

**ASX Announcement**

27 April 2023

**Quarterly Activities Report and Appendix 4C  
Q3 FY23**

**LiveTiles Limited (ASX:LVT) (LiveTiles or the Company)**, a global leader in employee experience software for employee collaboration and communications, has today released its Appendix 4C and Quarterly Activities Report for the three-month period ended 31 March 2023.

**Highlights:**

- **Cash Receipts from customers of \$9.25m, cash balance of \$8.4m at 31 March 2023. Operating cash outflow of \$1.25m**
- **Key customer wins highlight demand for LiveTiles' products and services globally**
- **Strong support from existing customers with Q3 net revenue retention of 85%**
- **Product development on track for three major releases a year with next release scheduled for June**
- **Ongoing focus on driving operational rigour, discipline and profitability following completion of operational review**

**LiveTiles Chief Executive Officer David Vander said:** "In my first quarterly report as CEO, I'm pleased to announce good momentum for LiveTiles with key new customer wins across all regions. As a result of actions taken to realign the business in the financial year to date, our cash burn has slowed.

"At our 1H23 result update I made a commitment that LiveTiles will issue three new major product releases a year which will deepen our existing customer offering as well as broadening our proposition to new customers. I'm pleased to announce that the next release is scheduled for June and we are on track to deliver. LiveTiles' focus on innovation, customer-centricity and operational rigour has positioned us strongly to capitalise on the market opportunity that lies ahead. We remain committed to driving shareholder value and delivering meaningful outcomes for our customers and employees."

**Q3 FY23 Operational Highlights**

- Product development continued to progress throughout the quarter, led by LiveTiles new Head of Product Kim Sorensen. Kim started in this role on 1 February 2023 and has executed engineering rigour and managed the continued shift to lower cost development locations.
- LiveTiles is executing on its commitment to launch three majors releases a year. The June release will include new UI and UX and will overtime incorporate AI more extensively throughout the product stack. Other enhancements will include improved administration, deployment and configuration as well as improved enterprise search and third party app integrations.



- Search for CFO progressing with a focus on finding the right candidate to bolster the business in the long term. Several strong candidates being explored.
- Appointment of new Global Head of Marketing, Alexandra Morris, who joins LiveTiles from market leading SaaS B2B ecommerce platform, BigCommerce. Alex will be focused on quality lead generation activity, brand health and positioning, sales enablement and overall digital marketing impact.
- My Net Zero fully integrated with several successful engagements, including an ongoing engagement with WPP. Sales pipeline continues to improve.
- As part of My Net Zero's Green Teams offering, the Company purchased renewable energy certificates for all LiveTiles employees, offsetting their home electricity energy usage.
- Ongoing evaluation of strategic opportunities to enhance and maximise shareholder value with US-based SaaS and enterprise technology advisor, Atlas Technology Group.

### Sales and Customer Update

LiveTiles continued to focus on new customer wins during the quarter. Some of the key global customer wins included:

Customer	Users*	Country
Building materials company	10,000	Germany
Municipal council	6,000	Denmark
Large city council	2,000	US
State energy company	2,000	Germany
Large legal firm	1,000	US
Community bank	500	US
Retail construction group	500	US
Insurance company	250	US
Industrial analytics company	Services project	Switzerland
Large federal government agency	Services project	Australia

*\*Note users have been rounded to nearest 250.*

This highlights the continued demand for LiveTiles' product and considerable opportunity globally.

### Cash Balance and Cash Flow Summary

LiveTiles recorded operating cash outflow of \$1.25m during the quarter, a 58% reduction compared to Q2 FY23 (\$2.98m), reflecting the positive impact of the Operational Review undertaken in October 2022.

Receipts from customers during the period were \$9.25m (Q2 FY23: \$9.99m). This slight QoQ decline was largely driven by market impacts, churn, and longer buying cycles. LiveTiles remains focused on generating new client wins and maintaining the benefits from the Operational Review. LiveTiles confirms there were no R&D partnership receipts in Q3.



The payments to related parties of the entity and their associates comprises of fees to directors.

Cash on hand as at 31 March 2023 was \$8.4m.

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

**For further information, please contact:**

**Media Enquiries:**

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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.

## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

LiveTiles Limited

**ABN**

95 066 139 991

**Quarter ended ("current quarter")**

31 March 2023

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>			
1.1 Receipts from customers		9,251	28,681
1.2 Payments for:			
(a) research and development		(1,192)	(5,768)
(b) product manufacturing and operating costs		(2,833)	(11,031)
(c) advertising and marketing		(517)	(1,473)
(d) leased assets		-	-
(e) staff costs		(3,388)	(10,451)
(f) administration and corporate costs		(1,968)	(5,942)
1.3 Dividends received		-	-
1.4 Interest received		2	55
1.5 Interest and other costs of finance paid		(240)	(629)
1.6 Income taxes paid		(366)	(614)
1.7 Government grants and tax incentives		-	-
1.8 Other (provide details if material)		-	-
Non-recurring staff costs		-	(1,339)
<b>1.9 Net cash from / (used in) operating activities</b>		<b>(1,253)</b>	<b>(8,510)</b>

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) property, plant & equipment	-	-
	(b) businesses (item 10)	-	-
	(c) equity investments	-	(372)
	(d) intellectual property	-	-
	(e) other non-current assets	-	(15)
2.2	Proceeds from disposal of:		
	(a) property, plant & equipment	-	-
	(b) businesses (item 10)	-	-
	(c) equity investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>(387)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issues of convertible notes	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	4,000
3.6	Repayment of borrowings	(16)	(33)
3.7	Transaction costs related loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(16)</b>	<b>3,967</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for period</b>		
4.1	Cash and cash equivalents at beginning of period	9,637	13,141
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,253)	(8,510)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(387)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(16)	3,951
4.5	Effect of movement in exchange rates on cash held	32	205
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>8,400</b>	<b>8,400</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	8,400	9,637
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>8,400</b>	<b>9,637</b>

6.	Payments to directors of the entity and associates of the directors	Current quarter \$A'000
6.1	Aggregate amount of payments to the parties included in item 1	358
6.2	Aggregate amount of loans to the parties included in item 2	-

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*

\*6.1 relates to fees paid to Directors

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	10,000	10,000
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	<b>10,000</b>	<b>10,000</b>
7.5	<b>Unused financing facilities available at quarter end</b>		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	<p>7.6.1</p> <p>On 27 September 2021, the Company announced it had signed a three and a half year secured loan facility with OneVentures for \$10m. On 27 September 2022 the Company drew the remaining \$4m available facility as at 31 March 2023, \$10m remains fully drawn. The facility has a fixed interest rate of 9.5%p.a. The facility is structured as 60% loan and 40% convertible notes. Further details can be found in the Company's ASX announcements.</p> <p>7.6.2</p> <p>In addition, the Company received the follow COVID-related funding packages which remain repayable:</p> <p>USA - first draw</p> <p>Lender: Evans Bank, N.A. (under the US Government Paycheck Protection Program)</p> <p>Balance: US \$94,887 (AUD \$139,502)</p> <p>Interest rate: 1% p.a.</p> <p>Maturity: 60 months from April 2020</p> <p>Secured / unsecured: Unsecured</p>		

<b>7.</b>	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
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7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	10,000	10,000
7.5	<b>Unused financing facilities available at quarter end</b>		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
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<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,253)
8.2	Cash and cash equivalents at quarter end (item 4.6)	8,400
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	8,400
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	7
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>		
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows Answer: N/A		
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to Answer: N/A		
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives Answer: N/A		
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>		

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 27 April 2023.....

Authorised by: By the Board.....  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.