



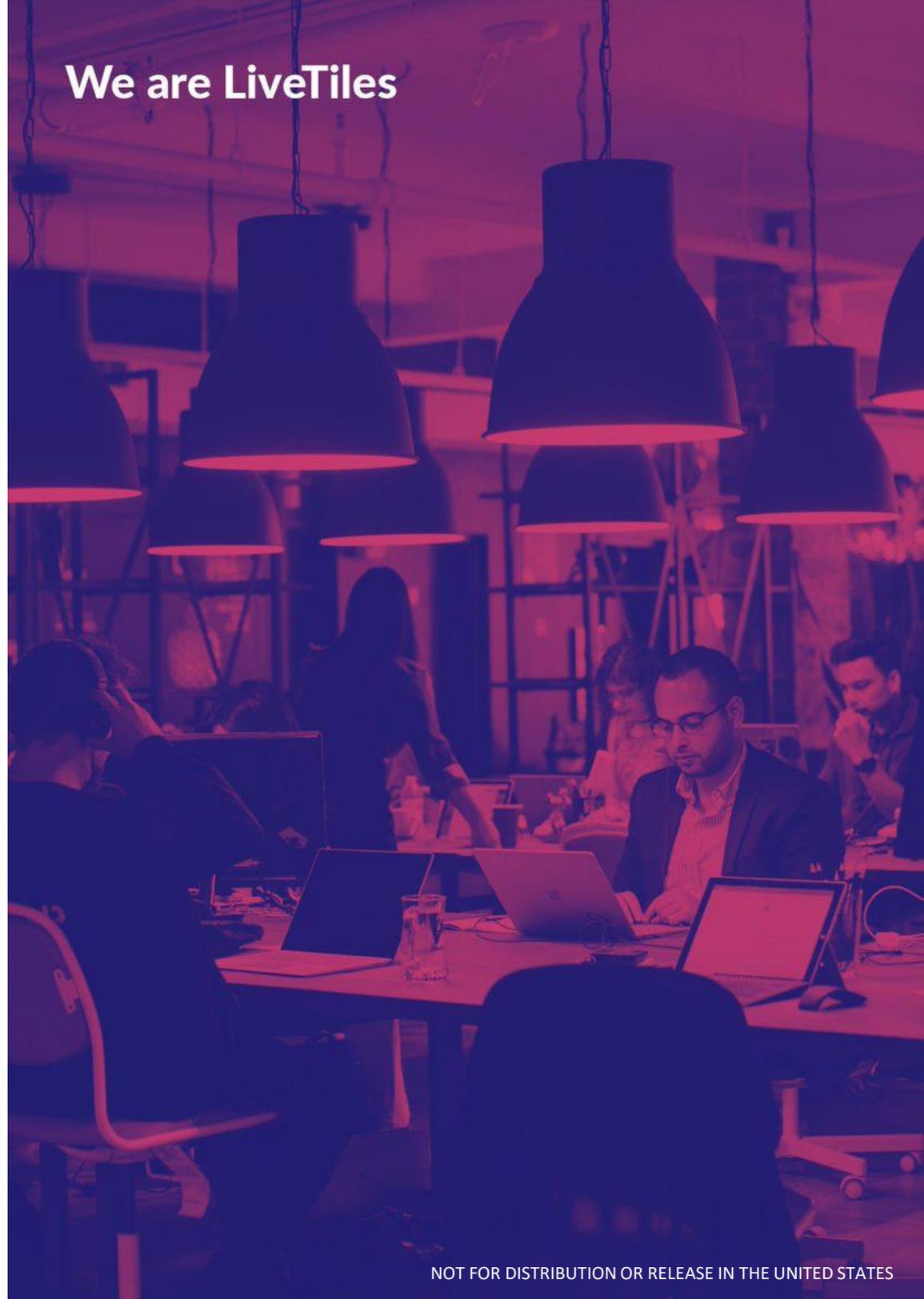
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LiveTiles Limited

Investor Presentation

4 September 2019

We are LiveTiles



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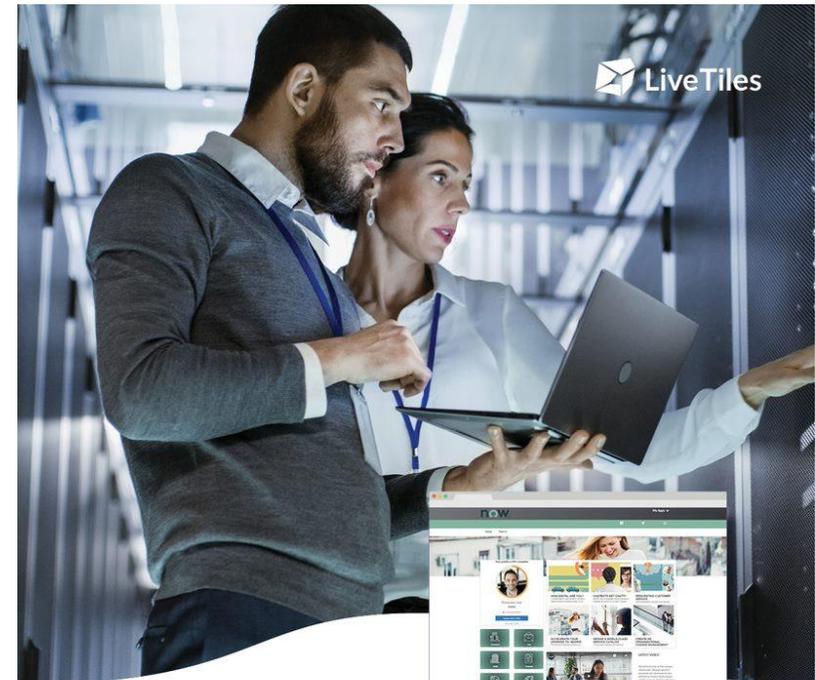
1. Snapshot and Key Highlights
2. Business Overview
3. Case Studies
4. Global Market Opportunity
5. Business Update



1. Snapshot and Key Highlights

LiveTiles is a rapidly growing enterprise SaaS company headquartered in New York City

- Cloud-based intelligent workplace software for organisations
- First paying customer in February 2015
- Listed on ASX in September 2015 (ASX: LVT)
- \$40.1m of annualised recurring revenue (ARR) ⁽¹⁾, with stated target of achieving \$100m of ARR by June 2021
- 919 paying customers across every major industry vertical¹
- ~180 employees in the US, UK/Europe and Australia
- Large and rapidly growing addressable market
- Strong emphasis on product innovation, including Artificial Intelligence
- Close alignment and unique global relationship with Microsoft
- Co-founders own 32%



“

A single pane of glass for this cloud computing giant keeps all their folks connected to the right information at the right time.

”



www.livetiles.nyc



1. As at 30 June 2019. Annualised recurring revenue (ARR) represents committed, recurring revenue on an annualised basis.

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1. Refer to pages 18 & 19.

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2. Business Overview

Our Intelligent Intranet Platform solves a range of critical problems and opportunities faced by organisations around the world

Customer Problems...

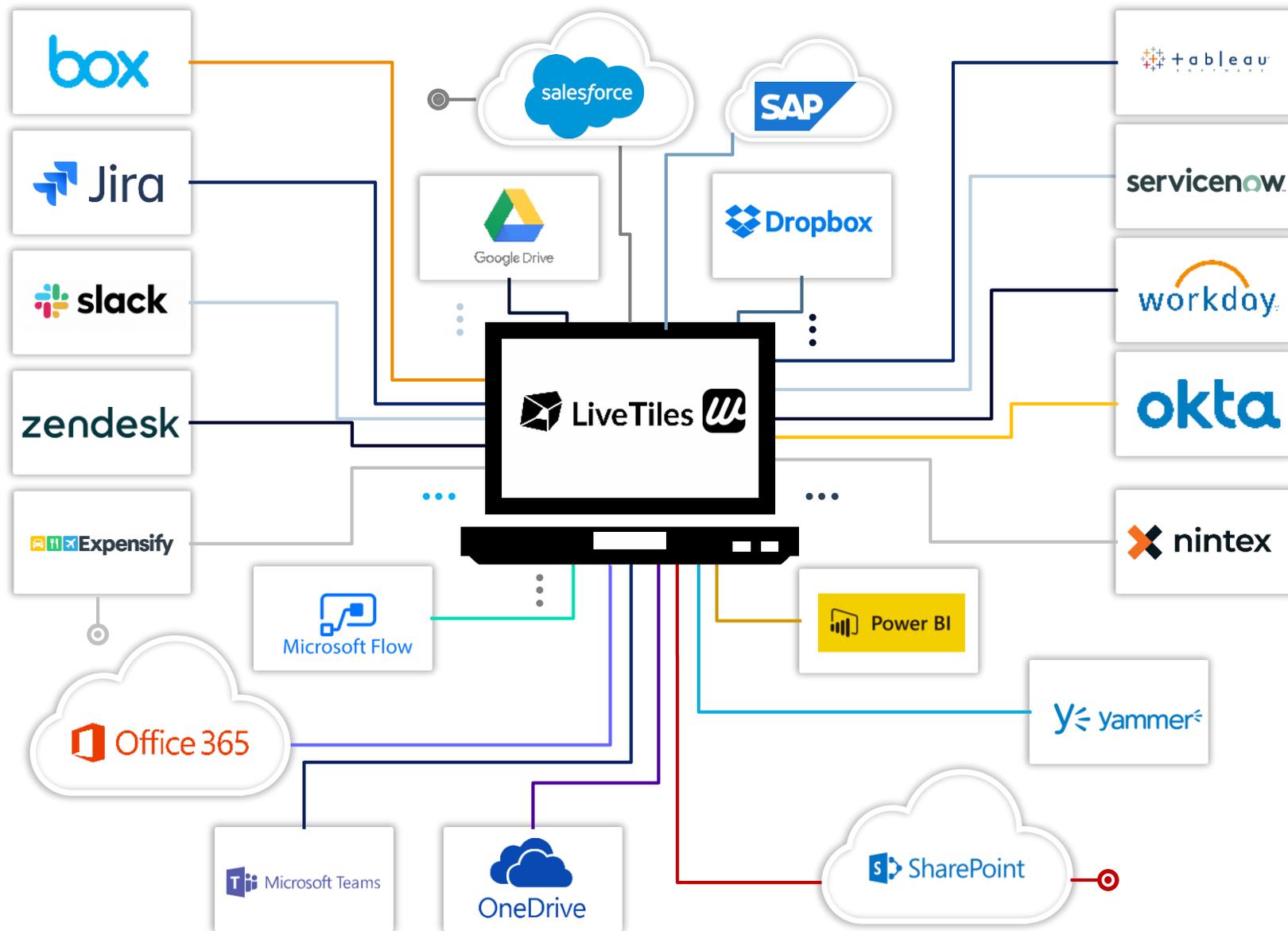
- ❌ High cost to build and maintain – customised coding and project management for new intranets and ongoing changes to content
- ❌ Long project delivery timeframes – delivered product out of date by completion
- ❌ Old world intranets lack integration to modern workplace applications – employees must switch between a growing number of applications, hampering productivity
- ❌ Poor employee experience, engagement and adoption
- ❌ Intranets typically not mobile friendly
- ❌ Intranets are the home page of the organisation and have not kept pace with modern public cloud and SaaS offerings, including AI

...Solved by LiveTiles

- ✓ Significantly reduces custom coding – disrupting traditional intranet model – far more cost effective
- ✓ Rapid deployment
- ✓ Integrations to 3rd party apps enable a single user experience and enable organisations to control the chaos with supported workplace applications
- ✓ Employee engagement, adoption and productivity
- ✓ Mobile friendly and device agnostic
- ✓ Incorporates Bots and Artificial Intelligence

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Our Intelligent Intranet Platform is the foundation of LiveTiles, connecting many disparate applications through a single user experience



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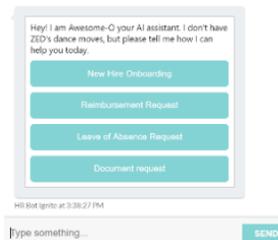
EMPLOYEE PROFILES

Complete and up to date staff profiles, detailing areas of expertise, how individuals work, and the skills and values individuals can provide



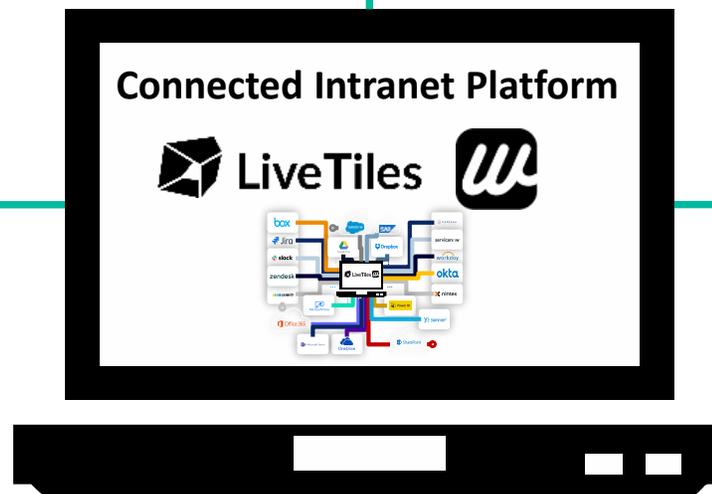
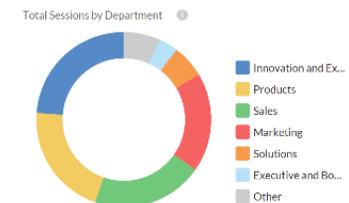
BOTS

A chatbot is a conversation interface between humans and technology. LiveTiles is democratising access to AI with our bot builder platform, extending the Microsoft platform



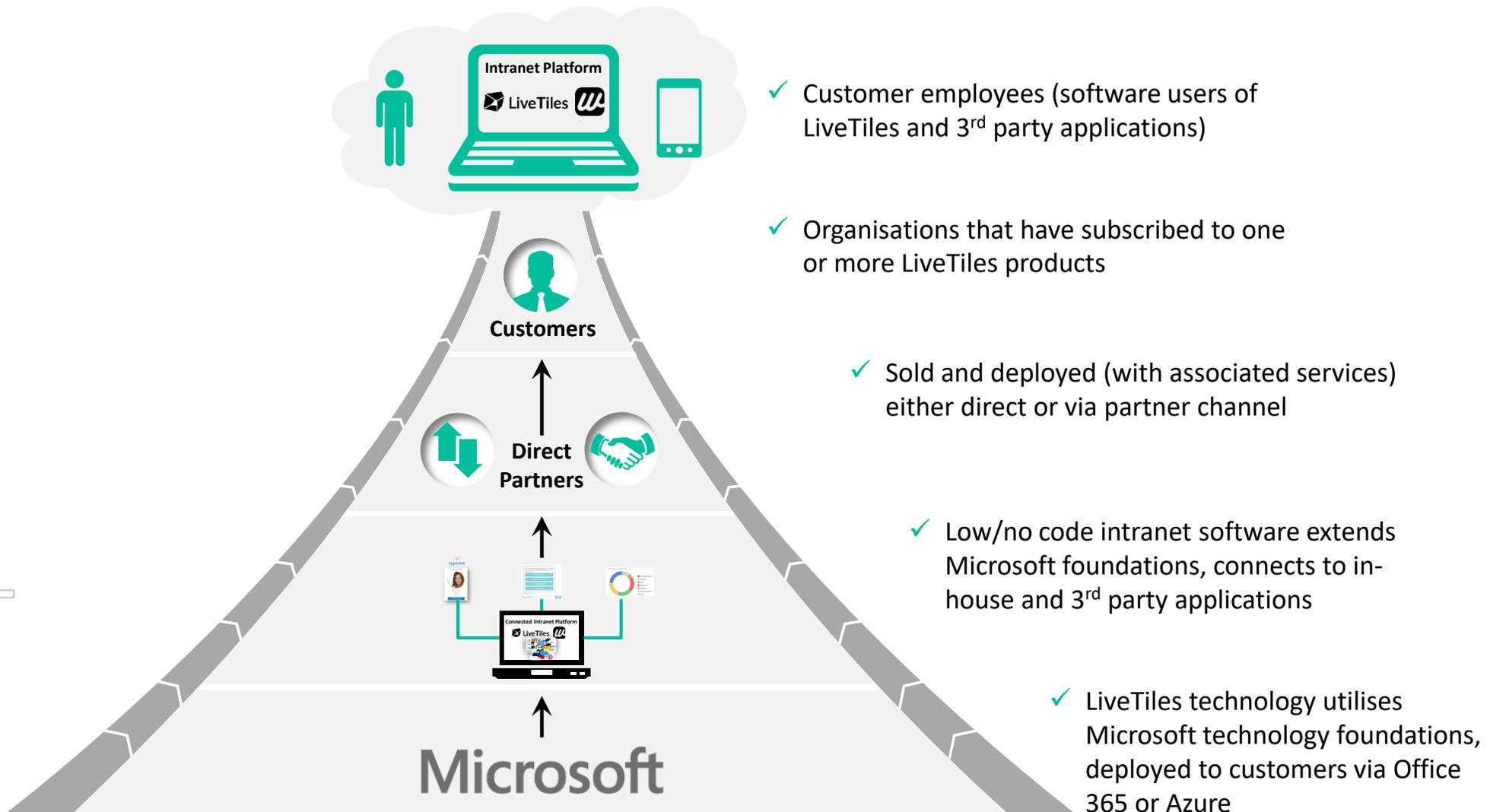
INTELLIGENCE

Real-time insights into how solutions are being used, enabling data-driven decisions to enhance user experience



LiveTiles sells directly and through a growing network of partners to reach our customers

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Partner Channel

LiveTiles is growing its network of reseller and services partners, extending the global reach of its platform

- Our reseller and services partners help deliver LiveTiles products into customer workplaces
- Services include project management, custom integrations (eg. to legacy internal applications), security testing, deployment testing
- The number of transacting partners⁽¹⁾ grew to 178 as at 30 June 2019 (up 89% year-on-year)
- LiveTiles is committed to broadening and deepening its global partner network to drive growth and customer outcomes



Alliances

LiveTiles has a growing portfolio of alliances with uniquely positioned software vendors

- Extends customer experience within the LiveTiles platform through complementary and integrated technology
- Expands LiveTiles' market reach



1. LiveTiles resellers and services partners that have closed at least one LiveTiles software licensing transaction.

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3. Case Studies

PepsiCo's teams around the world access the latest information and business applications through the LiveTiles platform, improving the productivity and collaboration across 300,000 employees



*"PepsiCo looked to the LiveTiles solution to **increase collaboration and gain alignment between disparate business units**"*

– John Phillips, PepsiCo's SVP Customer Supply Chain and Global Go-to-Market

Problem

- As a large organisation, PepsiCo faced challenges with **collaboration** and **connecting** its business units scattered across the globe

Solution

- Looking for a tool to unite its resources and bring teams together, PepsiCo used LiveTiles to build a **mobile-friendly intelligent workplace for its 300,000 people**
- Non-technical employees** are empowered to build and maintain engaging sites that **integrate a growing range of third party business applications** such as Salesforce, WorkDay, Dropbox, Google Drive and social media feeds, powered by AI technology

With LiveTiles, the UK Ministry of Defence built an active online community and an engaging communications portal in just four weeks. LiveTiles helped bring together the customer's operating units and partner network to ensure communications continuity and security of sensitive data



*“LiveTiles has helped us produce an excellent website. They have done what they said they would do, when they said they would do it, and, I suspect, have gone **‘above and beyond’** on occasion”*

– Lieutenant Colonel Julian Salusbury

Problem

- **Outdated and segmented digital environment** with resources, information and news items scattered among teams and a vast network of specialist partners
- With complex internal processes and the need to secure privileged information, the UK Ministry of Defence (“MoD”) needed a way to **consolidate classified data and create a platform to ensure an efficient line of communication** between its business units without compromising security

Solution

- MoD built a reliable and secure communications platform called Nexus in just **four weeks**
- MoD integrated applications, resources and news items on a custom-branded dashboard to **ensure no one misses out on vital information**

Dartmouth's Tuck Business School chose LiveTiles to replace its in-house built legacy intranet. LiveTiles gave the Dartmouth team the power to deliver an enhanced mobile-friendly user experience, integrated with the full Office 365 productivity set, as well as introducing an enterprise social network



Problem

- **Incumbent intranet that had been built in-house** and integrated with several other campus systems
- Solution was heavily used by necessity, with certain critical services only available via this intranet
- **Site user experience (UX) was outdated**, and the lack of mobile support was giving rise to an increasing number of issues

Key Takeaway – Tuck reports that they are beginning to see a range of benefits from the combination of Office 365 and LiveTiles, with improved collaboration among student project teams and school staff.

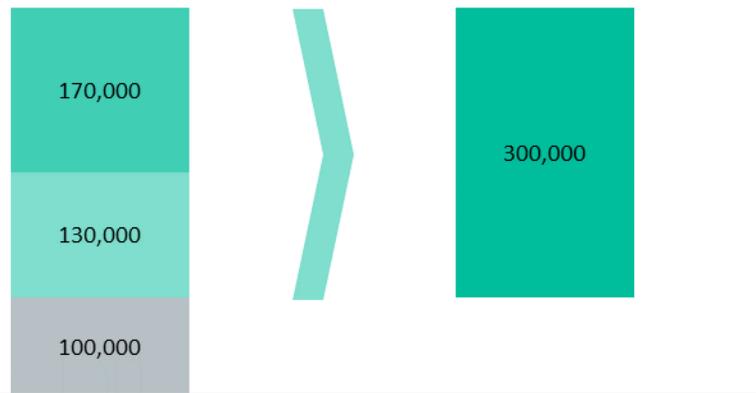
Solution

- New portal offers **improved navigation** with a comprehensive mega-menu and space for **internal branding** and marketing information
- Ability to edit section pages quickly has delivered productivity gains to Tuck's internal IT team, enabling them to **rapidly respond to user needs without external assistance**

4. Global Market Opportunity

Large and rapidly-growing addressable market of ~300,000 organisations

Microsoft Office365 Customer Base ⁽¹⁾



Office365 Customer Base Potential Addressable Market

■ <100 employees ■ 100-800 employees ■ >800 employees ■ >100 employees

Total Potential Addressable Market

300,000 Potential Customers
x \$43.6k Average ARR per Customer ⁽²⁾

= ~\$13 billion pa

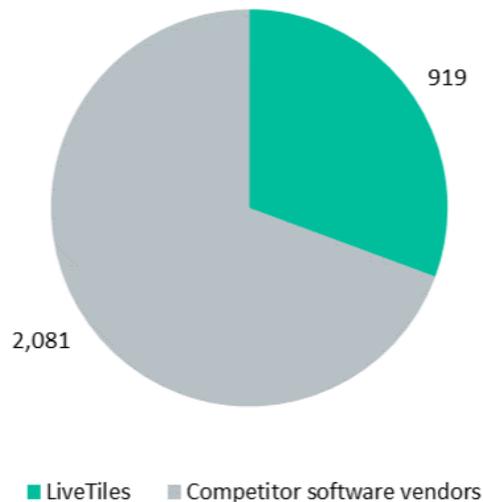
Each 1% market penetration = ~\$130m ARR

- ✓ Almost all organisations with >100 employees utilise some form of intranet or employee portal
- ✓ Strong growth in Microsoft's Office365 Commercial revenue: +34% YoY ⁽³⁾

1. LiveTiles estimates based on industry knowledge.
2. LiveTiles' average annualised recurring revenue (ARR) per customer as at 30 June 2019.
3. Microsoft Q4 FY19 earnings release (constant currency basis).

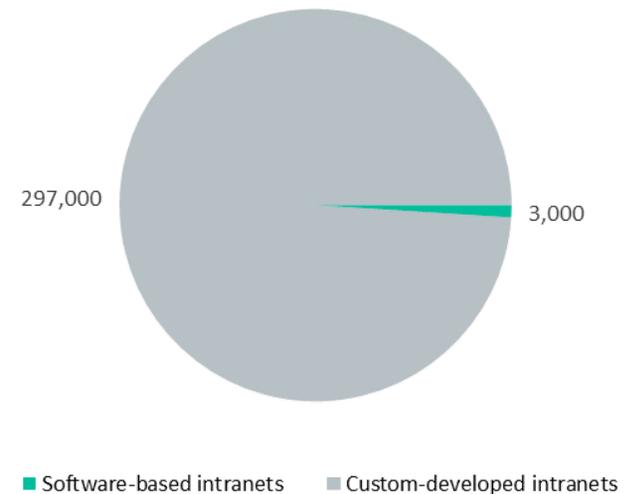
Software-based intranets are in the early stages of replacing custom-coded intranets

Leading Market Share ⁽¹⁾



- ✓ LiveTiles is more than 4x larger than its nearest competitor (by revenue)
- ✓ Most competitor software vendors are embedded within systems integrator (consulting) businesses

Penetration of Software-based Intranets ⁽¹⁾



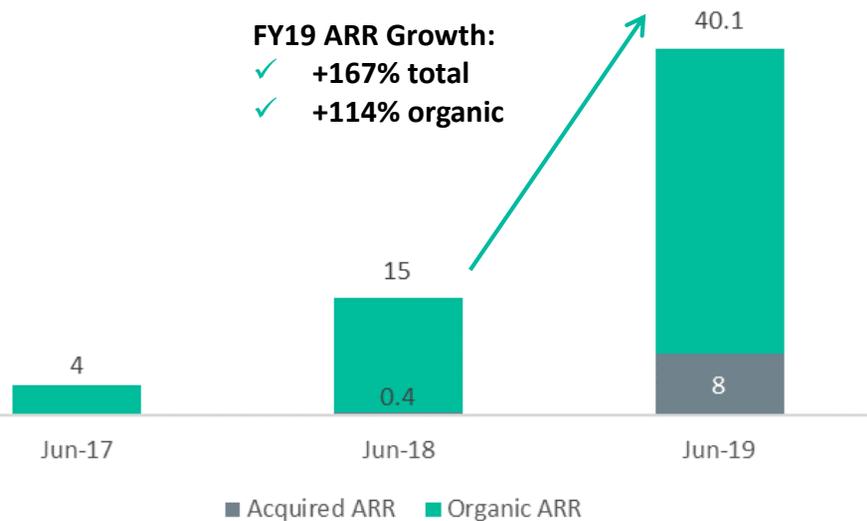
- ✓ Internal organisation intranets and portals have historically been custom-coded - common frustrations with cost, lack of features and lack of dynamic change
- ✓ LiveTiles pioneered the market for low/no-code intranet software in 2015

1. Number of organisations (LiveTiles estimates based on industry knowledge).

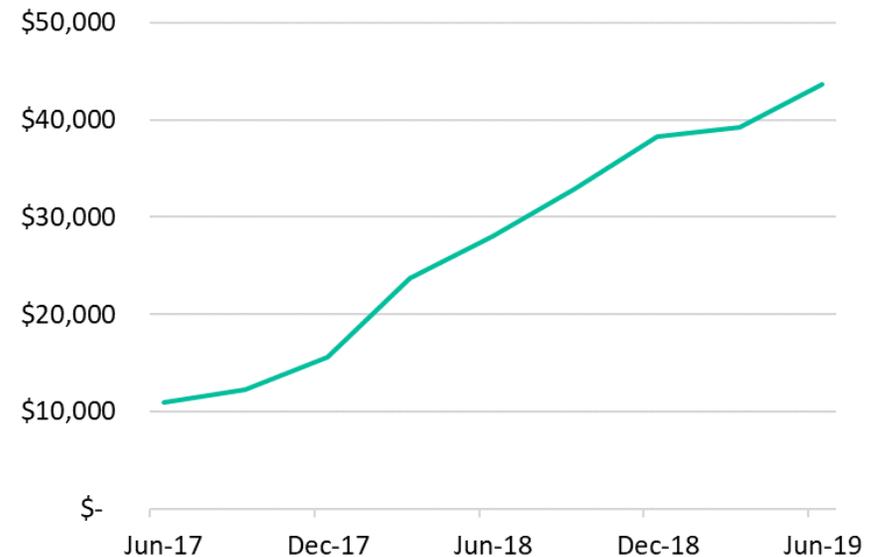
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5. Business Update

Year-on-year ARR growth ⁽¹⁾



Average ARR per customer up 56% in FY19



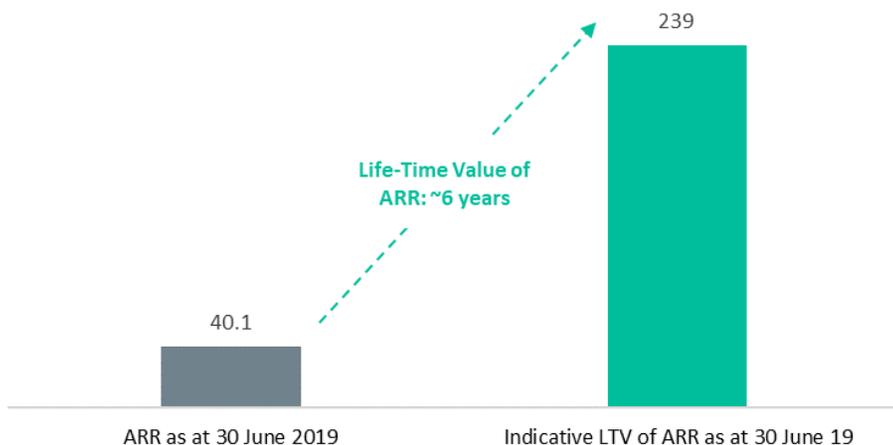
- ✓ One of the world's fastest-growing SaaS companies
- ✓ Acquisition of Wizdom, Europe's leading 'plug and play', Microsoft-aligned digital workplace software business, completed in Feb 2019
- ✓ Strong pipeline of sales opportunities

- Strong growth in average ARR per customer driven by:
 - ✓ A higher proportion of new enterprise customers
 - ✓ Product cross-sell / bundling
 - ✓ Increased penetration of existing customers

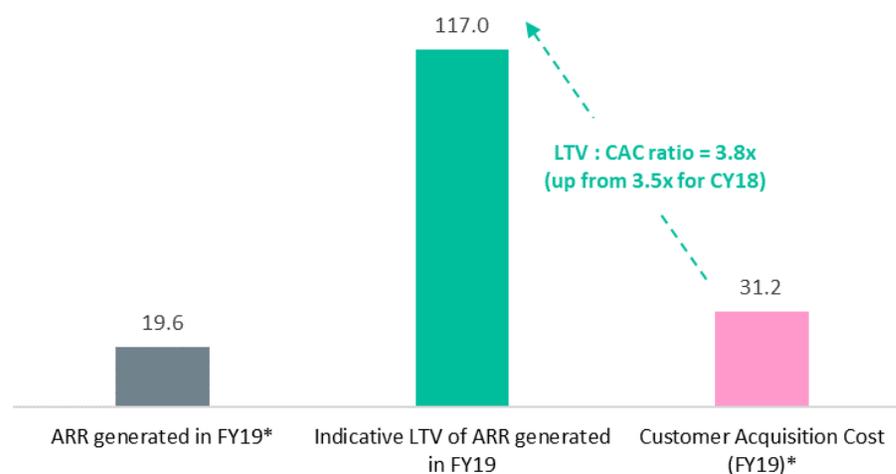
1. Acquired ARR comprises Wizdom's ARR as at 31 December 2018 (\$8.0 million) and Hyperfish's ARR as at 30 June 2018 (\$0.4 million). Figures in A\$ millions.

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Indicative Life-Time Value of ARR base (\$m)



Efficiency of Customer Acquisition Cost (\$m)



CAC has also generated a large sales pipeline and driven early demand for AI products

ARR = Annualised Recurring Revenue.

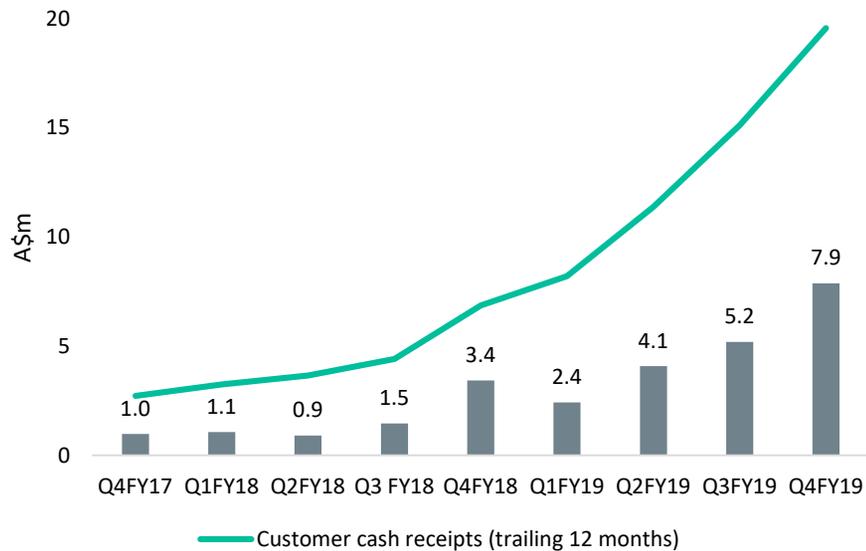
LTV = Life-Time Value. Assumes 95% gross margin, 92.5% net retention and a 10% discount rate.

Net retention = (ARR expansion from existing customers less churn in trailing 12 months) / ARR at beginning of 12 month period.

CAC = Customer Acquisition Cost. Comprises 100% of sales and marketing costs and 50% of customer success costs.

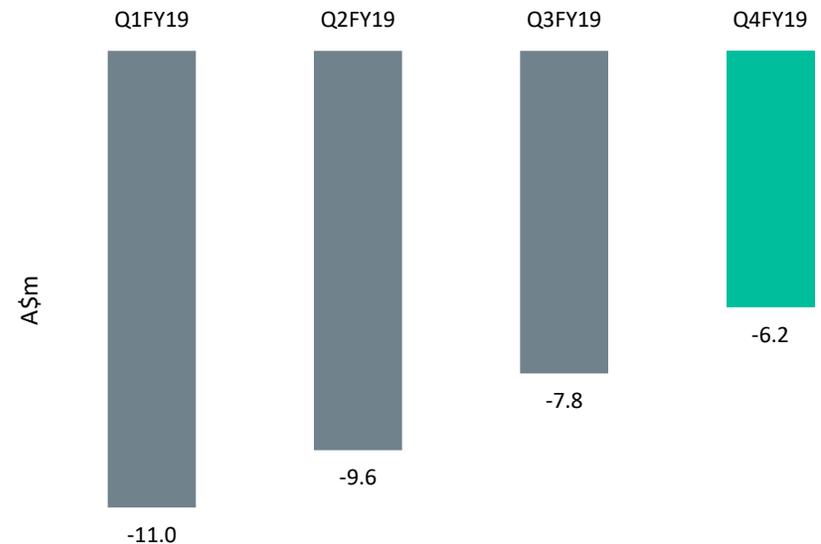
* Adjusted to annualise Wizdom ARR generation and CAC

Strong Growth in Customer Cash Receipts



- ✓ Strong growth in customer cash receipts throughout FY2019 and in Q4 FY19

Improving Net Operating Cash Flow



- ✓ Consistent improvement in net operating cash flow
- ✓ Further improvement in net operating cash flow achieved in June 2019 quarter
- ✓ \$1.4m grant received from NY State in Q4 FY19

LiveTiles has a clear roadmap to drive operational execution in support of our growth strategy

Recent developments...

- **Customer success team established** and integrated with sales and marketing teams
- Partner channel growth (off a small base) with **substantial future revenue opportunity via partners**
- **Product roadmap** execution, including Bots launch, new 3rd party integrations, Microsoft Teams features, Page Designer version 5. **Bundling of product portfolio** across LiveTiles Page Designer, Wizdom, Bots and Hyperfish
- **Acquired businesses** (Hyperfish and Wizdom) are key components of an increasingly integrated product portfolio with acquired products performing strongly
- **Business integration** of Hyperfish is complete, with Wizdom integration underway

...and current priorities

- Increasing **capacity and capability of internal and partner services** to support customer onboarding and adoption. Strong focus on growing partner reseller and services network supported by direct sales and account management channels in each region
- Realising **bundling benefits** in all regions, including Wizdom and Hyperfish. Further substantial opportunities to drive **differentiation in our product portfolio**, further deepening product integration and connections to 3rd party applications, further enhancements to user experience and design, substantial AI opportunities, further automation of product deployment to enhance customer experience
- **Integration and consolidation of supporting systems and processes** (across the integrated LiveTiles, Wizdom and Hyperfish operations). Clear plans to realise efficiency benefits and more effective customer, people and partner outcomes with completion anticipated by 30 June 2020

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LiveTiles expects to deliver another year of strong customer and revenue growth in FY20

- ✓ Large and growing addressable market
- ✓ Focused direct sales & marketing strategy targeting larger enterprises
- ✓ Conversion of large pipeline generated by inside sales team in the United States
- ✓ High-impact co-marketing initiatives with Microsoft
- ✓ Continued growth in partner/reseller distribution channel
- ✓ Growing demand for Artificial Intelligence products
- ✓ Substantial expansion opportunity with existing customers via cross-sell, bundling and increased penetration
- ✓ Technology alliances

LiveTiles' publicly stated target is to organically grow ARR to at least \$100m by 30 June 2021



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Capital Structure

Ticker	ASX:LVT
Share price as at 2 Sept 2019	\$0.375
Shares on issue	661m
Market capitalisation	\$248m
Cash as at 30 June 2019 (zero debt)	\$14.9m
Enterprise value	\$233m

Co-Founder Shareholdings

Holder	%
Karl Redenbach (CEO & Co-Founder)	16.7
Peter Nguyen-Brown (CXO & Co-Founder)	14.8
Total	31.5

Recent Awards

Winner

Homegrown Export
(ARN Innovation Awards)

Winner

Top 50 SaaS CEOs 2018
(The SaaS Report)

Finalist

Emerging Vendor of the Year (UK)
(CRN Channel Awards)

Finalist

**Greatest Contribution to Ethics,
Gender Equality and Diversity in AI**
(Alconics San Francisco)

Finalist

**Best Application of AI in a Large
Enterprise (Ireland)**
(AI Ireland)



MSUS Partner Award Winner
**MODERN WORKPLACE
TRANSFORMATION**



The Alconics

Third Annual Alconics Winner
**BEST APPLICATION
OF AI IN THE ENTERPRISE**



High-impact campaigns and go-to-market initiatives contributing to strong customer and revenue growth

- Successfully aligning itself with **Microsoft's 'AI-first' vision**, LiveTiles has become one of Microsoft's key strategic partners in the data and AI space
- LiveTiles, Wizdom and Hyperfish partnering with Microsoft on **SharePoint "home sites" launch** (May 2019)
- **2018 Microsoft US Partner of the Year Award for Modern Workplace Transformation** (Microsoft has ~100,000 US-based partners)
- **AI Spark Partner Program**: designed by LiveTiles and Microsoft to accelerate the pace at which AI can be deployed by enterprises
- **AI Inner Circle Partner Program**: LiveTiles invited as the first software company following independent customer evaluations
- **LiveTiles Bots heavily showcased by Microsoft** at its global Inspire conference in Las Vegas in July 2018
- Access to Microsoft's partner **co-sell program** to accelerate leads and new customer growth
- **P2P Global Integrated Solution**: co-creation of IP with select partners to deliver industry solutions via Microsoft's Marketplace (AppSource)
- **LiveSmiles** - intelligent employee wellness solution based on LiveTiles technology platform; Microsoft global launch partner
- **Microsoft Teams** – co-selling LiveTiles solution for Microsoft's rapidly growing Teams collaboration platform



MSUS Partner Award Winner
MODERN WORKPLACE
TRANSFORMATION



LiveTiles showcased at Microsoft Inspire keynote (July 2018, Las Vegas)