



ASX Announcement

30 September 2022

Cleansing notice under section 708A(12C) of the Corporations Act 2001 (Cth)

LiveTiles Limited ACN 066 139 991 (ASX: LVT) (**LVT** or **Company**) gives this cleansing notice (**Cleansing Notice**) under section 708A(12C)(e) of the Corporations Act 2001 (Cth) (**Corporations Act**) as amended by the ASIC Corporations (Sale Offers: Securities Issued on Conversion of Convertible Notes) Instrument 2016/82 (the **Instrument**).

The Company hereby gives notice that:

- (a) the tranche 2 convertible notes (**Convertible Notes**) (issued under the Company's Listing Rule 7.1 placement capacity) were issued without disclosure to investors under Part 6D.2 of the Corporations Act; and
- (b) this Cleansing Notice has been given in accordance with section 708A(12C)(e) of the Corporations Act as amended by the Instrument.

The issue of this Cleansing Notice enables the fully paid ordinary shares in the capital of the Company (**Shares**) issued on the conversion of the Convertible Notes issued by the Company on the terms described below, to be on-sold to retail investors without further disclosure.

The Cleansing Notice is important and should be read in its entirety.

The Company entered into a facility agreement with 1V Venture Credit Trusco Pty Ltd (ACN 631 507 947) as trustee for the 1V Venture Credit Trust (ABN 15 699 170 784) (**OneV**) dated 27 September 2021 (the **Facility Agreement**) as announced to ASX on 27 September 2021. Pursuant to the Facility Agreement, the Company has issued OneV with 2,400,000 tranche 1 convertible notes under a convertible loan note facility. The tranche 2 convertible note facility has now been drawn and a further 1,600,000 tranche 2 convertible notes are now being issued to OneV.

1 Contents of this Cleansing Notice

The Cleansing Notice sets out the following:

- (a) in relation to the Convertible Notes:
 - (i) the effect of the issue on the Company;
 - (ii) a summary of the rights and liabilities attaching to the Convertible Notes;
 - (iii) a summary of the rights and liabilities attaching to the Shares that will be issued on the conversion of the Convertible Notes; and
- (b) any information that:

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- (i) has been excluded from continuous disclosure notices in accordance with the ASX Listing Rules; and
- (ii) is information that investors and their professional advisors would reasonably require for the purpose of making an informed assessment of:
- (A) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
 - (B) the rights and liabilities attaching to the Shares; and
- (c) other information relating to the Company's status as a disclosing entity.

2 The effect of the issue on the Company

The principal effect of the issue of the Convertible Notes on the Company will be to:

- (a) increase the number of unquoted convertible notes on issue from 2,400,000 to 4,000,000;
- (b) give rise to the Company having a liability for the aggregate amount of the Face Value of the Convertible Notes (A\$1,600,000); and
- (c) if the Convertible Notes are converted, either wholly or in part to Shares increase the number of Shares as a consequence of the issue of Shares on such conversion as set out in section 3 of this notice.

3 Potential effect on capital structure

As at the date of this Cleansing Notice, the issued capital of the Company is 923,221,306 ordinary shares, 17,851,350 unlisted options and 4,000,000 unlisted convertible notes (which are convertible to circa. 20,000,000 shares).

The capital structure of the Company will be affected by the conversion of the Convertible Notes to Shares by OneV.

The maturity date of the Convertible Notes is 42 months after date of first drawdown (unless all Convertible Notes are redeemed or converted earlier).

Upon conversion, the number of Shares to be issued to OneV will be calculated on the following basis: Face Value / Conversion Price.

The "**Face Value**" is the face value of the Convertible Notes (being A\$1 per each Convertible Note).

The "**Conversion Price**" is the initial conversion price of A\$0.20 adjusted for certain corporate actions of the Company during the term of the Convertible Notes in accordance with certain adjustment rules.

For further information please see Schedule 1.

4 Rights and liabilities attaching to the Convertible Notes

A broad summary of the rights, privileges and restrictions attaching to the Convertible Notes is set out in Schedule 1 of this Cleansing Notice. The summary is not exhaustive and does not constitute a definite statement of the rights and liabilities of the Convertible Notes.

5 Rights and liabilities attaching to Shares issued under the Convertible Notes

The Shares issued to OneV on the conversion of the Convertible Notes will rank equally in all respects with all of the Company's existing Shares. The rights and liabilities attaching to the Shares, including new Shares to be issued to OneV on the conversion of the Convertible Notes, are set out in the Company's constitution, and, in certain circumstances, regulated by the Corporations Act, the ASX Listing Rules and the general law. The Company's constitution can be inspected free of charge, at the Company's registered office during normal business hours.

The Company intends to apply to ASX for quotation of the Shares issued on conversion of any Convertible Notes.

The following is a broad summary of the rights, privileges and restrictions attaching to all Shares. This summary is not exhaustive and does not constitute a definitive statement of rights and liabilities of Shareholders.

General meetings	Each Shareholder is entitled to receive notice of and to attend general meetings for the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution of the Company, the Corporations Act or the Listing Rules.
Voting	<p>Every holder of Shares present in person or by proxy, attorney or representative at a meeting of Shareholders has one vote on a vote taken by a show of hands, and, on a poll every holder of Shares who is present in person or by proxy, attorney or representative has one vote for every Share held by him or her.</p> <p>A poll may be demanded by the chairman of the meeting, by any five Shareholders entitled to vote on the particular resolution present in person or by proxy, attorney or representative, or by any one or more Shareholders who are together entitled to not less than 5% of the total voting rights of, or paid up value of, the Shares of all those Shareholders having the right to vote on the resolution.</p>
Dividends	Dividends may be paid to Shareholders as declared by the Board at its discretion.
Liquidation	If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

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Rights on winding up	If the Company is wound up, the right of a Shareholder to participate in the distribution of the surplus assets of the Company is dependent upon the class of shares they hold.
Transfer of Shares	<p>A Shareholder may transfer Shares by a market transfer in accordance with any computerised or electronic system established or recognised by the Listing Rules or the Corporations Act for the purpose of facilitating transfers in Shares or by an instrument in writing in a form approved by ASX or in any other usual form or in any form approved by the Directors.</p> <p>The Directors of the Company may refuse to register any transfer of Shares, (other than a market transfer) where the Company is permitted or required to do so by the Listing Rules or the ASX Settlement Operating Rules.</p>
Variation of rights	If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied with the consent in writing of the holders of 75% of the issued shares of that class or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

6 Compliance with disclosure obligations

The Company is a disclosing entity under the Corporations Act and, as such, is subject to regular reporting and disclosure obligations under both the Corporations Act and the ASX Listing Rules.

These obligations require the Company to notify ASX of information about specific events and matters as they arise. In particular, the Company is obliged to continuously disclose to the market immediately any information which a reasonable person would expect to have a material effect on the price or the value of the Shares.

The Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a directors' statement and report, and an audit report or review. Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office.

The Company will provide a copy of each of the following documents, free of charge, to any person on request:

- (a) the annual financial report most recently lodged by the Company with ASIC, being the financial report of the Company for the year ended 30 June 2022;
- (b) any half-year financial report lodged by the Company with ASIC after the lodgement of the annual financial report referred to above and before lodgement of this Cleansing Notice with ASX; and

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- (c) any continuous disclosure notices given by the Company to ASX after the lodgement of the annual financial report referred to above and before the lodgement of this Cleansing Notice with ASX.

7 Information Excluded from Continuous Disclosure Notices

As at the date of this Cleansing Notice, the Company advises that it has fully complied with its disclosure obligations under the ASX Listing Rules and the Corporations Act, and, in particular, there is no information which the Company has excluded from any of its continuous disclosure notices given in accordance with the ASX Listing Rules and the Corporations Act as at the date of this Cleansing Notice which it would be reasonable for investors and their professional advisors to require for the purpose of making an informed assessment of:

- (a) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
- (b) the rights and liabilities attaching to the Convertible Notes under the Facility Agreement and the Shares.

This ASX announcement has been authorised for release by the Board of LiveTiles Limited.

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About LiveTiles:

LiveTiles is the global leader in the employee experience market creating software for employee collaboration and communications. LiveTiles is 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

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Schedule 1

Feature	Summary
Face Value	The total face value of the tranche 2 Convertible Notes is \$1,600,000.
Term	The maturity date of the Convertible Notes is 42 months after date of first drawdown (unless all Convertible Notes are redeemed or converted earlier) (Maturity Date).
Rights	<p>Prior to conversion, the noteholder has no rights as a shareholders of the Company, including any:</p> <ul style="list-style-type: none"> (a) beneficial entitlement to or interest in any share of any class in the capital of the Company; (b) right to vote at a meeting of members of the Company; (c) beneficial or other right to be paid or credited a dividend declared or determined by the Company or any other right to participate in a distribution of profits of the Company; or (d) proprietary interest in any asset or cash flow of the Company.
Conversion at OneV's election	<p>OneV may elect to convert the Convertible Notes at any time prior to the Maturity Date.</p> <p>If there is a change of control in the Company, OneV may also immediately elect to convert all Convertible Notes.</p>
Restrictions on conversion	<p>OneV must not convert a Convertible Note if the Company would be in breach by of any applicable law by doing so including to the extent conversion of a Convertible Note would result in:</p> <ul style="list-style-type: none"> (a) a person acquiring a relevant interest in the voting shares in the Company in breach of s 606(1) of the Corporations Act (or any equivalent provision); or (b) a "foreign person" (within the meaning given to that term in the Foreign Acquisitions and Takeovers Act 2015 (Cth)) acquiring Shares in breach of the Foreign Acquisitions and Takeovers Act 2015 (Cth).
Conversion Price and adjustments	<p>Upon conversion, the number of Shares to be issued to OneV will be calculated on the following basis: Face Value / Conversion Price.</p> <p>The "Face Value" is the face value of the Convertible Notes (being A\$1 per each Convertible Note).</p> <p>The "Conversion Price" is the initial conversion price of A\$0.20 which may be adjusted for certain corporate actions of the Company during the term of the Convertible Notes (so that the number of Shares issued to OneV on</p>

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Feature	Summary
	conversion is the same as the number of Shares OneV would have received if not for the corporate action).
Redemption at Company's election	At any time prior to the maturity date, unless all of the Convertible Notes have already been converted, the Company may redeem all (but not some) of the Convertible Notes.
Mandatory redemption on maturity	To the extent that the Convertible Notes have not yet been converted on or before the applicable maturity date, then the Convertible Notes will be redeemed by the Company for cash.
Events of Default	<p>The Facility Agreement contains a typical event of default regime for a financing agreement. The events / circumstances which constitute an event of default include non-payment, insolvency, change of control and suspension of trading from the ASX.</p> <p>Following an event of default, OneV can cancel the convertible loan note facility. This will require the facility to be repaid, which would mean the Convertible Notes are redeemed by the Company.</p>
Representations and Warranties	The Company gives customary representations and warranties including in relation to registration, power and capacity, solvency, authorisations and compliance with law.
New Securities	The Company must seek OneV's consent to issue any securities if the Company would be required to obtain the approval of holders of its ordinary shares pursuant to ASX LR 7.1, if immediately following that issuance, OneV elected to convert its Convertible Notes.
Board Observer	OneV is also a lender to the Company (having provided a term loan in addition to the convertible loan note facility under which the Convertible Notes are issued). If there is an event of default, OneV may be permitted to appoint an observer to the Company's Board.

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