



ASX Announcement

2 August 2022

LiveTiles announces voluntary delisting

LiveTiles Limited (ASX:LVT) (LiveTiles or the Company), has submitted a formal request to the Australian Securities Exchange (**ASX**) to be removed from the official list of the ASX (**Official List**) pursuant to ASX Listing Rule 17.11 (**Delisting**). This formal request follows the receipt of in-principle approval from ASX in relation to the proposed Delisting, subject to the satisfaction of the conditions set out below. The Delisting would mean that the Company's shares would no longer be quoted on the ASX. The Delisting will be put forward for shareholder approval at a general meeting to be held on or around 5 September 2022.

The Delisting is considered by the Company's Board (**Board**) to be in the best interests of the Company for a number of reasons, including underperformance of the trading price of the Company's shares, relatively low levels of trading liquidity and a number of flow on consequences which are set out below. These factors, as well as the costs and administrative burden of remaining listed on ASX, outweigh the benefits associated with remaining listed.

Reasons for seeking removal from the Official List

The Company's reason for seeking removal from the Official List is that the Directors believe that the Company and its shareholders do not benefit from being publicly listed for the following reasons:

- (a) **Company valuation:** The Board considers that the trading price of the Company's shares in recent years implies a valuation that has been (and remains) consistently and materially lower than the valuations of unlisted companies of a comparable nature and stage to LiveTiles. The Board is confident that the Company's valuation has a greater prospect of growing towards the Board's assessment of fair value as an unlisted company. In addition, the Company's undervalued share price has flow on consequences as set out in paragraphs (b) to (d) below.
- (b) **Capital raising:** Whilst LiveTiles is well funded and has no intention to raise equity capital in the near term, if the Company seeks to raise further growth capital in the future whilst listed on ASX, this would likely impose a higher dilutionary cost on non-participating shareholders than if the Company was more fairly valued. The Board also considers that the Company will have access to a much broader universe of technology-focused, global institutional investors as an unlisted company including those who are unable to invest in ASX-listed companies due to investment mandates.
- (c) **Strategic and corporate opportunities:** The Board considers that the Company will have greater flexibility to pursue and execute value enhancing strategic opportunities and corporate transactions as an unlisted company.
- (d) **Employees:** The volatility in the Company's share price and (in the Board's opinion) the disconnect between the Company's share price and its fair value have impacted the Company's ability to attract high quality employees. Delisting may improve the Company's perception as a more attractive employer and promote employee retention, given the

impact share price and illiquidity can have on an employee's decision to join or remain at the Company and any incentive arrangements. Attracting and retaining employees would assist the Company in delivering its Product Strategy and drive incremental sales growth (see paragraph (f) below).

- (e) **Illiquidity:** Notwithstanding the Company's ASX listing, trading in the Company's shares has been relatively illiquid which has contributed to high volatility in the Company's share price. Low liquidity has also limited the Company's ability to secure broad institutional ownership. Further, low trading liquidity and the associated volatility has the potential to adversely impact capital markets transactions.
- (f) **Product strategy:** The Company has an opportunity to rationalise and reposition its portfolio of software products (some of which have been acquired) to drive incremental sales growth and strategic value over the medium term. The Board believes that pursuing this strategy whilst under the pressure of quarterly financial reporting cycles may lead to increased volatility in the Company's share price.
- (g) **Costs:** The Company believes that the ongoing administrative, compliance and direct costs associated with the Company's ASX listing are disproportionate to the benefits of remaining listed.

Consequences for the Company and its shareholders

Some of the key consequences for the Company and its shareholders if the Company is removed from the Official List include:

- the Company's shares will no longer be quoted on the ASX and will no longer be traded on the ASX;
- the Company's shares will only be capable of sale via off-market private transactions which will require the Company's shareholders to identify and agree terms with potential purchasers of the Company's shares in accordance with the Company's Constitution and the *Corporations Act 2001 (Cth)* (**Corporations Act**);
- as an unlisted public company, the Company will no longer be able to raise capital from the issue of securities to the public by means of limited disclosure fundraising documents;
- for as long as the Company has at least 50 members the Company will remain subject to the "takeovers" provisions of the Corporations Act;
- for as long as the Company has at least 100 members, it will be classed as an "unlisted disclosing entity" under the Corporations Act and therefore be subject to the "continuous disclosure" obligations in section 675 of the Corporations Act which are substantively the same as those imposed under section 674 of the Corporations Act and ASX Listing Rule 3.1. The Company will still provide disclosure to shareholders of material matters in accordance with the Corporations Act on the Company's website. The Company will also continue to lodge annual and interim financial statements (audited and auditor-reviewed, respectively) in accordance with the Corporations Act;
- a reduction of obligations associated with a listing on ASX, which may include relief from some reporting and disclosure requirements, removal of restrictions on the issue of shares by the Company and requirements concerning significant changes to the Company's activities;

- the ASX Listing Rules and *ASX Corporate Governance Principles and Recommendations* will no longer be applicable to the Company. The Company will still be governed by the Corporations Act; and
- the Company's Constitution and, therefore, shareholders' rights will remain unchanged immediately following the Delisting, such that shareholders will continue to have the right to:
 - receive notices of meetings and other notices issued by the Company;
 - exercise voting rights attached to shares; and
 - receive dividends payable by the Company from time to time.

Conditions and proposed timetable

ASX's in-principle decision to approve the Delisting is subject to LiveTiles' compliance with the following conditions:

- The Company's removal from the Official List is approved by a special resolution of ordinary security holders of the Company.
- The notice of meeting seeking shareholder approval for the Company's removal from the Official List must include, in a form and substance satisfactory to ASX, the following:
 - a timetable of key dates, including the time and date at which the Company will be removed from the Official List if that approval is given;
 - a statement to the effect that the removal will not take place any earlier than one month after shareholder approval is obtained;
 - a statement to the effect that if shareholders wish to sell their shares on ASX, they will need to do so before the Company is removed from the Official List, and if they do not, details of the processes that will exist after the Company is removed from the Official List to allow shareholders to dispose of their holdings and how they can access those processes; and
 - the information prescribed in section 2.11 of ASX Guidance Note 33.
- The Company releasing the full terms of ASX's decision to the market immediately upon submission of its formal Delisting request (this announcement satisfies this requirement and sets out the terms of ASX's decision).

Further details relating to the proposed removal from the Official List will be included in the Notice of Meeting which will be despatched to the Company's shareholders in due course.

The proposed timetable for the satisfaction of conditions and the expected date of removal of the Company from the Official List are as follows:

Event	Indicative date*
Notice of Meeting seeking shareholder approval of the Delisting to be sent to shareholders	Friday, 5 August 2022

General Meeting to be held to approve the Delisting	Monday, 5 September 2022
Results of General Meeting announced to market	Immediately after General Meeting
Suspension Date (date on which Shares are suspended from trading on ASX)	Thursday, 6 October 2022 (suspension to commence after close of trading on this date)
Anticipated Delisting Date (date on which Delisting is expected to take effect)	Friday, 7 October 2022

*Dates and times are indicative only and subject to change by the Company or ASX.

The Delisting would not take place any earlier than one month after shareholder approval has been obtained. Shares may continue to be traded on ASX up until the Suspension Date, after which trading will be suspended until the Delisting date. The Company is not intending to offer its shareholders the opportunity to sell their holdings through a share buy-back or other facility. The Company notes that shareholders will be given an opportunity to sell their shares on ASX in the one-month period between the date of shareholder approval and the Delisting date, if they do not wish to remain shareholders. Following the Delisting, the Company's shareholders will be able to dispose of their shareholdings in private transactions, in accordance with the Company's constitution and the Corporations Act.

Remedies available

Part 2F.1 Members' rights and remedies: If a shareholder of the Company considers the proposed Delisting to be contrary to the interests of the shareholders of the Company as a whole or oppressive to, unfairly prejudicial to, or unfairly discriminatory against a shareholder or shareholders the shareholder may apply to the Court for an order under Part 2F.1 of the Corporations Act. Under section 233 of the Corporations Act, the Court can make any order that it considers appropriate in relation to the Company, including an order that the Company be wound up or an order regulating the conduct of the Company's affairs in the future.

Part 6.10 Division 2 Subdivision B – Unacceptable circumstances: If a shareholder of the Company considers the proposed delisting involves "unacceptable circumstances" the shareholder may apply to the Takeovers Panel for a declaration of unacceptable circumstances and other orders under Part 6.10 Division 2 Subdivision B of the Corporations Act. Under section 657D of the Corporations Act, if the Takeovers Panel has declared circumstances to be unacceptable it may make any order that it thinks appropriate to protect the rights or interests of any person or group of persons where the Takeovers Panel is satisfied that those rights or interests are being affected, or will be or are likely to be affected, by the circumstances.

OneVentures Facility

As announced on 27 September 2021, LiveTiles secured a three-and-a-half-year AUD \$10 million secured loan facility (**Facility**) with Sydney-based venture capital firm OneVentures, through the OneVentures Credit Fund.

OneVentures has provided its consent to the proposed Delisting (as required under the terms of the Facility) subject to certain amendments being made to the terms of the Facilities, including the replacement of OneVenture's existing options with warrants, with such amendments only to take

effect if and when the Delisting occurs. The proposed amendments are not expected to have a material impact on the ongoing business, operations or profitability of the Company.

This announcement has been authorised for release by the Board.

For further information, please contact:

Investors

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About LiveTiles:

LiveTiles is the global leader in intranet and workplace technology software, creating and delivering solutions that drive digital transformation, productivity, and employee communications in the modern workplace.

LiveTiles have operations spanning North America, Europe, Asia and Australia, and services over 1,000 Enterprise customers in over 30 countries. LiveTiles was named by The Australian Financial Review as Australia's fastest growing technology company in 2020 and by Forrester as a leader in this space globally.