

ASX Announcement

15 January 2019

**Annualised recurring revenue reaches \$22.9 million,
up 232% year-on-year**

- Annualised recurring revenue¹ (ARR) reaches \$22.9 million as at 31 December 2018, up from \$6.9 million as at 31 December 2017 and \$18.6 million as at 30 September 2018
- ARR has grown by 232% in the last 12 months
- N3 sales and marketing team in the United States continuing to generate rapid sales pipeline growth and contributing to strong customer and ARR growth
- Recently-acquired Hyperfish business delivering significant growth, with Hyperfish ARR more than tripling in the past 6 months
- Ongoing high-impact campaigns with Microsoft generating strong demand for LiveTiles' intelligent workplace offering
- Growing brand, product awareness and sales pipeline expected to result in strong customer and revenue growth in FY19

Continued rapid growth in annualised recurring revenue

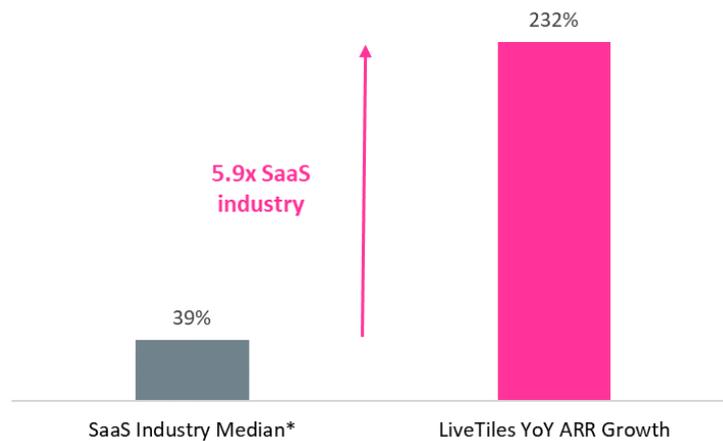
¹ Annualised recurring revenue (ARR) represents committed, recurring revenue on an annualised basis



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 another quarter of strong annualised recurring revenue (ARR) growth.

ARR reached \$22.9 million as at 31 December 2018, representing annual growth of 232%, with \$4.3 million of ARR added in the December quarter.

LiveTiles is growing at almost 6x the rate of the Software-as-a-Service industry



* Source: KeyBanc 2018 Private SaaS Company Survey (for companies >US\$5m ARR; 171 respondents)

Customer highlights in the December quarter included:

- One of the world’s largest IT consulting companies, headquartered in the United States
- A top-tier global real estate services company, headquartered in the United States
- A multinational engineering and construction company, headquartered in the United States
- A major university in the United States
- A large agricultural cooperative in the United States
- A top-tier professional services firm in Australia
- A global insurance company in the Asia-Pacific region
- Two government departments in Australia
- A global luxury goods conglomerate, headquartered in Europe

N3 DELIVERING REVENUE GROWTH AND STRONG SALES PIPELINE

LiveTiles’ strategic relationship with sales and marketing consultancy and execution firm N3 continues to perform well. In mid-November 2018, LiveTiles announced that the N3 team had generated a pipeline of sales opportunities in excess of \$50 million. The N3-generated sales pipeline is continuing to grow rapidly, with pipeline conversion expected to continue growing throughout FY19.

HYPERFISH ACHIEVING RAPID ARR GROWTH

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LiveTiles is pleased to advise that Hyperfish's ARR has more than tripled in the six months since completion of the acquisition in June 2018 and that Hyperfish has successfully exceeded the first earn-out target by achieving ARR of more than US\$1.0m by 31 December 2018.

In accordance with the key acquisition terms announced in May 2018, 6.77 million LiveTiles shares will be issued to the vendors as consideration for achieving the first earn-out. The shares are subject to an escrow period of 12 months.

Several customers have already acquired Hyperfish software as part of the LiveTiles Intelligent Workplace bundle, demonstrating the highly complementary fit between LiveTiles' suite of intelligent workplace software and Hyperfish's artificial intelligence-powered employee profile and directory management software.

The Hyperfish sales pipeline is growing rapidly, including via the N3 channel, and LiveTiles expects Hyperfish's ongoing growth to contribute to the Company's strong customer and ARR growth in FY19 and beyond. LiveTiles also expects Hyperfish will be cash flow positive on a run-rate basis by 31 December 2019.

LiveTiles Co-Founder and Chief Executive Officer, Karl Redenbach states: "We are pleased to deliver another quarter of strong ARR growth, with ARR having grown more than three-fold over the past 12 months to \$22.9 million."

"Importantly, we have also continued to build a very large pipeline of sales opportunities, driven by the N3 sales and marketing channel and our unique global partnership with Microsoft. We remain focused on converting this large and growing pipeline into new customers in FY19 and beyond."

LiveTiles will provide further details on its growth and operations with its 2nd quarter Appendix 4C in late January.

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About LiveTiles:

LiveTiles is a global software company headquartered in New York, with operations in Seattle, Tri-Cities (Washington State), San Francisco, Los Angeles, Chicago, North Carolina, Rochester, London, Sligo, Amsterdam, 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' products comprise LiveTiles Intelligent Workplace, LiveTiles Design, LiveTiles Bots, LiveTiles Intelligence, LiveTiles for SAP Software, LiveTiles MX, LiveTiles Mosaic and Hyperfish. LiveTiles' customers represent a diverse range of sectors and are spread throughout the United States, United Kingdom, Europe, the Middle East and Asia-Pacific.

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