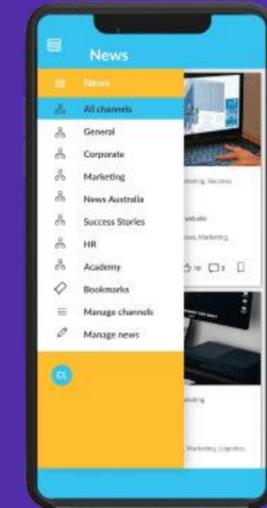




TRANSFORMING THE WORKPLACE

LiveTiles Limited
ASX : LVT
H1FY21 Results Presentation
25th February, 2021



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CORPORATE OVERVIEW

ASX: LVT

Share price as at 24 Feb 2020	\$0.24
Shares on issue	902m
Market capitalisation	\$217m
Cash as at 31 Dec 2019 (zero debt)	\$19m
Enterprise value	\$197m

CO-FOUNDERS

	%
Karl Redenbach (CEO & Co-Founder)	10.1
Peter Nguyen-Brown (CXO & Co-Founder)	8.7
Total	18.8

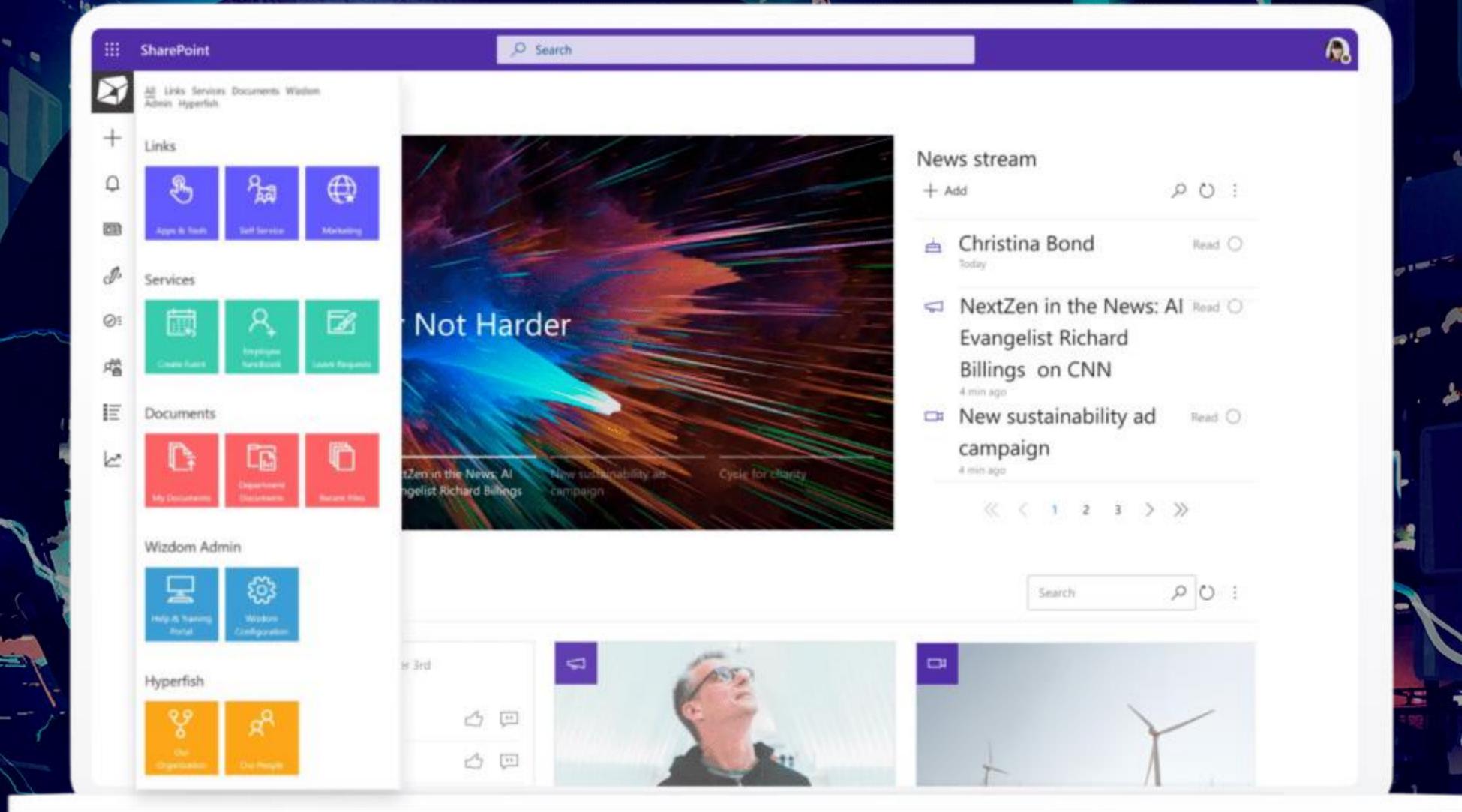
REGISTER

	%
Founders, Management, Directors	~23.0
Institutional Shareholders	~17.0
Retail Shareholders	~60.0
Total	100



02

THE PRODUCT & MARKET



THE EMPLOYEE EXPERIENCE PLATFORM (EXP) DEFINED

“A software platform that enables organisations to take complete control of the interactions a person will have while using your systems – without actually replacing the underlying applications”

EXP's update just the front end of your current applications and systems, without influencing or changing the back-end functioning. They build on the solid foundation of functionality and security provided by your existing software and create a new experience layer on top of it that makes it modern, mobile-optimized, and easy to use.

Microsoft states the EXP market to be ~US\$300bn.

WE SIMPLY NEED TO MAKE WORK EASIER



Too many applications

- Large companies use an average of 129 apps.
- Additionally, companies use 7 different tools for messaging, communication, file sharing & scheduling
- This creates a more complex environment for employees



Inefficiency

The average employee switches between 35 job critical applications more than 1,100 times per day.



The cost of poor communication to businesses

- 35% of a disengaged employee's salary is wasted
- Higher turnover rate of 34%
- 12% of working time is wasted due to avoidable inefficiency



Compared with bottom-quartile employee engagement companies, top-quartile companies have :

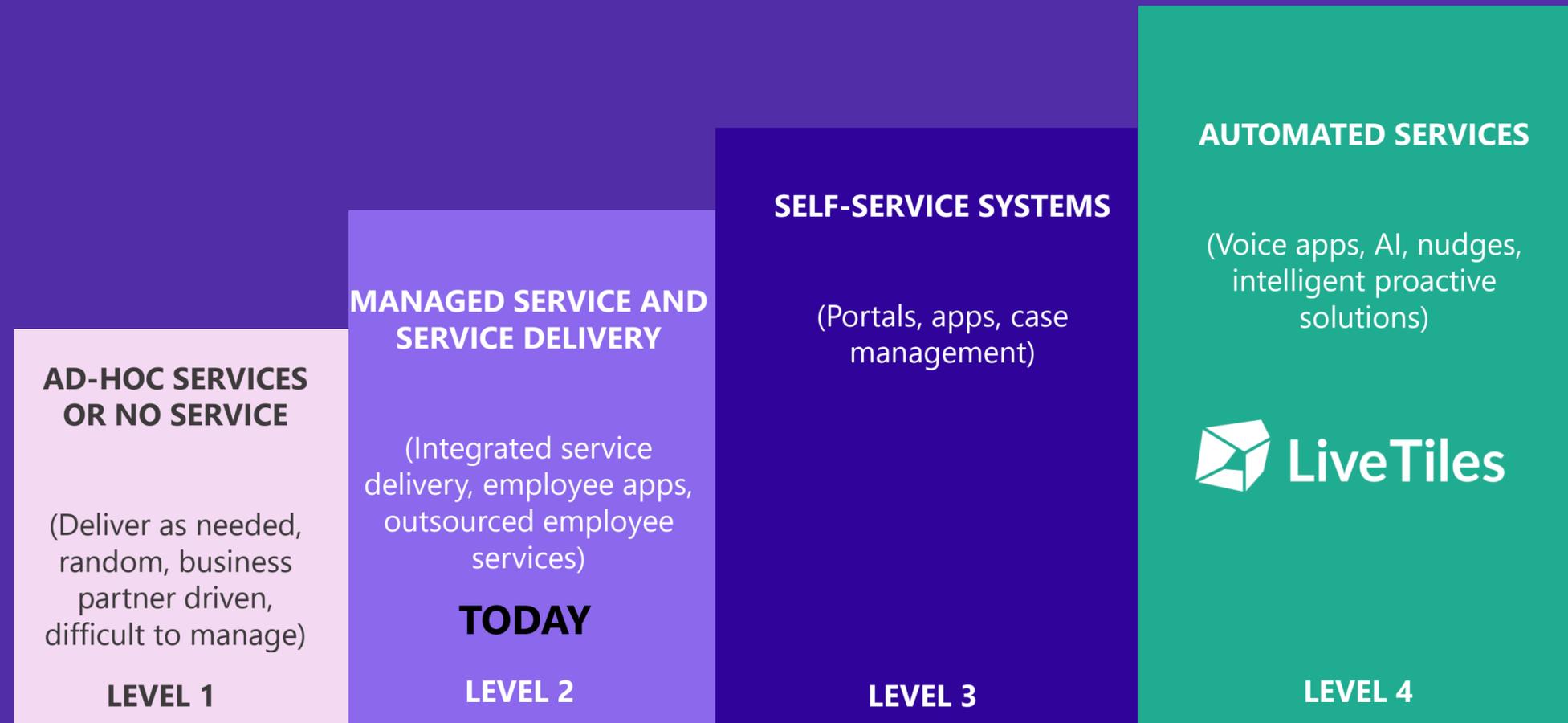
- 25-65% lower turnover
- 48% fewer safety incidents
- 10% higher customer metrics
- 21% higher productivity
- 22% higher profitability



The Result

- Employees overwhelmed.
- Companies spending > \$40bn pa on wellbeing programs.

EVOLUTION OF THE EMPLOYEE EXPERIENCE MARKET



Companies rely on business partners or generalists to help employees with their needs. Ok for SME but becomes dysfunctional as companies grow and become more complex

Companies centralises employee services, integrating Employee Apps with IT, finance and other functions. Companies buy an integrated case management system

Companies invest in the employee self-service portal (ESS), requiring significant ongoing investment and maintenance.

Companies add intelligence, proactive and predictive systems, chat and voice to create a customised and efficient solution.

After 4 years LiveTiles has evolved and is a pioneer in this industry. Perfectly positioned to take advantage of fast growing market.

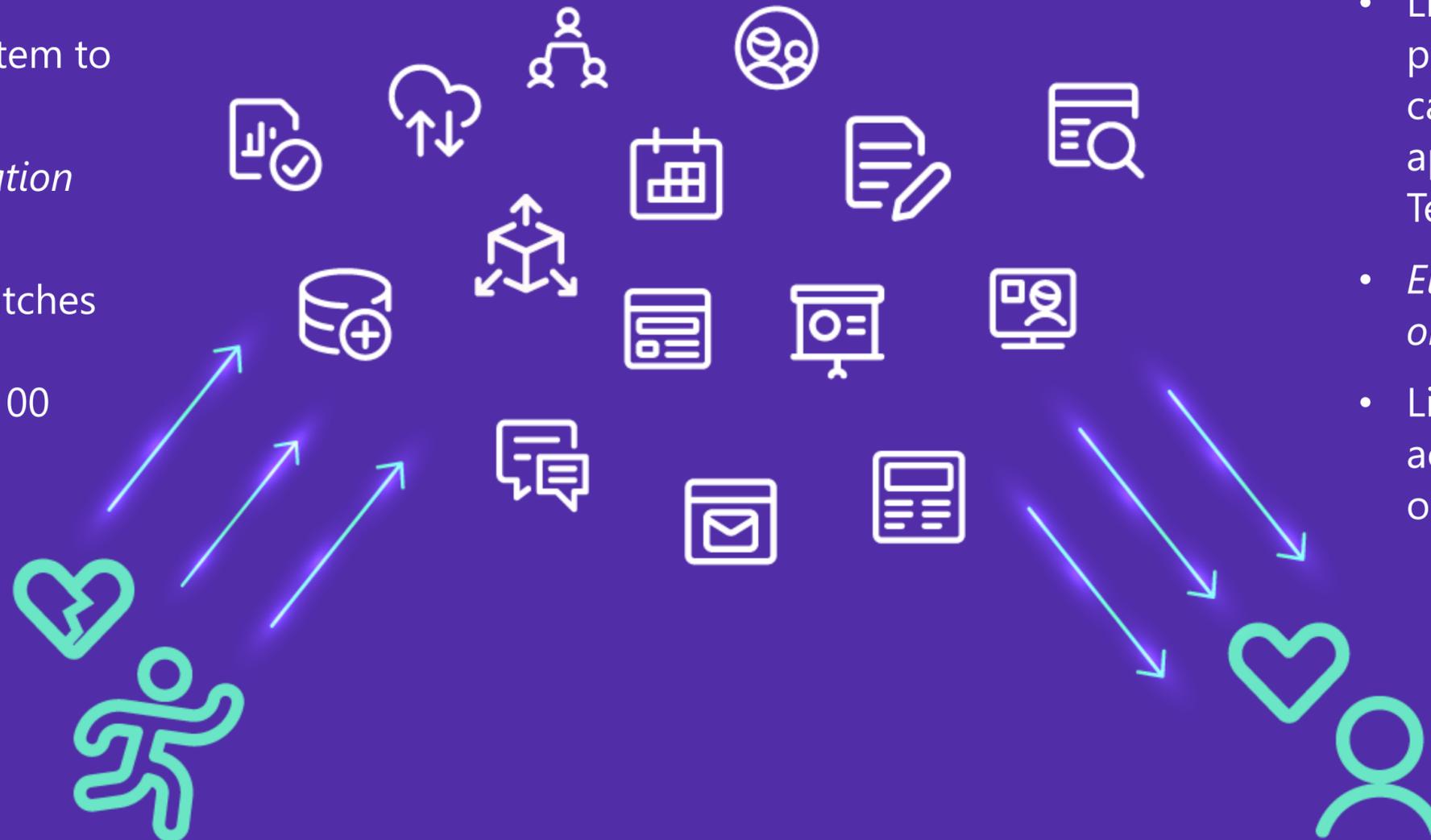
THE LIVETILES POINT OF DIFFERENCE

The industry sees an EXP as a destination.

- Employees must go to an intranet, dashboard or system to access content.
- *Switching from one application to another*
- The average employee switches between 35 job critical applications more than 1,100 times per day.

The LiveTiles EXP sees the USER as the destination.

- LiveTiles has the platform and the proprietary tools so that Employees can access content from any application they are using. (eg Teams)
- *Eliminating the need to switch from one application to another.*
- LiveTiles EXP enables the user to access content from any application or any device.



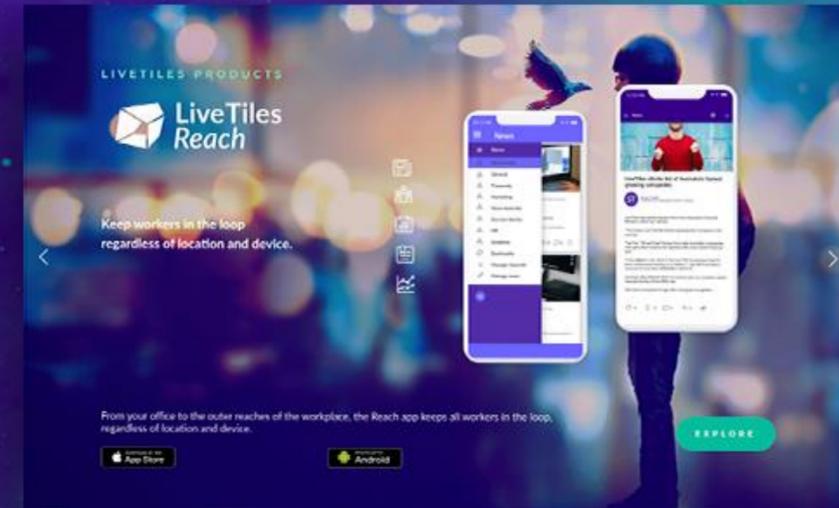
PRODUCT PORTFOLIO



Low code intranet software for companies of all sizes to centralise their corporate communications with the ability to plug in feeds from various applications (Tableau, Google, SharePoint etc). LiveTiles Intranet for enterprise, is what Wix & Squarespace are for customer websites.



Employee mobile communications app. Perfect for dispersed workforces, such as retail, healthcare and government. Quick to implement and easy to deploy.



A special "toolbar" that allows a user to access information from any source or system, without the need to leave the current application they are in. Significantly reduces context switching and workplace complexity, improves productivity, and maximises the employee experience.



The intelligent workplace toolkit – a suite of modules that enables customers to collect & analyse data from multiple applications for powerful business insights and AI empowered processes. The data from Quantum drives important business decision making.



03

FINANCIALS

Financial Summary

As at 31 December 2020 (AUD)



Annualised Recurring Revenue ¹	Avg ARR per customer	Customers	Customer Lifetime Value
<p>\$64.7m</p> <p>(constant currency basis)² \$58.1m on a reported currency basis</p>	<p>\$57.2k</p> <p>(constant currency basis)² \$51k on a reported currency basis</p>	<p>1,132</p> <p>+101 added on PY</p>	<p>\$403m</p> <p>+\$53m added on PY</p>
Cash on hand	Revenue H1FY21	LTV : CAC H1FY21	Adjusted EBITDA ³ H1FY21
<p>\$19.4m</p> <p>\$13m record Q4 Cash Receipts</p>	<p>\$20.5m</p> <p>+13% increase on PY</p>	<p>4.2x</p> <p>2.1x increase on PY</p>	<p>\$(2.3)m</p> <p>+84% improvement on PY</p>

1. LiveTiles defines ARR as 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.

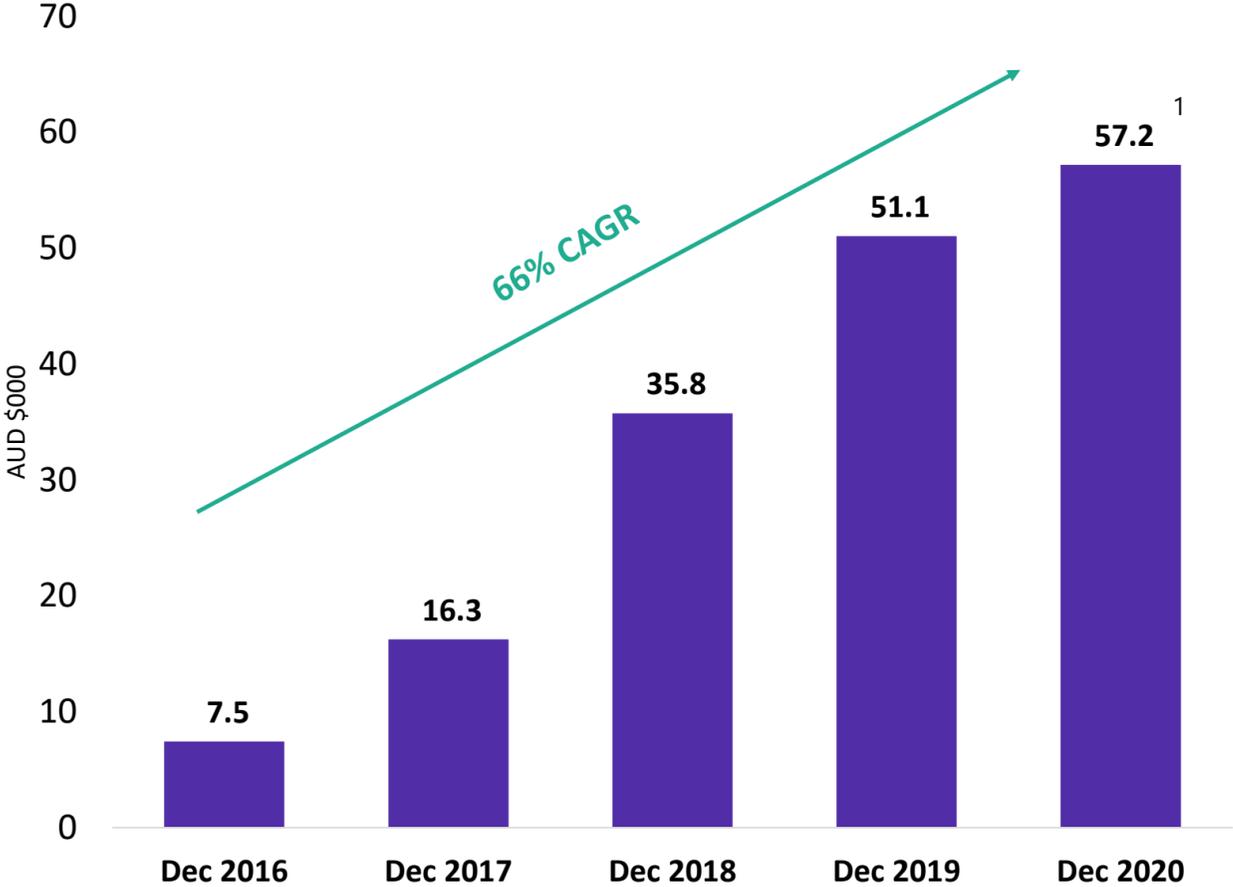
2. On a constant currency basis, using FX rates as at 31 March 2020,

3. Adjusted EBITDA excludes stock-based payments and one-off non-recurring items

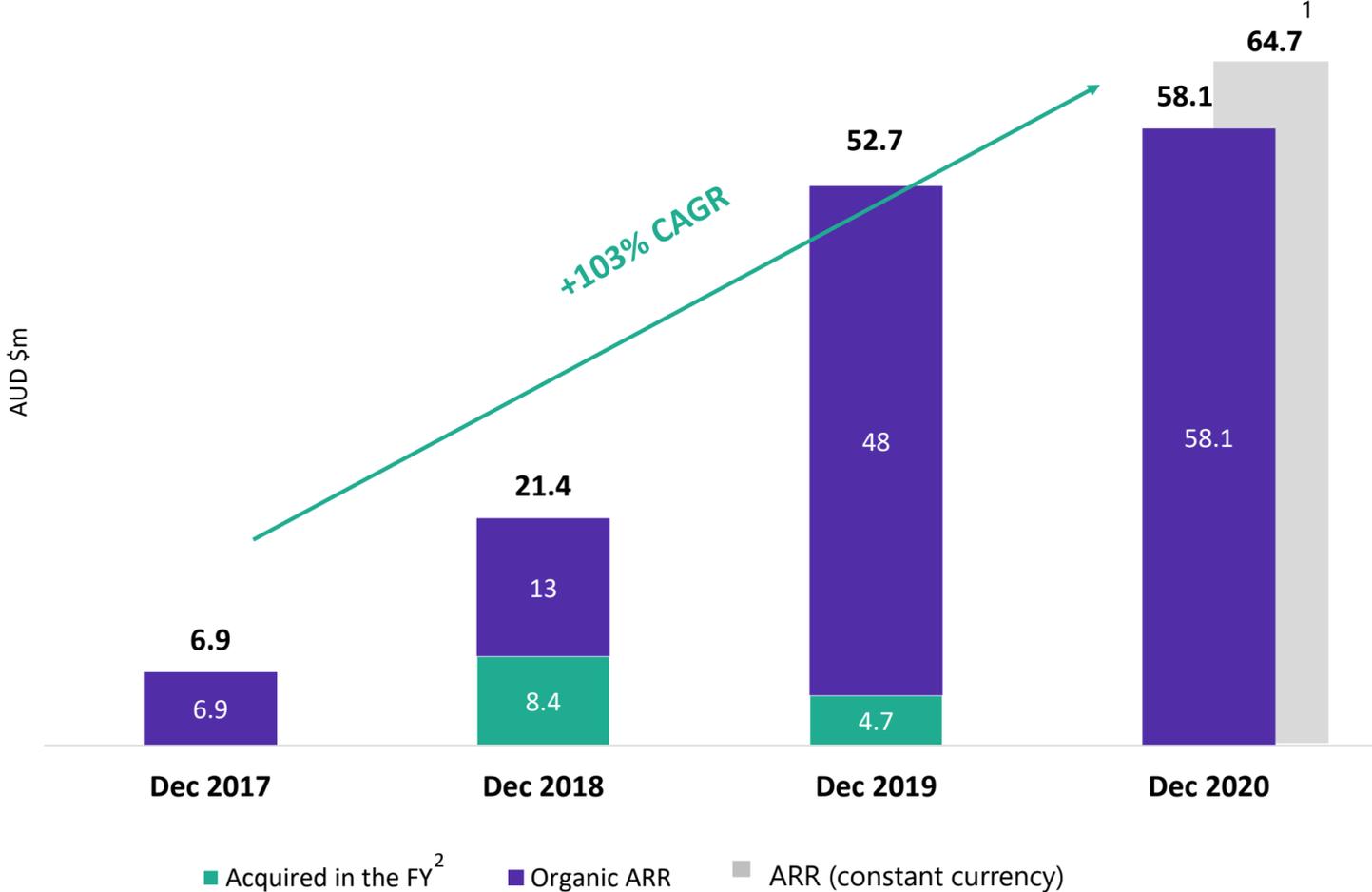
Continued Recurring Revenue Growth



Average ARR per Customer +12% vs PY and +66% 4 year CAGR



Year-on-year ARR growth (A\$m)



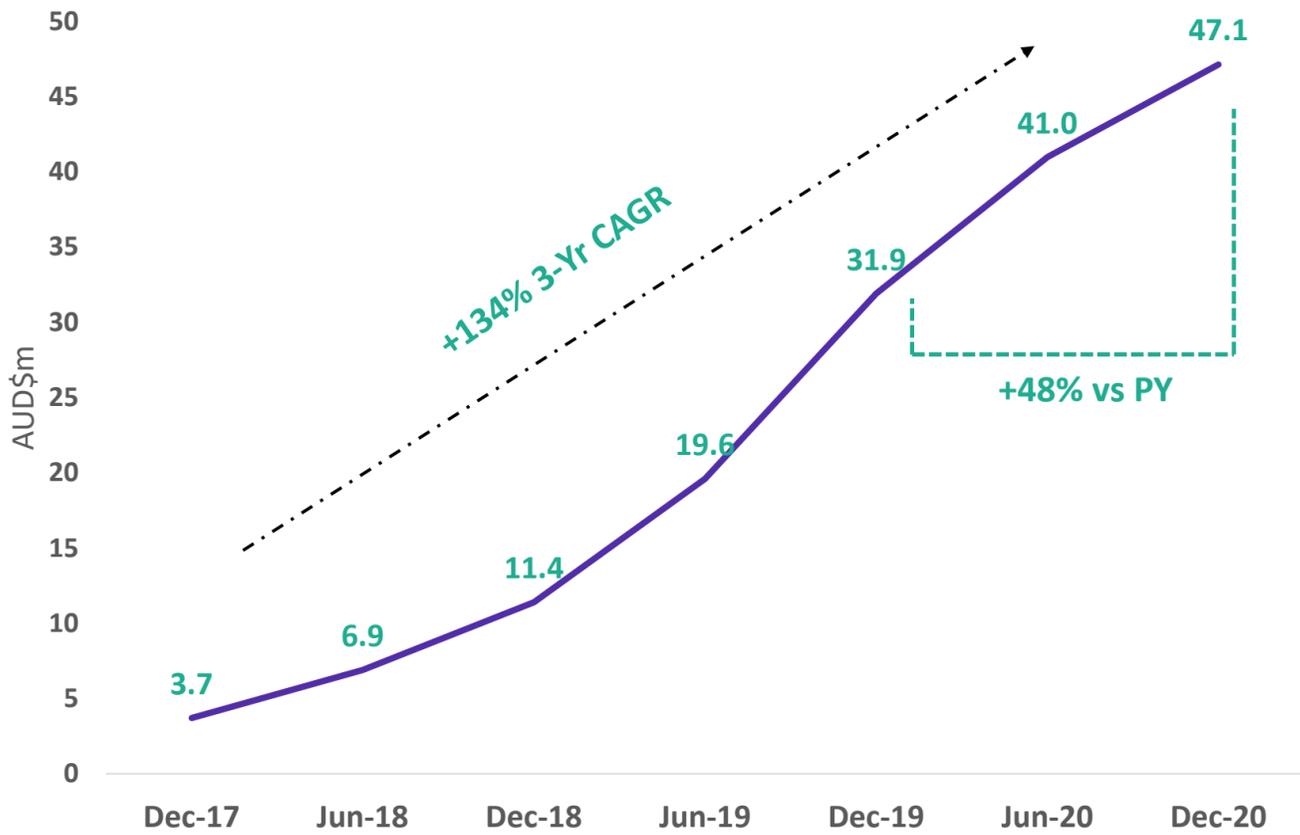
- Larger amount of new enterprise based customers
- Increased penetration of existing customer with product cross-sells and bundling

- Continued strong organic growth supported by successful acquisitions and product integrations. Newly launched LiveTiles Reach (formerly CYCL Condense) driving +75% new pipeline in Dec31 Qtr after only 3 months post launch

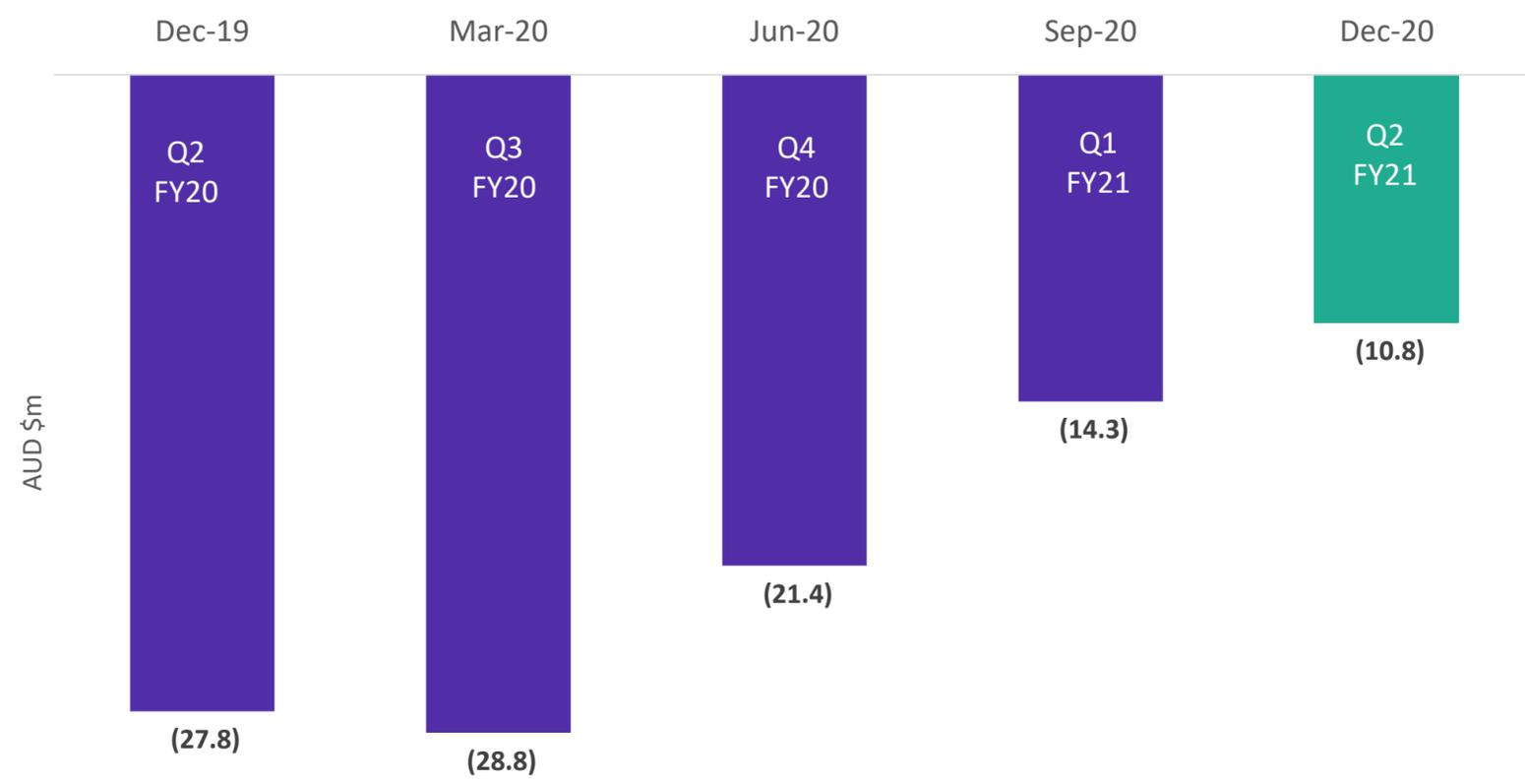
1. On a constant currency basis, using FX rates as at 31 March 2020,

2. Acquired ARR comprises Wisdom’s ARR as at 31 December 2018 (\$8.0 million), Hyperfish’s ARR as at 30 June 2018 (\$0.4 million) and CYCL’s ARR as at 30 September 2019 (\$4.7 million).

Strong Cash Receipts (TTM) growth +48% vs Dec19



Improving Net Operating CashFlow (TTM) ¹ +61% vs Dec19



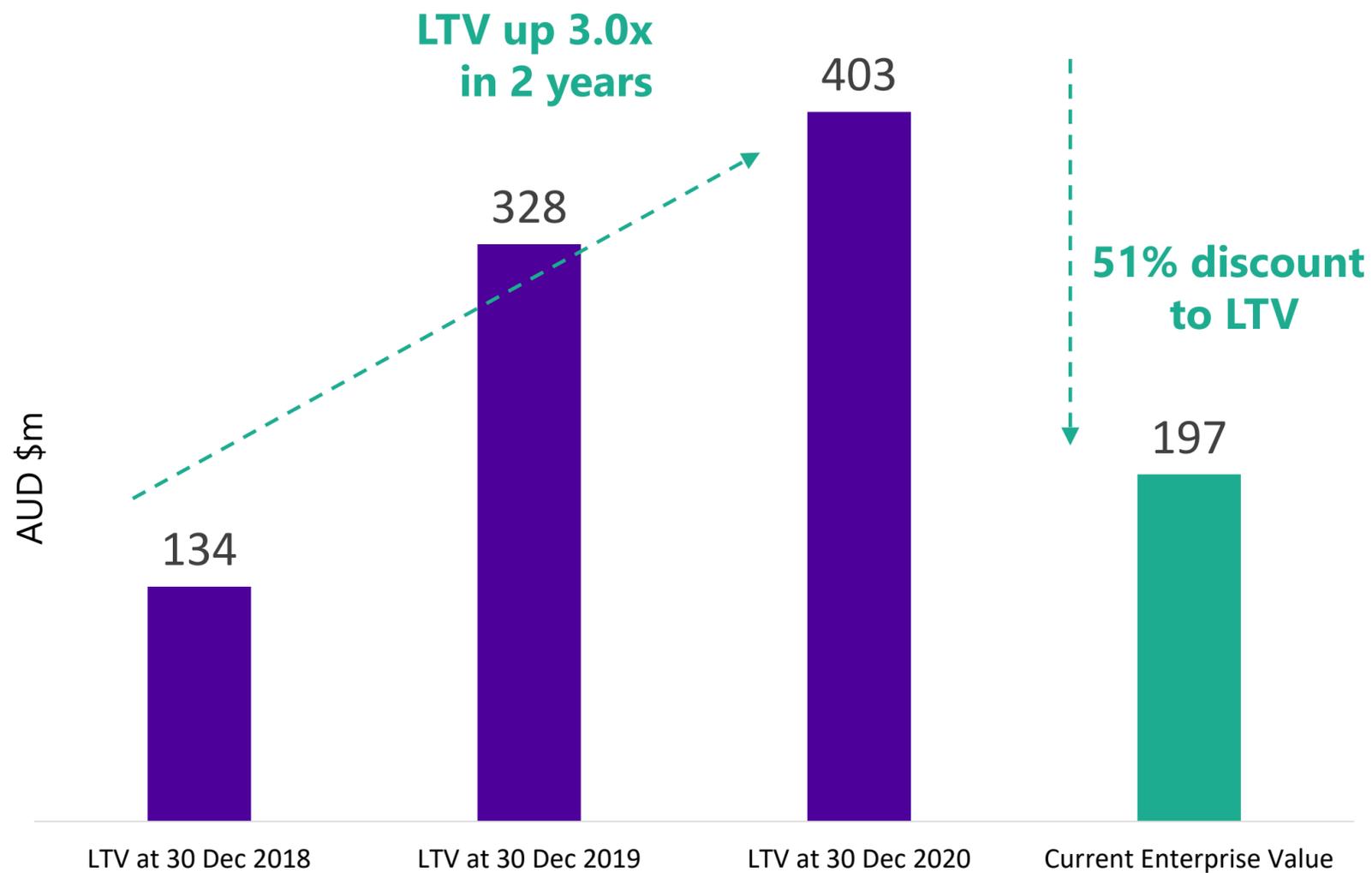
- Q2FY21 was another cash receipt records (9th in a row) at \$13m +25% vs prior corresponding quarter
- +134% 3 Year CAGR in Cash Receipts (TTM) Growth

- Net underlying operating cashflow improvements realised in 2nd half of CY20 from cost saving initiatives undertaken in mid-2020

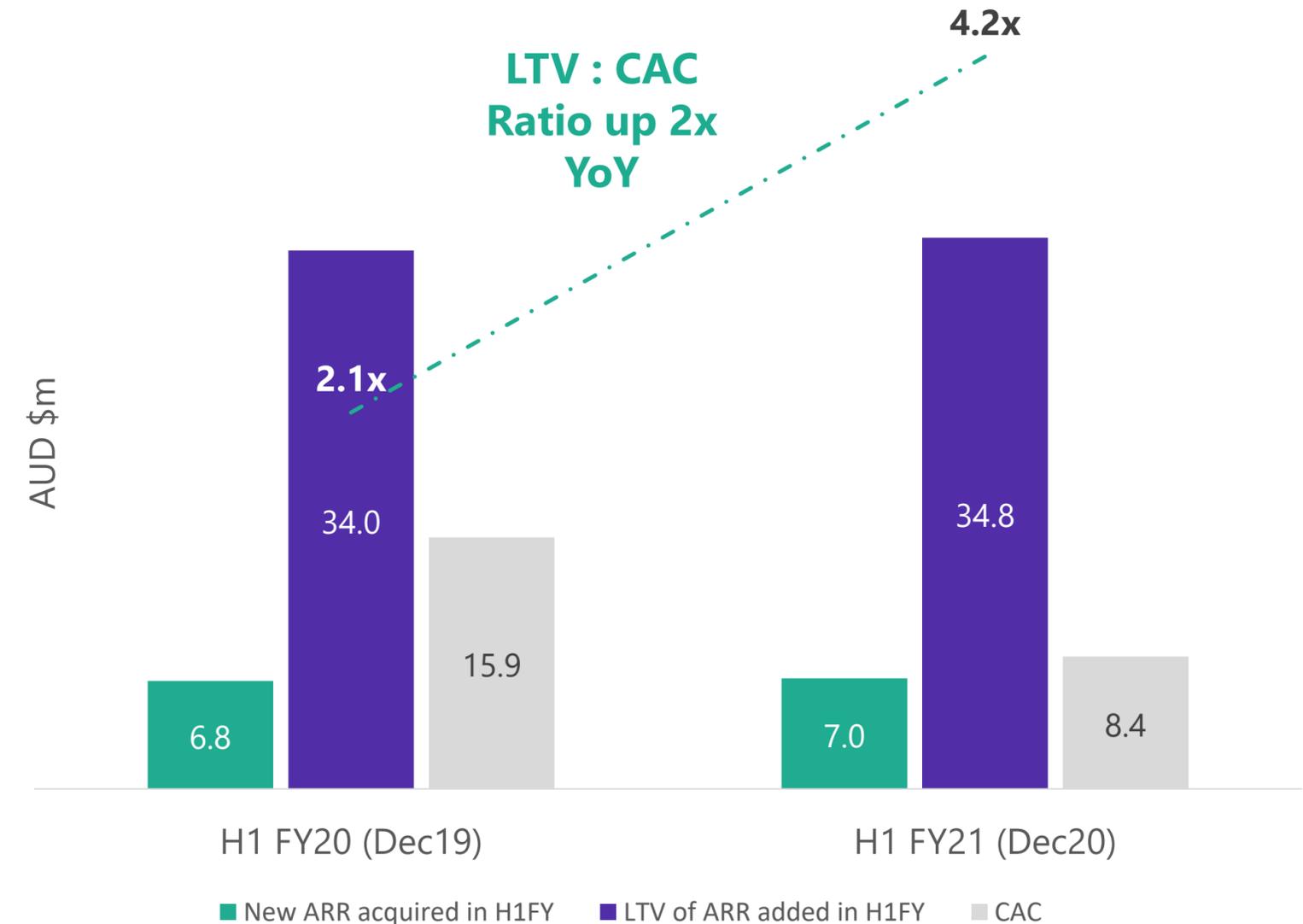
¹ Excludes government grants and one-off non-recurring one-off items

Building Recurring Lifetime Value

\$403m Customer Lifetime Value (LTV) from Annualised Recurring Revenue (A\$m)



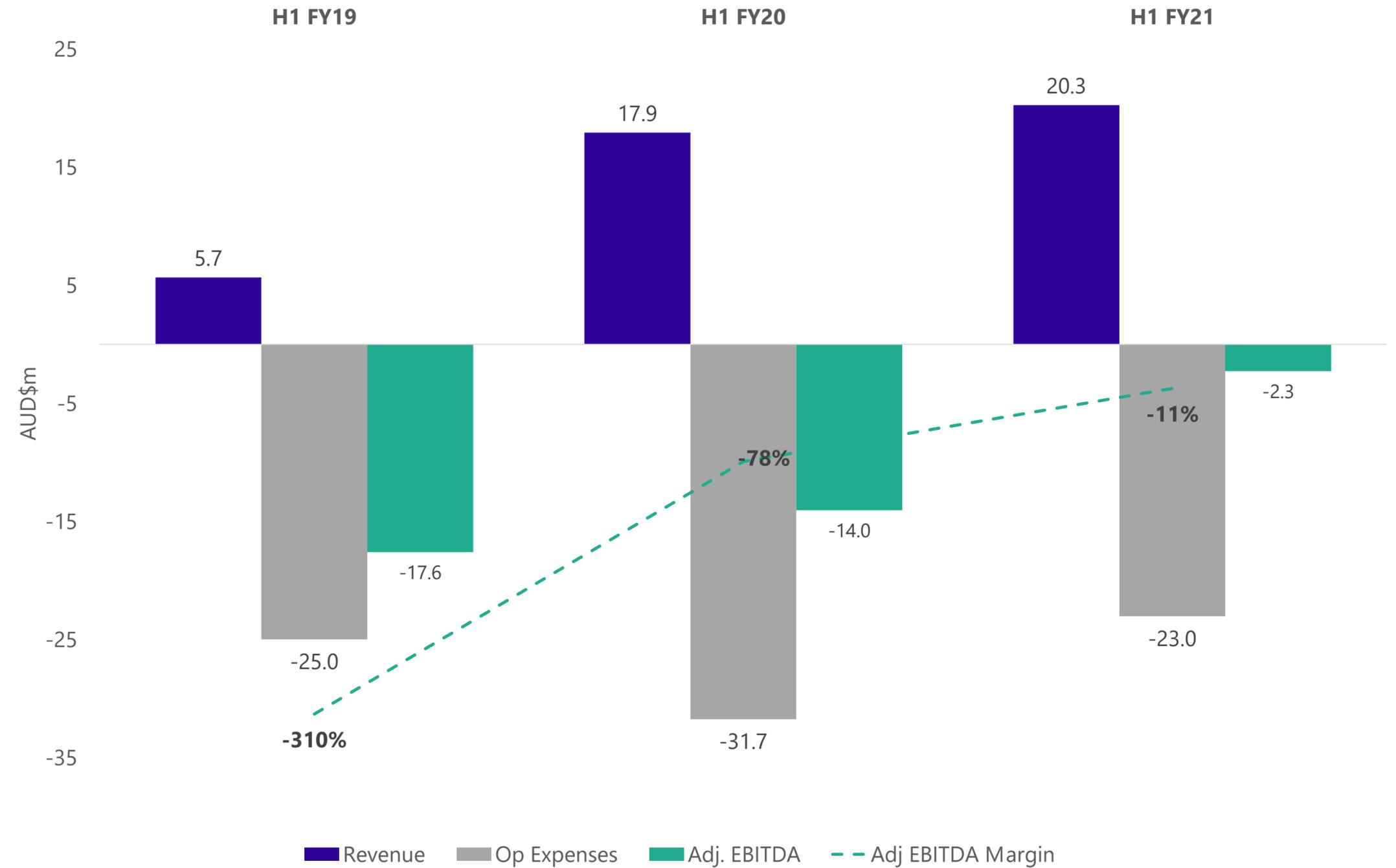
Efficiency of Customer Acquisition has doubled YoY



1. LTV = Lifetime Value. Assumes 75% gross margin, 95% net retention and an 8% discount rate. Gross margin assumption reflects mix of recurring product and services revenue for Net retention = (ARR expansion from existing customers less churn in trailing 12 months) / ARR at beginning of 12 month period.
 2. Based on LiveTiles' Enterprise Value (market capitalisation as at 24 February 2021 less net cash on hand at 31 December 2020)
 3. 31 December 2020 LTV reflects ARR on a constant currency basis (when compared with 31 March 2020 FX rates)

Pathway to Profitability

- A strong performing half with continued revenue growth +13% and +27% spend improvements driving \$(2.3)m adjusted EBITDA
- Overall shift as a response to COVID-19 positions the business well for future profitability.
- Significant reduction in operating expenses whilst still growing the top line.
- Significant margin improvement as a result.



Pathway to Profitability

Record half of \$(2.3)m adjusted EBITDA, an +84% Improvement in adjusted EBITDA

Finance & Interest charges on non current obligations: long term leases (accounted for under AASB16) and expected CYCL earn out Dec31-2021

Adjusted EBITDA margin (11%), improved from (77)% on prior year

Adjusted EBITDA	Dec 31 2020	Dec 31 20219	YoY
AUD	\$'000s	\$'000s	%
Net loss for the Period	(21,511)	(21,544)	0%
Adjusted for the removal of finance, interest, tax, depreciation and amortisation			
Finance and Interest Charges	1,012	211	-79%
Tax Benefit	(449)	(202)	-55%
Amortisation of Software development costs	2,439	1,246	-49%
Amortisation of intangibles	3,002	2,161	-28%
Depreciation	605	594	-2%
EBITDA	(14,902)	(17,534)	18%
Adjusted for the removal of one-off non-recurring items and stock based payments			
Stock based payments	223	3,494	1469%
Litigation	12,408	-	-100%
Adjusted EBITDA	(2,271)	(14,040)	84%

04

Business Update



AMERICAS

- Signed a company record 3yr contract with United Healthcare Group, a Fortune 10 company with over 300,000 employees. Contract value A\$3m with upside.
- Strong participation in a large number of Request for Quote opportunities. Driven by the Enterprise market and government opportunities.
- Key H1 wins include a global retailer,, a top Financial Services company with +49,000 employees, a global hotel & hospitality company and construction software company used worldwide

% of Total ARR 19%

Customers 337

% of Total headcount 17%

EMEA

- LiveTiles Reach demand growing across regional partners, existing customers and prospects with pipeline +54% vs last quarter
- Strong activity across the Partner ecosystem with 5 new re-sellers in UK market alone and 24 EMEA partners agreeing to joint co-marketing & co-selling plans
- Key H1 wins include a leading Swiss Insurance Provider, a major hospital in Netherlands, a luxury goods producer and a multinational online credit rating provider in the UK.

% of Total ARR 52%

Customers 527

% of Total headcount 57%

APAC

- Partnering with Microsoft on multiple opportunities with Federal Government driving forward looking pipeline.
- Strategic alliances created with key organisations Canva and Linius.
- Final stages of ISO27001 Certification
- Key H1 wins include a Top 5 accountancy firm, a leading real estate agency, numerous Government agencies, a prominent Australian University, a leading equipment hire co and a large Sydney based school network.

% of Total ARR 29%

Customers 268

% of Total headcount 27%

Rakuten Medical

Customer Story

A global biotechnology company with an incredible mission: to pioneer compassionate approaches to cancer treatment.

employees

15,000+

Industry

Medical

location

Global

The Challenge

The corporate intranet portal Rakuten wanted had to be easily accessible across the world and cater for different languages. It also had to be implemented quickly, especially for employees working in remote teams.

The Solution

The client's goal was to promote communication and connect employees through a customisable, attractive internal site.

The Result

Rakuten now has a robust and scalable intranet that continues to grow and expand. The onboarding workflow for new staff is a massive 75% faster. Lots of other processes are speeding up too, like ordering employee hardware and key cards. Particularly popular is the new portal for the client's Japanese call centre. Everything is now faster, easier, and more helpful.



"It's been overwhelmingly praised by our Japan based team. They just love it. We are now expanding features to make it even more friendly for people."

- Larry Tom, IT Applications Manager, Rakuten Medical

CUSTOMER SNAPSHOT

Over 1100 customers in over 20 countries.....



CHANNEL PARTNERS

Over 200 transacting channel partners globally

Data#3

Deloitte.

accenture

velrada

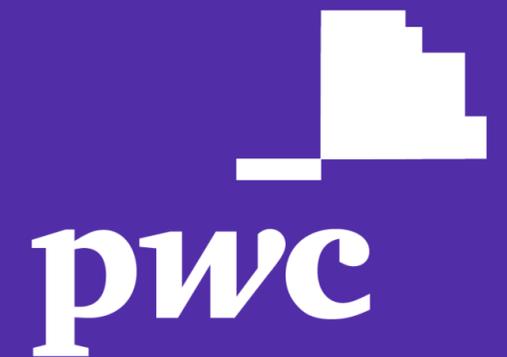


contentformula

5p

DATACOM

ENGAGE²



STRATEGIC ALLIANCES

LiveTiles has formed some in-depth partnerships that extend beyond standard partner re-selling, and into product integration, technology investments and deeper co-selling activities. The following highlights 3 examples.



- Canva – integrated with LiveTiles Reach to enable content authors to easily and seamlessly create visually compelling content. Very popular with customers and prospects.



- Linius – unlocking highly valuable information trapped in recorded video content with intelligent indexing and search. Example use cases include meetings and education (lectures, tutorials).



- Search 365 – Advanced intelligent content search with a vision to remove the need for a user to have to conduct a search thanks to the rich information we are able to leverage across our platform.

05

OUTLOOK

OUTLOOK

- We are excited by the opportunities and expected growth in this large and addressable Employee Experience Platform market (US\$300bn TAM) and are well positioned to capitalise on these trends.
- Economic and social trends are driving durable changes in workforce engagement requiring every company to re-think its existing platforms and employee experience.
- We continue to focus on disciplined cost management and rational growth so that we can continue to invest and innovate to grow and expand our customer base.
- Investments in our direct sales and marketing strategy, growing pipeline and recent record wins continues to prove our ability to win large global enterprise deals



Thank you



LiveTiles

www.livetilesglobal.com