



ASX Announcement

27 January 2023

Quarterly Activities Report

Highlights

- Receipts from customers \$9.99M
- Operating cash outflow of \$2.98M during the quarter, with \$2.66M of this attributed to one-off, non-recurring costs. This is a 30% increase (\$1.3M) improvement on previous quarter
- New CEO, David Vander, will continue to focus on commercial growth and Operational Review measures as strategic shift continues
- Successful acquisition of My Net Zero with a revenue target of \$25 million over three years and attraction of high-profile customers including Amazon and WPP
- Launch of Reach Marketplace and Green Teams with My Net Zero and a new Analytics platform

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 31 December 2022 and is pleased to provide the following update.

Cash Balance and Cash Flows

LiveTiles recorded operating cash outflow of \$2.98M during the quarter, with \$2.66M of this attributed to one-off, non-recurring costs that have now been removed from the business post the Operational Review announced on 27 October 2022.

The Company is conscious of the current global economic conditions and is committed to, as part of the Operational Review, more efficient and effective means of engaging our customers. This has already been evidenced this quarter where LiveTiles recorded receipts from customers of \$9.99M, as the business saw the benefits of the Operational Review begin to take effect.

The Company is optimistic that the changes made in 2022, such as the outcomes of the Operational Review and acquisition of My Net Zero, will demonstrate their value on the cash balance into 2023.

Management changes to accelerate execution

To support the long-term execution of the Company's strategic shift and focus on revenue growth, LiveTiles appointed David Vander as CEO in November 2022 with Co-Founder and CEO Karl Redenbach transitioning to Executive Director.

Mr Vander brings 20+ years' experience and deep technology expertise from major global software organisations having most recently held the position of Regional Vice President at Salesforce and



previously at Microsoft where he held various roles including Global Sales Excellence Lead for the enterprise software business as well as Global Financial Services lead in the US. He also led Microsoft's Services business across Asia Pacific.

As part of his role at LiveTiles, Mr Vander has been focused on operational excellence and leveraging his global experience. Mr Redenbach will primarily drive strategic growth initiatives and support the maturation of the My Net Zero pipeline and Reach Marketplace revenue streams.

The Company also welcomed Vanessa Ferguson and Kevin Young as Non-Executive Directors, while existing Director, Jesse Todd, was appointed as Chair of the Board.

My Net Zero

As announced in October 2022, LiveTiles successfully acquired the right to purchase all remaining shares in My Net Zero, an existing LiveTiles strategic investment. My Net Zero is a climate advisory, tech platform and marketplace that enables employers to involve and activate its staff in positive climate action and has a revenue target of \$25 million over three years. Please see the Company's announcement from 18 October 2022 for further details.

During the quarter, My Net Zero has launched:

- Reach Marketplace, a customisable online solution for enterprises to create bespoke online marketplaces for their customers; and
- Green Teams, a service which provides organisations with a practical way to purchase Renewable Energy Certificates to offset their employees' residential electricity consumption.

Please see the Company's announcements on 16 November and 14 December 2022, respectively, for more information.

The launch of Green Teams and Reach Marketplace cement LiveTiles' strategy to build and commercialise a portfolio of fully integrated products to support the evolving needs of its leading enterprise customer base.

Ongoing corporate developments

In November LiveTiles announced it had engaged leading US-based SaaS and enterprise technology advisor, Atlas Technology Group, to assist in the exploration of strategic opportunities. It is noted that the engagement is a long-term and ongoing project and LiveTiles will update the market on any significant developments with respect to discussions with interested parties in due course.

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



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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")

31 December 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities			
1.1 Receipts from customers		9,990	19,430
1.2 Payments for			
(a) research and development		(1,075)	(4,576)
(b) product manufacturing and operating costs		(3,725)	(8,198)
(c) advertising and marketing		(405)	(956)
(d) leased assets		-	-
(e) staff costs		(3,878)	(7,063)
(f) administration and corporate costs		(2,143)	(3,974)
1.3 Dividends received		-	-
1.4 Interest received		3	54
1.5 Interest and other costs of finance paid		(239)	(389)
1.6 Income taxes paid		(170)	(248)
1.7 Government grants and tax incentives		-	-
1.8 Other (provide details if material)		-	-
Office lease deposits		-	-
Non-recurring legal fees		-	-
Non-recurring staff costs		(1,339)	(1,339)
Non-recurring tax		-	-
1.9 Net cash from / (used in) operating activities		(2,980)	(7,258)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) property, plant and equipment	-	-
	(b) businesses (item 10)	-	-
	(c) equity investments	(162)	(372)
	(d) intellectual property	-	-
	(e) other non-current assets	-	(15)
2.2	Proceeds from disposal of:		
	(a) property, plant and 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	(162)	(387)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities	-	-
3.2	Proceeds from issue 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	-	(17)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	3,983

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

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	12,507	13,141
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,980)	(7,258)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(162)	(387)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	3,983
4.5	Effect of movement in exchange rates on cash held	271	157
4.6	Cash and cash equivalents at end of period	9,637	9,637

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	9,637	12,507
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (term deposits >90 days)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	9,637	12,507

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1.2	581
6.2	Aggregate amount of payments to related parties and their associates included in item 2.3	-
<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.

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

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	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 data-bbox="300 786 357 815">7.6.1</p> <p data-bbox="300 819 1398 1010">On September 27, 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 and as at 31 December 2022, \$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 data-bbox="300 1055 357 1084">7.6.2</p> <p data-bbox="300 1088 1398 1155">In addition, the Company received the following COVID-related funding packages which remain repayable:</p> <p data-bbox="300 1160 496 1189">USA – first draw</p> <p data-bbox="300 1193 1331 1223">Lender: Evans Bank, N.A. (under the US Government's Paycheck Protection Program)</p> <p data-bbox="300 1227 759 1256">Balance: US\$116,079 (AUD \$179,234)</p> <p data-bbox="300 1261 549 1290">Interest rate: 1% p.a.</p> <p data-bbox="300 1294 724 1323">Maturity: 60 months from April 2020</p> <p data-bbox="300 1328 692 1357">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)	(2,980)
8.2	Cash and cash equivalents at quarter end (item 4.6)	9,637
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	9,637
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	3
	<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 for the time being and, if not, why not?

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 fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

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.

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 January 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 – eg 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.