



## ASX Announcement

29 June 2023

### Update regarding CYCL Dispute and Director Loans

**LiveTiles Limited (ASX:LVT) (LiveTiles or the Company)**, a global leader in employee experience software for employee collaboration and communications, today provides an update on recent operational developments.

#### Highlights:

- **Settlements reached across disputes re CYCL AG**
- **In line with Software Roadmap, the June release was achieved**
- **Directors loans have been finalised**
- **Current Board interim Chair Jesse Todd has been appointed permanent Chair**
- **CEO David Vander intends to purchase \$50,000 shares in next trade window**

#### Dispute settlements

LiveTiles is pleased to announce the settlement of the two disputes associated with the prior acquisition of CYCL AG.

The litigation proceedings commenced against LiveTiles Corp (the Company's US-based subsidiary) over distribution rights in the US were withdrawn by the plaintiff with no cost to LiveTiles.

The dispute with the original shareholders of CYCL (**CYCL Sellers**) AG over the Earn Out calculation was settled for a total payment from LiveTiles to the CYCL Sellers of US\$550k, to be made over 3 payments in FY24, and 25 million in shares, with half to be vested and free from escrow and the balance to be unvested and in escrow for 12 months following issue date. LiveTiles is pleased to have resolved these matters completely and at a substantially lower amount than the original claims.

#### June software release

LiveTiles is pleased to announce it has deployed its June software release in line with our published [Software Roadmap](#). This is the first bundled release of the new strategy to deploy three major releases a year, announced in February 2023 by incoming CEO David Vander. The focus of this release was UX, infrastructure alignment, data and AI capabilities. The release was rolled out internally on May 17 on schedule, receiving good feedback and traction from select customers and partners. The Company is also well on track for its next release in October 2023.

#### Directors Loans

In April 2019, loans were made to Karl Redenbach (Managing Director of LiveTiles) and Peter Nguyen Brown (former Executive Director of LiveTiles) (**Co-Founders**) of \$475,000 per person (**Loans**) to assist



in their defence of litigation of Supreme Court of NSW Proceedings (No. 2017/194171-002) proceedings brought against them, LiveTiles and 10 other parties as defendants.<sup>1</sup> With interest, the loans amounted to \$670,435 per person at 30 June 2022.

The Co-Founders had a right to indemnity of legal costs under respective Indemnity, Insurance and Access Deeds and LiveTiles' Constitution. Accordingly, the loans will not be repaid by the Co-Founders.

No provision was held in relation to the collection of these balances and this settlement does not affect the cash position of the business.

#### **Chair Update**

Further to the changes to the Board announced at the time of the Operational Review in October 2022, interim Chair Jesse Todd was appointed on 28 June 2023 as permanent Chair of the Board with remuneration of \$165,000 per annum.

Mr Todd is a global technology leader specialising in governance technology solutions for enterprise and public sector organisations across the world. He spent a decade working for some of the world's largest financial services companies including Deutsche Bank, ABN AMRO and RBS, before founding a compliance software consultancy firm and SaaS-based cloud compliance platform EncompaaS, which services a global client-base of enterprise companies and public sector organisations.

Mr Todd has been a member of the Board of LiveTiles since April 2021. With his significant experience and commitment to the Company and its shareholders, the Board believes he is well suited to lead the Company's Board moving forward.

#### **CEO Share Purchase**

David Vander, CEO of LiveTiles, intends to purchase AUD\$50,000 worth of shares in the Company in the next trade window. This purchase would represent 0.48% of the Company at the current share price and increase his holding to a total of 2.88%. Having joined as CEO in February 2023, the intended purchase of shares by Mr Vander demonstrates strong alignment with the Company's shareholders and displays his belief in the long-term strategy and outlook for LiveTiles.

#### **Q4 FY23 Report and 4C**

LiveTiles will announce its Q4 FY24 Quarterly Report and Appendix 4C on Thursday 27 July.

-ENDS-

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

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<sup>1</sup> Update to 2 May 2018 Announcement, ASX:LVT, 1 June 2018.



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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.