

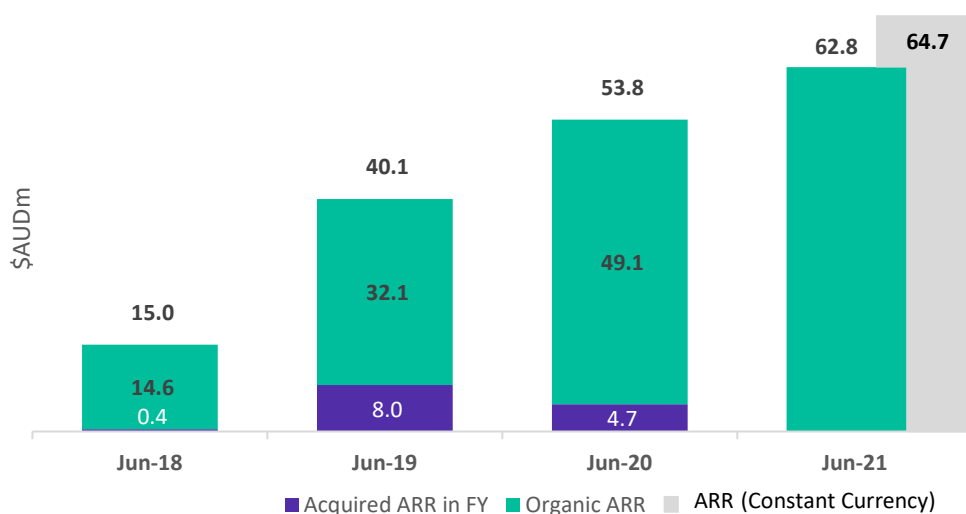
ASX Announcement

28 July 2021

LiveTiles posts record cash receipts and strong ARR results**Highlights**

- \$62.8m ARR growing 17% versus the prior corresponding period (pcp); on a Constant Currency basis¹ ARR increased 20% to \$64.7m.
- Another major enterprise customer signing, a \$2.1m 3-year contract with Nestle, a top 100 Fortune company with over 350,000 employees. A record signing for LiveTiles EMEA.
- Cash receipts hits a record \$14.6m; 30% higher than pcp. Net operating cash outflow (excl. grants and non-recurring items) of \$(1.2)m; a 24% improvement compared to Q3FY21.
- Cash on hand of \$16.7m at 30 June 2021, providing sufficient cashflow runway for company operations.

LiveTiles Limited (ASX:LVT) (LiveTiles or the Company), the 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 2021.

ARR growth history¹

¹June 30 2021 ARR is shown on a constant currency basis (when compared with 30 June 2020 FX rates).

LiveTiles defines ARR as contracted 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.

BUSINESS AND OPERATIONAL HIGHLIGHTS

Over the past 18 months; in what has been challenging times globally with COVID-19, LiveTiles has continued to grow its ARR and cash receipts; whilst continuing to focus its efforts to reduce operating cashflow costs. These results have helped place the company in a strong position to manage the ongoing global COVID-19 challenges and uncertainties.

The LiveTiles Board commissioned an independent strategic review, led by an ex-McKinsey consultant experienced in working with global SaaS businesses. The review focused on the Company strategy, its go-to-market operations, its product and development focus and its organisational structure to help strengthen the business financially for future growth and position itself as the leader in the Employee Experience market. Further details of the strategy and realised savings and benefits from a restructure will be shared in the FY21 full year company results update.

In May, LiveTiles signed on the International Association of Microsoft Channel Partners (IAMCP) as a customer and strategic partner to help them broaden its communications and collaboration solutions, solely using LiveTiles Reach to engage its 2,000+ Microsoft partner network. IAMCP helps members across the globe, which are active in all major markets and represents \$10bn in partner revenues to maximise their business potential through peer-to-peer interaction, member advocacy, community outreach, growth and education—while enhancing ties to Microsoft. LiveTiles sees this as a great opportunity to extend our products into IAMCP's 2,000+ partner network and their end customers.

The Company announced on 15th April the appointment of two new non-executive directors joining the Board, Ms. Fiona Le Broq and Mr. Jesse Todd. Both bringing a wealth of growth expertise in leadership positions from global blue-chip companies across both brand strategy, marketing and scaling SaaS based enterprise businesses.

ARR AND CUSTOMER UPDATE

ARR reached \$62.8m at 30 June 2021, a 17% growth from pcp and a \$4m, 7% increase compared to the March-21 quarter. On a constant currency basis², ARR was \$64.7m, growing 20% from pcp.

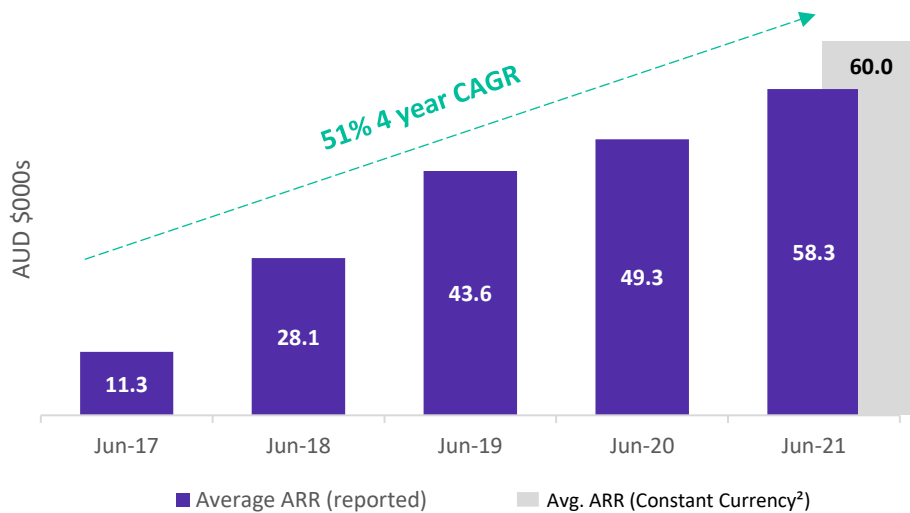
Customer numbers at 30 June 2021 were 1,078, a net decrease of -3% from the March 2021 quarter, with 74% of the customer decrease to previous quarter coming from the small and mid-market customer segment.

With a combination of growth in overall ARR and a reduction in customer numbers, with majority from SMB and mid-market segment, the reported Average ARR per Customer at 30 June 2021 grew +18% to \$58.3k versus the pcp. On a constant currency basis, average ARR per customer grew +22% over the pcp to \$60k.

² June 30 2021 ARR is shown on a constant currency basis when compared with 30 June 2020 FX rates.

Note: The Group commenced constant currency reporting in the quarter ended 30 June 2020

Average ARR per customer up 18% year-on-year



Customer highlights made in Q4 FY21 included:

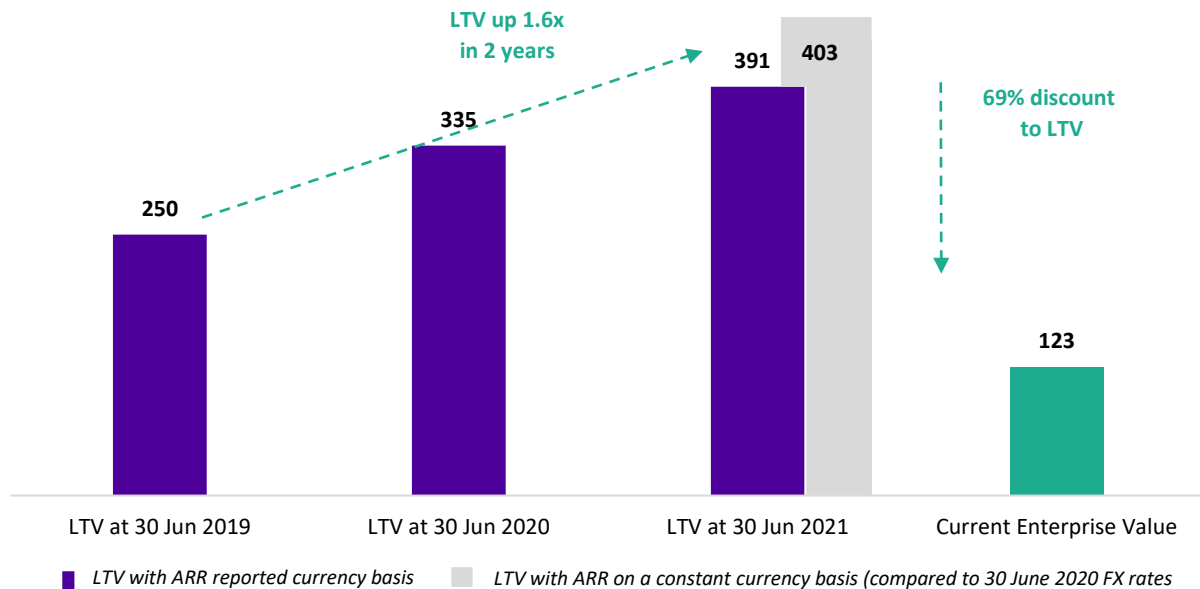
As announced to Market, the Company signed another major customer contract with a \$2.1m, three-year deal with Nestle, a top 100 Fortune company with over 328,000 employees. LiveTiles will deliver a transformative employee experience solution, with an initial 125,000 users. However, the goal is to reach Nestlé's entire global workforce. This is another major deal announced in consecutive quarters and the largest ever deal in LiveTiles EMEA.

In addition to the above major signing, the following other key customer signings were made during the quarter, with the quarter's larger customer wins coming from front-line worker organisations highlighting the growing importance and success of Reach.

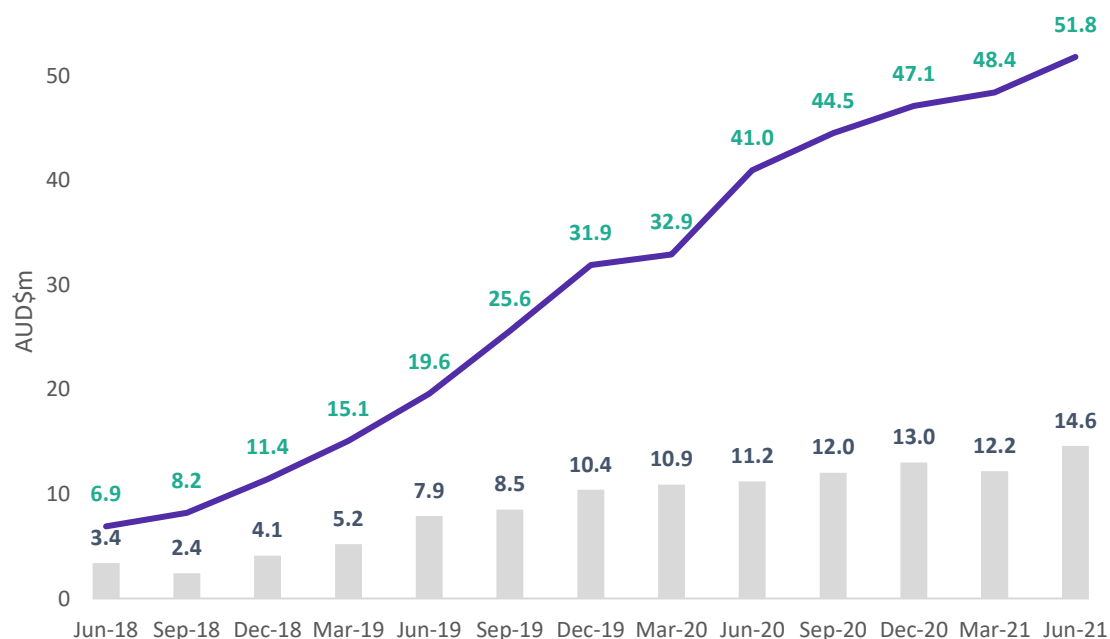
- A global Manufacturing industrials firm with 10,000+ employees, headquartered in Switzerland (EMEA)
- USA state government transport department, employing 11,000 people (Americas)
- German beverage manufacturer with 17,000 employees (EMEA)
- Singaporean sports stadium and entertainment complex (APAC)
- US west coast based; not-profit-organisation focused on improving public health (Americas)
- Commercial real estate property marketing and analytics firm (USA)
- An Australian property investment fund (APAC)

Lifetime Value (LTV) vs Enterprise Value

LiveTiles continues to build a valuable long-term set of cash flows in its recurring revenue business model and is trading at a 69% discount to the estimated lifetime value of recurring customer contracts.

**FINANCIAL UPDATE**Cash receipts

LiveTiles closed out FY21 with its strongest cash receipts quarter with **\$14.6m** a **+30% increase** on the pcq (Jun-20) and +20% improvement on Q3FY21 reflecting the seasonality of annual cash payments collected from enterprise customers. The Trailing-twelve-month (TTM) cash receipts rose to **\$51.8m**, a **26% increase** on the prior year and a 96% 3year CAGR¹.

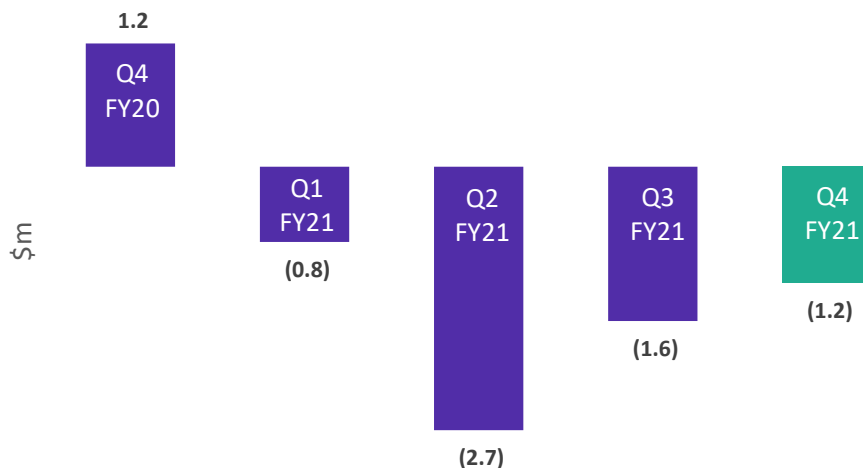
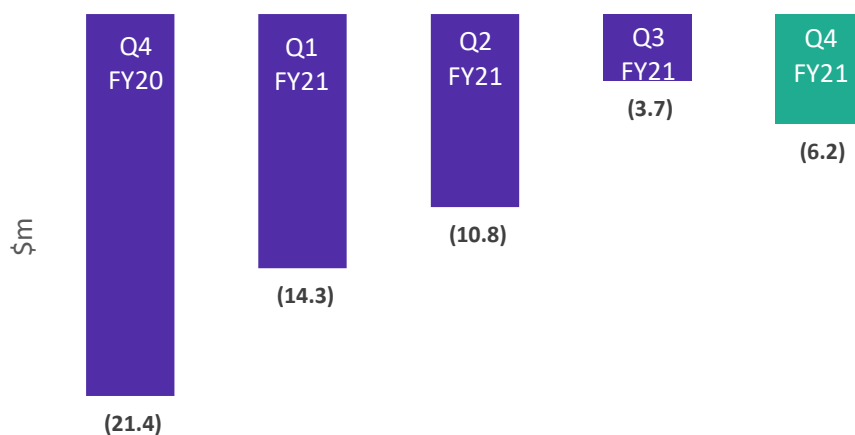
26% growth in cash receipts (TTM)

Cash Balance & Operating Cash Flow

Cash balance at 30 June 2021 was **\$16.67 million**.

Net cash operating outflows in the quarter was \$(220)k, a +\$2.1m improvement in outflows compared to the previous quarter (March-21), as the company continues to focus its efforts on disciplined cost management. During the quarter the Company received a one-off +\$1m US government COVID-related funding package; making the underlying normalised operating cash outflows for the quarter \$(1.2)m, excluding govt R&D grants and non-recurring items.

Cash outflows increased 14% compared to Q3FY21 and related to following business operations: Staff costs \$(6.5)m, R&D \$(5.5)m, Product Manufacturing \$(2.1)m, Administration and Corporate costs \$(0.9) and Advertising and Marketing \$(0.7)m. During the quarter the Company entered into a collection of strategic arrangements with R&D partners, Australian universities and government backed agencies as the business focuses on new product development in conjunction with these partners - the company will provide further details of this new R&D strategy in the FY21 Update.

Net operating cash flow by quarter (excl. govt grant & non-recurring items)**TTM net operating cash flow (excl. govt grant & non-recurring items)**

The payments to related parties of the entity and their associates in section 6 of the Appendix 4C includes payments such as compensation to executive directors and director's fees and loan to executive directors on arms-length terms.

LiveTiles Co-Founder and Chief Executive Officer, Karl Redenbach states: “We are very pleased to be finishing FY21 with these Q4 results, including a record cash receipts of \$14.6m and continuing to reduce our operating cash outflows, with a 71% improvement in normalised cash outflows on a trailing twelve months basis.

Our annualised recurring revenue (ARR) has continued on its growth trajectory and now sits at \$62.8m, a 17% increase year over year, in what has been an incredibly challenging 12 months of operating as a global business.

During the quarter an independent strategic business review was completed for the Board and we look forward to sharing the outcomes, benefits and our company strategy and vision going forward in our Full Year’s Results.

The organisational shift in the Employee Experience evolution continues to gain momentum and we are incredibly excited by this opportunity and our positioning as a key market leader, evidenced by our record Enterprise wins, including our recently announced 3 year \$2.1m Nestle deal and the growing amount of RFP’s in our sales pipeline .

We are confident LiveTiles is well placed to consolidate its position as a leader in the Employee Experience market and continue to deliver growth through the next 12 months.”

CONFERENCE CALL

The Company will hold a brief conference call for investors 11.00am Sydney Time, Wednesday 28 July 2021. Registration details are available at: **[Q4 Results call registration](#)**

A recording of the conference call will be made available on the Company’s website at **www.livetilesglobal.com**

This announcement has been authorised for release by the Board.

For further information, please contact:

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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 Pacific, and services over 1,000 customers in over 30 countries. LiveTiles was named by The Australian Financial Review as Australia’s fastest growing technology company in 2020, recognised by Gartner as the largest vendor, outside of Workplace by Facebook, in the Intranet Packaged Software Solutions industry and also by Forrester as a leader in this space globally.

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 2021

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	14,622	51,838
1.2 Payments for		
(a) research and development	(5,492)	(9,588)
(b) product manufacturing and operating costs	(2,079)	(9,660)
(c) advertising and marketing	(775)	(3,465)
(d) leased assets	(12)	(51)
(e) staff costs	(6,582)	(25,306)
(f) administration and corporate costs	(885)	(9,982)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	29
1.5 Interest and other costs of finance paid	(3)	(3)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	1,028	1,028
1.8 Other (provide details if material)		
Non-recurring legal fees	-	(10,922)
Non-recurring staff costs	(42)	(2,448)
1.9 Net cash from / (used in) operating activities	(220)	(18,530)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	(10)	(10)
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(f) other non-current assets	-	(56)
2.2	Proceeds from disposal of:	-	-
	(g) entities		
	(h) businesses	-	-
	(i) property, plant and equipment	-	-
	(j) investments	-	-
	(k) intellectual property	-	-
	(l) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	(546)
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(10)	(612)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
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	-	-
3.6	Repayment of borrowings	-	-
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	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	16,754	37,774
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(220)	(18,530)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(10)	(612)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	149	(1,959)
4.6	Cash and cash equivalents at end of period	16,673	16,673

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	16,673	16,674
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
	Cash held in trust	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	16,673	16,754

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	410
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
Item 6.1: Payment of compensation to executive directors and directors' fees to non-executive directors.		
Item 6.2: Loan to executive directors on arms length terms including market tested interest rate.		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
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>The Company has received the following COVID-related funding packages:</p> <p><u>USA – first draw</u> Lender: Evans Bank, N.A. (under the US Government's Pay check Protection Program) Amount: US\$1,279,800 Interest rate: 1% p.a. Maturity: 12 months from April 2020 Secured / unsecured: Unsecured Note: the Company has treated these funds as a Government grant as the loan Program contains explicit criteria for loan forgiveness.</p> <p><u>USA – second draw</u> Lender: Evans Bank, N.A. (under the US Government's Pay check Protection Program) Amount: US\$787,500 Interest rate: 1% p.a. Maturity: 12 months from March 2021 Secured / unsecured: Unsecured Note: the Company has treated these funds as a Government grant as the loan Program contains explicit criteria for loan forgiveness.</p> <p><u>Switzerland</u> Lender: UBS AG (under the Swiss Government's Coronavirus bridging loan program) Amount: CHF 500,000 (available but undrawn – no monies have been received by the Company) Interest rate: currently 0% p.a. Maturity: 5 years from April 2025 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)	(220)
8.2	Cash and cash equivalents at quarter end (item 4.6)	16,673
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	16,673

8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)

75.8

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.

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:28 July 2021.....

Authorised by: 

(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.