



ASX Announcement

5 February 2019

Acquisition of leading European digital workplace software company

- Agreement signed to acquire Wizdom, a leading 'plug and play', Microsoft-aligned digital workplace software business
- Enables LiveTiles to extend its intelligent workplace platform to deliver exciting new capabilities and provides attractive cross-sell opportunities to LiveTiles and Wizdom customers
- Strong European footprint of 243 SaaS customers immediately provides LiveTiles with an established European presence and includes Nokia, Syngenta, De Beers and Anglo American
- Annualised recurring revenue of \$8.0 million as at 31 December 2018, increasing combined ARR as at 31 December 2018 to \$30.9 million – an increase of 35%
- EBITDA and cash flow positive
- Meaningful scrip consideration with substantial earn-out component ensures strong alignment of co-founders to drive the ongoing success of Wizdom
- LiveTiles is launching a placement of shares to institutional and other sophisticated investors to fund the upfront cash purchase price and for working capital purposes

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 it has signed an agreement to acquire 100% of Wizdom, a highly complementary and fast-growing software business with a strong European footprint.

Overview of Wizdom

Wizdom is a leading 'plug and play', Microsoft-aligned digital workplace software business. Its software provides users with the tools needed to drive employee engagement, collaboration and compliance. Wizdom will enable LiveTiles to deliver new capabilities in relation to news and content publishing as part of its intelligent workplace platform.

Headquartered in Copenhagen, Denmark, the Wizdom software business was launched by founders John Wainer and Claus Ole Hasle in 2016.

John and Claus and their senior management team will join LiveTiles to drive the continued growth of the Wizdom business and to help LiveTiles advance its position as the leading intelligent workplace platform. John and Claus bring a deep level of expertise in the Microsoft ecosystem and decades of operating experience in European markets.

As at 31 December 2018, Wizdom had annualised recurring revenue (ARR) of \$8.0 million, representing a high-quality customer base of 243 customers across Europe and the United Kingdom. Representative customers include Nokia, Syngenta, Saxo Bank, De Beers and Anglo American. The acquisition provides LiveTiles with an immediate and established regional presence in Europe, fast-tracking the Company's expansion into the region.

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Wizdom has achieved positive EBITDA in calendar years 2017 and 2018, whilst generating strong growth in recurring revenue.

Wizdom is well-advanced in successfully transitioning from a consultancy-led business to a high-growth SaaS business with a recurring revenue model.

Acquisition Highlights

Leading digital workplace software:

- ✓ Extends LiveTiles' product portfolio with a complementary offering
- ✓ 'Plug and play', Microsoft-aligned software
- ✓ Winner of Gartner 2017 'Cool Vendor' award (among others)

Highly complementary to LiveTiles' products, platform and culture

- ✓ Complementary product capability with opportunities for interoperability
- ✓ Built on the same Microsoft technology platforms as LiveTiles
- ✓ Shared philosophy of helping organisations realise more value from their existing technology investments

Established European footprint:

- ✓ Leading and established market position in continental Europe (which would take LiveTiles a number of years to achieve organically)
- ✓ Productive reseller network built over several years
- ✓ Increases LiveTiles' EMEA ARR from 14% to 36% post-acquisition (as at 31 December 2018)

High-quality customer base:

- ✓ 243 software customers including Nokia, Syngenta, Saxo Bank, De Beers, Anglo American
- ✓ Extremely sticky product given focus on deploying as an enterprise-wide intranet (negligible churn)
- ✓ Opportunity to cross-sell LiveTiles Bots, LiveTiles Intelligence and Hyperfish to Wizdom customers and cross-sell Wizdom's solution to LiveTiles customers

Highly-experienced leadership team:

- ✓ Highly experienced co-founders and senior management team
- ✓ Strengthens and diversifies LiveTiles' senior management and product development resources

Financial benefits:

- ✓ Adds 35% to LiveTiles' ARR (combined ARR as at 31 December 2018: \$30.9 million)
- ✓ Attractive acquisition multiple (3.5x ARR upfront and an implied maximum of 3.0x ARR including the earn-out)
- ✓ Cash flow positive business
- ✓ Strong alignment of incentives via meaningful scrip consideration with substantial earn-out component

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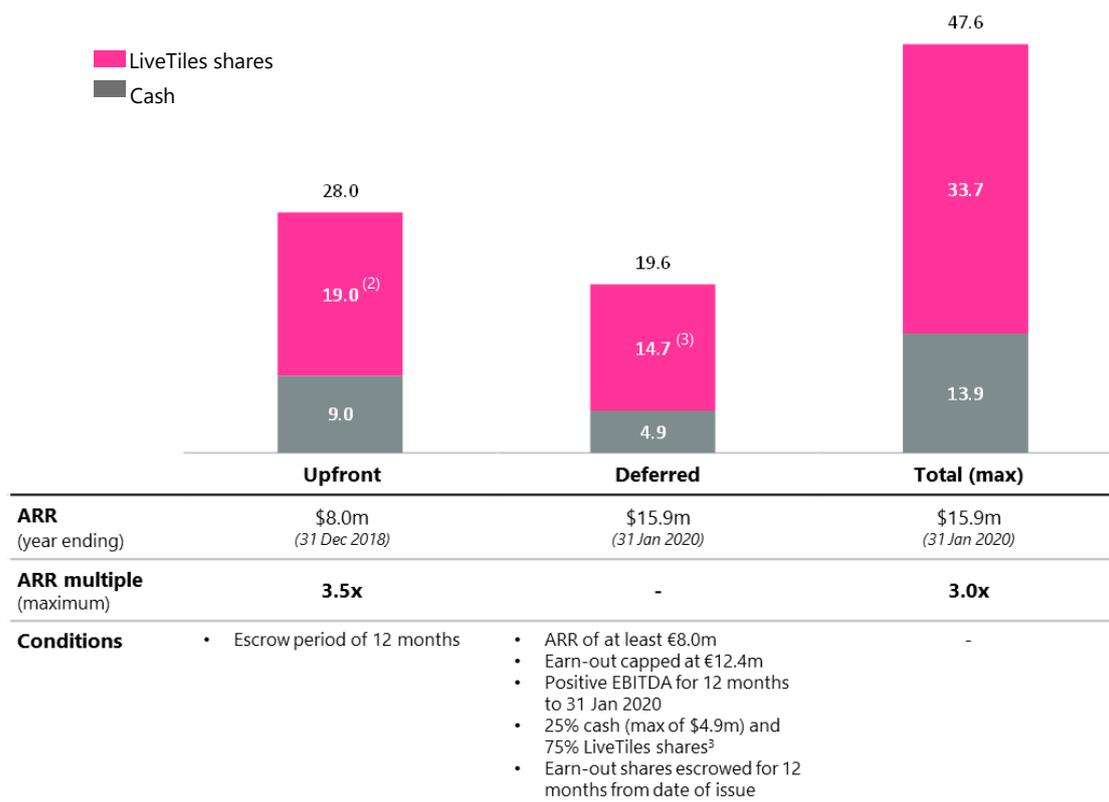
Karl Redenbach, Co-Founder and CEO of LiveTiles, said: “Wizdom has an incredibly talented team led by John Wainer and Claus Ole Hasle, both pioneers in digital workplace software. Wizdom will enable us to broaden the LiveTiles intelligent workplace platform to deliver exciting new capabilities to current and future LiveTiles customers. At the same time, LiveTiles’ leading AI capabilities provide a significant cross-sell opportunity to Wizdom’s growing customer base across Europe.”

John Wainer, Co-Founder and CEO of Wizdom said: “LiveTiles and Wizdom offer highly complementary products focussed on providing our customers with intelligent technology solutions. We are excited to be joining forces with the LiveTiles team and believe that both companies will be able to leverage their respective customer footprints, established partnerships and sales and marketing channels to drive rapid growth across both businesses. I am confident that within Wizdom’s existing customer base there will be strong interest for LiveTiles’ existing AI capabilities, providing us with immediate cross-selling opportunities and a compelling product offering to attract new customers.”

Key Terms of the Acquisition

The purchase price comprises a base valuation and an earn-out, with an aggregate purchase price cap of EUR30 million (\$47.6 million¹).

Transaction Structure (\$m¹)



1. Based on AUDEUR exchange rate of 0.63
2. 49.5 million shares at an issue price of \$0.384 per share (20 day VWAP prior to the date of the Sale and Purchase Agreement)
3. Issue price of earn-out shares will be equal to the 20 day VWAP prior to 31 January 2020 (with a floor price of \$0.30 per share)

Completion of the acquisition is expected to occur in mid-February 2018.

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Share Placement

LiveTiles is launching a placement of shares to institutional and other sophisticated investors to fund the \$9.0 million upfront cash consideration and for working capital purposes (Placement). Under the Placement, a minimum of \$15.3 million will be raised (before costs) via the issue of 45 million fully paid ordinary shares. The Placement price will be determined by an institutional bookbuild, with a variable price range of \$0.34 - \$0.37 per share. The price range represents a discount range of:

- 6.3% - 13.9% to the last closing price of \$0.395 on Monday, 4 February 2019; and
- 7.0% - 14.6% to the volume weighted average price of \$0.398 on Monday, 4 February 2019.

The Placement will be conducted under LiveTiles' unconditional placement capacity under ASX Listing Rules 7.1 and 7.1A. The Company will be placed in trading halt whilst the Placement is undertaken.

Citigroup Global Markets Australia Pty Limited (Citi) is acting as lead manager and bookrunner to the Placement.

Key dates for the Placement

Trading halt and announcement of Placement	Tuesday, 5 February 2019
Institutional Placement bookbuild	Tuesday, 5 February 2019
Announcement of completion of Placement and trading halt lifted	Wednesday, 6 February 2019
Settlement of new shares issued under the Placement	Friday, 8 February 2019
Allotment and normal trading of new shares under the Placement	Monday, 11 February 2019

Investor Conference Call

LiveTiles will be holding an investor conference call at 11:00am AEDT on Tuesday 5 February. Please join the conference 5-10 minutes prior to the start time. You will be asked to provide the confirmation code and the title of the conference (LiveTiles Investor & Analyst Conference Call).

Confirmation code: 1553388

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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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