed its [June software](#) release in line with its published Software Roadmap. The focus of this release was UX, infrastructure alignment, data and AI capabilities. The release occurred successfully on schedule in June, receiving good feedback and traction from select customers and partners. The Company is also well on track for its next release in October 2023 which will continue to enhance LiveTiles' AI and Data-driven capabilities.
- LiveTiles continues to reinvigorate its marketing efforts with; Alexandra Morris starting as Global marketing Lead in April, a strong showing at the Garner Digital Workplace Summit in London in May, continuous upgrades to operational efforts and the commencement of a revamped digital presence with a new global website due at the end of July.
- My Net Zero's sales pipeline continued to improve, with several successful engagements in the quarter, including an ongoing engagement with a large media agency. Following the quarter end, on 6 July LiveTiles announced it had completed the acquisition of My Net Zero, giving the Company 100% ownership. This will allow LiveTiles to bolster its employee experience offering, as many companies have begun to recognise the importance of integrating sustainable practices into their operations, not only for environmental reasons but also due to increasing consumer demand and regulatory pressures.
- Post period end LiveTiles amicably concluded its arrangement with BindTuning, in exchange for IP and return of US\$100K in cash and all LiveTiles shares returned, subject to shareholder approval.
- LiveTiles was pleased to announce the settlement of the two CYCL disputes associated with the prior acquisition of CYCL AG.

Sales and Customer Update

LiveTiles continued to focus on new customer wins during the quarter. Some of the key global customer wins included:

| Customer | Users* | Country |
|-------------------------------|------------------|---------|
| Large government organisation | 38,000 | EMEA |
| Business aviation | 1,000 | EMEA |
| Power supplier upsell | 2,000 | EMEA |
| Building construction upsell | 7,000 | EMEA |
| Legal Firm | 200 | EMEA |
| Large Medical Association | 1,000 | US |
| National Hospital Upsell | 9,000 | US |
| Large University | Services project | US |
| Large city council | 1,600 | APAC |



Media Agency

Services project

APAC

**Note users have been rounded to nearest 250.*

This highlights the continued demand for LiveTiles' product and considerable opportunity globally.

Cash Balance and Cash Flow Summary

LiveTiles recorded operating cash outflow of \$1.51m during the quarter, a 20% increase compared to Q3 FY23 (\$1.25m). This slightly increased cash burn reflects increased costs associated with investing into the LiveTiles customer proposition, including in product manufacturing and advertising and marketing, as LiveTiles seeks to expand its global customer base.

Receipts from customers during the period were \$8.67m (Q3 FY23: \$9.25m). This slight QoQ decline was largely driven by market impacts, churn, and longer buying cycles. LiveTiles confirms there were no R&D partnership receipts in Q4.

LiveTiles continues to seek cost savings and optimisation opportunities and has engaged a business advisor Vantage Performance, to conduct an analysis to further accelerate the benefits achieved in the Operational Review.

The payments to related parties of the entity and their associates comprises of fees to directors.

Cash on hand as at 30 June 2023 was \$6.66m.

Notice of FY23 Results

LiveTiles will announce its audited results for the year ended 30 June 2023 on Tuesday 29 August 2023.

CEO David Vander will host a conference call for analysts and investors at 10.30am AEST on 29 August.

Conference call pre-registration link: <https://registrations.events/direct/OCP60496>

-ENDS-

This announcement has been authorised for release by the Board of LiveTiles Limited.

For further information, please contact:

Media Enquiries:

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**About LiveTiles:**

LiveTiles is a global leader in the employee experience software for employee collaboration and communications, creating and delivering solutions that drive digital transformation, productivity, and employee engagement in the modern workplace.

LiveTiles have operations spanning North America, Europe, Asia and Australia, and services over 1,000 customers. LiveTiles is a leading player in the Employee Experience Platform Industry and has been acknowledged as such by Forrester and Gartner.



Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

LiveTiles Limited

ABN

95 066 139 991

Quarter ended ("current quarter")

30 June 2023

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (12 months) \$A'000 |
|---|------------------------------------|---|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | 8,671 | 37,352 |
| 1.2 Payments for: | | |
| (a) research and development | (889) | (6,657) |
| (b) product manufacturing and operating costs | (3,159) | (14,190) |
| (c) advertising and marketing | (705) | (2,178) |
| (d) leased assets | - | - |
| (e) staff costs | (3,736) | (14,187) |
| (f) administration and corporate costs | (1,143) | (7,085) |
| 1.3 Dividends received | - | - |
| 1.4 Interest received | 0 | 56 |
| 1.5 Interest and other costs of finance paid | (212) | (841) |
| 1.6 Income taxes paid | (336) | (950) |
| 1.7 Government grants and tax incentives | - | - |
| 1.8 Other (provide details if material) | - | - |
| Non-recurring staff costs | - | (1,339) |
| 1.9 Net cash from / (used in) operating activities | (1,509) | (10,020) |



| | | | |
|-------------|---|--------------|--------------|
| 2. | Cash flows from investing activities | | |
| 2.1 | Payments to acquire or for: | | |
| | (a) property, plant & equipment | - | - |
| | (b) businesses (item 10) | - | - |
| | (c) equity investments | - | (372) |
| | (d) intellectual property | - | - |
| | (e) other non-current assets | - | (15) |
| 2.2 | Proceeds from disposal of: | | |
| | (a) property, plant & equipment | - | - |
| | (b) businesses (item 10) | - | - |
| | (c) equity investments | - | - |
| | (d) intellectual property | - | - |
| | (e) other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | - | - |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (provide details if material) | - | - |
| 2.6 | Net cash from / (used in) investing activities | - | (387) |
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | - | - |
| 3.2 | Proceeds from issues of convertible notes | - | - |
| 3.3 | Proceeds from exercise of options | - | - |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | - | - |
| 3.5 | Proceeds from borrowings | - | 4,000 |
| 3.6 | Repayment of borrowings | (455) | (489) |
| 3.7 | Transaction costs related loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (provide details if material) | - | - |
| 3.10 | Net cash from / (used in) financing activities | (455) | 3,511 |
| 4. | Net increase / (decrease) in cash and cash equivalents for period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 8,400 | 13,141 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (1,509) | (10,020) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | - | (387) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | (455) | 3,511 |
| 4.5 | Effect of movement in exchange rates on cash held | 226 | 415 |
| 4.6 | Cash and cash equivalents at end of period | 6,661 | 6,661 |



| 5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter \$A'000 | Previous quarter \$A'000 |
|--|------------------------------------|-------------------------------------|
| 5.1 Bank balances | 6,661 | 8,400 |
| 5.2 Call deposits | - | - |
| 5.3 Bank overdrafts | - | - |
| 5.4 Other (provide details) | - | - |
| 5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 6,661 | 8,400 |
| 6. Payments to directors of the entity and associates of the directors | Current quarter \$A'000 | |
| 6.1 Aggregate amount of payments to the parties included in item 1 | 385 | |
| 6.2 Aggregate amount of loans to the parties included in item 2 | - | |
| <i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i> | | |

*6.1 relates to fees paid to Directors



| 7. | Financing facilities | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|-----|--|---|--|
| | <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i> | | |
| 7.1 | Loan facilities | 10,000 | 10,000 |
| 7.2 | Credit standby arrangements | - | - |
| 7.3 | Other (please specify) | - | - |
| 7.4 | Total financing facilities | 10,000 | 10,000 |
| 7.5 | Unused financing facilities available at quarter end | | - |
| 7.6 | <p>Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</p> | | |
| | <p>7.6.1</p> <p>On 27 September 2021, the Company announced it had signed a three and a half year secured loan facility with OneVentures for \$10m. On 27 September 2022 the Company drew the remaining \$4m available facility as at 31 March 2023, \$10m remains fully drawn. The facility has a fixed interest rate of 9.5%p.a. The facility is structured as 60% loan and 40% convertible notes. Further details can be found in the Company's ASX announcements.</p> | | |
| | <p>7.6.2</p> <p>In addition, the Company received the follow COVID-related funding packages which remain repayable:</p> <p>USA - first draw</p> <p>Lender: Evans Bank, N.A. (under the US Government Paycheck Protection Program)</p> <p>Balance: US \$83,860 (AUD \$126,235)</p> <p>Interest rate: 1% p.a.</p> <p>Maturity: 60 months from April 2020</p> <p>Secured / unsecured: Unsecured</p> | | |



| 8. Estimated cash available for future operating activities | | \$A'000 |
|--|--|----------------|
| 8.1 | Net cash from / (used in) operating activities (item 1.9) | (1,509) |
| 8.2 | Cash and cash equivalents at quarter end (item 4.6) | 6,661 |
| 8.3 | Unused finance facilities available at quarter end (item 7.5) | - |
| 8.4 | Total available funding (item 8.2 + item 8.3) | 6,661 |
| 8.5 | Estimated quarters of funding available (item 8.4 divided by item 8.1) | 4 |
| <i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i> | | |
| 8.6 | If item 8.5 is less than 2 quarters, please provide answers to the following questions: | |
| | 8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows | |
| | Answer: N/A | |
| | 8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to | |
| | Answer: N/A | |
| | 8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives | |
| | Answer: N/A | |
| <i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i> | | |

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 27 July 2023.....

Authorised by: By the Board.....

(Name of body or officer authorising release – see note 4)



Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – e.g., Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.