

ASX Announcement

27 September 2021

LiveTiles secures \$10m debt facility to drive strategic growth

LiveTiles Limited (ASX:LVT) (LiveTiles or the Company), a global leader in Employee Experience workplace software, is pleased to announce it has finalised terms and signed an Agreement to a three-and-a-half year AUD \$10 million secured loan facility (the Facilities) with Sydney-based venture capital firm OneVentures (the Lender), through the OneVentures Credit Fund.

The Facilities will assist LiveTiles with the funding required for its future investment strategies, continuing to deliver on its new product developments, along with any working capital and operational requirements that may arise whilst working to create further efficiencies within the business.

Key terms of the Facilities include:

The Facility will initially be structured as an AUD \$6 million term loan facility and immediately available. Shareholder approval, and the approval from the ASX, will then be sought to:

- Increase the Facility limit to AUD \$10 million, drawn in two tranches of the initial \$6 million first tranche and up to a further \$4 million for the second tranche.
- Issue under the facility convertible notes to OneVentures up to a maximum of \$4 million (noting that if the second \$4 million tranche is not drawn in full, convertible notes will only constitute a maximum 40% of all funds drawn). The convertible notes will convert to ordinary class shares at a \$0.20 conversion price.
- If the Company repays the convertible notes early, then there will be a replacement of the convertible notes with a call option, under which the Lender (or its affiliate) may be issued with the same number of ordinary class shares, as those which would have been issued to the Lender (or its affiliate) under the convertible notes, at the same \$0.20 exercise price per share.

The Facility also has the following principal commercial terms:

- First ranking general security over all the assets of the Company and subsidiaries.
- No material financial or operating covenants. However, a minimum liquidity requirement of AUD \$6 million in funds remaining in Australia until such time as all security agreements (or local equivalents) in respect of the Company's foreign subsidiaries are in place.
- Fixed interest rate on drawn amounts of 13.5%, reducing to 9.5% p.a. upon ASX and shareholder approval being provided. The term loan component has an 18-month term with interest-only payment period, convertible notes will be interest only for their entire term.
- The conversion price for the convertible notes, and exercise price of the option, has been calculated based on a 35% premium to the 30 day volume weighted average price, measured prior to the date the Facility Agreement is signed (in an amount agreed between the parties).

¹Convertible Notes shareholder approval

The Company wishes to advise, that in accordance with s 260B of the Corporations Act, the Company will be seeking 75% shareholder approval at the upcoming 2021 AGM on 30th November 2021, for the purposes of granting financial assistance in relation to the issuance of Convertible Notes to the

Lender.

Should the required amount of shareholder approval not be obtained, the Company wishes to advise that the following key terms of the Facilities will instead apply for the term of the Facilities.

- AUD \$6 million term loan structured as 100% Debt and drawdowns available over two tranches.
- Fixed interest rate of 13.5% p.a. on drawn amounts and an 18-month term with interest-only payments to be made monthly in arrears.
- Additional fees incurred on completion of the loan.

LiveTiles Co-Founder and Chief Executive Officer, Karl Redenbach states: ‘We are pleased to be working with OneVentures, a leading Australian Venture Capital firm and lender that understands our business and is fully supportive of our growth initiatives and investments strategy.

The new facilities are very timely and help set the Company up to achieve its stated strategic goals. The broadening capital structure of the Company with a new source of funding will complement the Company’s plans to continue to generate cost efficiencies across the group, further strengthen its cash position and enable LiveTiles to pursue both inorganic and organic growth opportunities

OneVentures Partner, Nick Gainsley said: “We are pleased provide this credit facility to LiveTiles and join them on their journey. LiveTiles is a market leader in the Employee Experience space where we see significant global growth potential as organisations seek ways to better communicate with increasingly distributed workforces and enable digital interaction. The credit facility will enable the company to invest further in growth.”

This announcement has been authorised for release by the Board.

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About LiveTiles:

LiveTiles is a global leader in the employee experience software for employee collaboration and communications, creating and delivering solutions that drive digital transformation, productivity, and employee engagement in the modern workplace.

LiveTiles have operations spanning North America, Europe, Asia and Australia, and services over 1,000 customers. LiveTiles is a leading player in the Employee Experience Platform Industry and has been acknowledged as such by Forrester and Gartner.

About OneVentures

OneVentures is one of Australia's leading venture capital firms, with over \$550M in funds under management. But OneVentures do more than invest. They take companies to that all-important next stage, by actively shaping their future. They apply their years of international experience, operational and executional expertise to accelerate the growth of their portfolio companies.

The OneVentures Credit Fund launched in April 2019 and is focused on rapidly growing public and private companies that are differentiated through technological innovation, with strong revenue growth. In particular, OneVentures looks to work with companies in the SaaS, fintech, marketplace and e-commerce spaces, who are led by exceptional founding teams and have strong revenue traction.