

ASX Announcement

18 February 2020

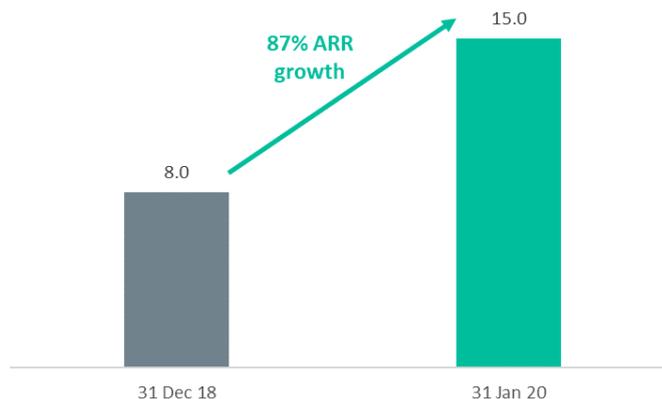
Wizdom achieves earn-out following strong ARR growth and positive EBITDA

- Wizdom successfully meets earn-out conditions following strong annualised recurring revenue (ARR) growth and positive EBITDA
- Wizdom's market-leading intranet software has proven to be highly complementary to LiveTiles' intelligent workplace platform and is driving strong enterprise customer growth
- Integration successfully completed with all key staff retained
- Like Wizdom, LiveTiles' first acquisition (Hyperfish) also successfully achieved its earn-out following rapid ARR growth of 425% in FY19

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 that Wizdom has successfully met its earn-out conditions.

LiveTiles acquired Wizdom, Europe's leading intranet software business, in February 2019. Wizdom has achieved strong ARR growth of 87% in the 13 month period to 31 January 2020 (from \$8.0 million to \$15.0 million), whilst also generating positive EBITDA.

Wizdom's ARR growth during earn-out period



The Wizdom acquisition, together with the CYCL acquisition completed in December 2019, has also extended LiveTiles' clear global leadership of the rapidly emerging intranet software market, which LiveTiles estimates to be a \$13 billion per annum market opportunity.



Wizdom has driven significant growth in LiveTiles' average contract value following strong uptake by large enterprise customers (including the Novartis win announced in May 2019) and growing demand for bundled deals combining Wizdom, LiveTiles and Hyperfish technology.

Wizdom has also facilitated the development of a stronger and deeper partner channel across the LiveTiles group given Wizdom-led enterprise deployments typically require more upfront and ongoing services and are therefore of greater interest to delivery partners.

The earn-out consideration of \$16.0 million comprises \$4.0 million cash and 40,127,954 LiveTiles shares at an issue price of \$0.30 per share. The cash component will be funded from LiveTiles' existing cash resources and the earn-out shares will be issued by utilising the Company's capacity under Listing Rule 7.1 and escrowed for 12 months (until 19 February 2021).

The total purchase price for Wizdom of \$44.0 million (comprising the upfront purchase price of \$28.0 million and the earn-out consideration of \$16.0 million) represents a 2.9x Enterprise Value / ARR multiple.

Wizdom's sales, marketing, finance and product teams are now fully integrated inside LiveTiles' organisation structure, with the product team in particular now working very effectively as one function on the Company's consolidated product roadmap and vision.

All key team members have been retained since announcement of the acquisition including the Wizdom co-founders, John Wainer and Claus Ole Hasle, who will continue in senior roles focused on major customers and product strategy.

Karl Redenbach, Co-Founder and Chief Executive Officer, LiveTiles, said: "Wizdom has enabled us to extend our clear leadership of the global intranet software market and accelerate the development of our intelligent workplace platform."

"It is pleasing to see the Wizdom business perform so strongly in the first year post acquisition and we are confident Wizdom will continue to be a key driver of our strong enterprise customer and revenue growth in FY20 and beyond."

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About LiveTiles:

LiveTiles is a global Intelligent Workplace software company headquartered in New York, with operations in Seattle, Tri-Cities (Washington State), San Francisco, San Diego, Los Angeles, Chicago, North Carolina, Rochester, London, Sligo, Amsterdam, Zurich, Bern, Basel, Copenhagen, Vejle, 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' customers represent a diverse range of sectors and are spread throughout the United States, United Kingdom, Europe, the Middle East and Asia-Pacific.