

**ASX Announcement**

30 November 2023

LiveTiles Limited 2023 Annual General Meeting

Please find attached the following documents, which will be presented at the 2023 Annual General Meeting of LiveTiles Limited, which commences at 10:00am (AEDT) today:

1. Copy of 2023 Annual General Meeting addresses
2. Copy of accompanying presentation

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

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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.



Chairman's Address

Allow me to introduce myself - I am the Founder of Land on Heart and Utilitise IT, established in 2023 and 2016, respectively. With over 30 years of experience in technology and business leadership, I have a demonstrated track record of excellence in IT transformation and enhancing service outcomes through technology in some of Australia's largest organisations, including Coles, Transurban, Spotless, and KPMG Australia.

I was appointed Chair of LiveTiles on 18 October and I look forward to working with the Board and management to continue the progress of right-sizing the business and renewal. LiveTiles has wonderful products, operates in a very large market and after a year of difficult, but important, operational decisions we are in a better position entering 2024 to capitalise on this opportunity.

In October, we also welcomed Lisa Sarago to the Board as a Non-Executive Director. Lisa currently serves as the Chief Executive Officer of Land on Heart. She brings substantial operational experience from her prior leadership roles, having served as the Chief Executive of Goanna Education, Goanna Solutions, Australian Indigenous Leadership Centre, and NPAWS.

On behalf of the Board, I would like to extend our gratitude to previous directors, Jesse Todd, Vanessa Ferguson and Kevin Young for their contributions to LiveTiles.

In FY23 LiveTiles embraced top-down change as part of our comprehensive restructuring program aimed at instilling rigour and discipline at all levels of the business and achieving cashflow breakeven in the second half of FY24. Post period end the Company undertook further efforts to reduce its cost profile and operating efficiencies.

These decisions were not made lightly. While the changes have been initially disruptive, the Company felt they were necessary to control costs and create a strong foundation for future growth. We're already seeing improvement in our cost base, alignment of staff with strategic goals, and improved customer retention. We'll continue to see the benefits of these changes over the next year or so as we focus on improving our revenues, reducing churn and taking advantage of upcoming opportunities.

I believe there's a strong opportunity for LiveTiles to lead the way in the enterprise software market as organisations continue to invest in more diverse ways of working and communicating with staff post-COVID in a large and fragmented employee experience market. LiveTiles boasts a market-leading product with over 900 enterprise-class customers and very high retention rates. With an experienced product team committed to ensuring our product maintains a strong market fit, we see many strategic opportunities that we are well-positioned to capture.

Having joined LiveTiles as CEO in February, David Vander has made a positive impact on the Company's operational efficiency, transparency and rigour. He and the management team have had to make some tough decisions in the interest of shareholders and the future of the Company, including initiating the intensive cost-out program to ensure LiveTiles achieves its goals in the second half of FY24.



As announced post period end, David will be departing LiveTiles at the end of his six month' notice period. The LiveTiles Board has commenced a search for a suitable replacement to drive our growth strategy forward.

I, along with the Board are supportive of the changes David and the team have made so far, and with the initiatives coming through the pipeline. Alongside David, the Board is committed to overseeing and ensuring a rigorous transition process for the leadership team, and ensuring our strategic realignment has provided a strong foundation for us moving forward.



CEO's Address

It has been a challenging operating environment for the technology industry globally and LiveTiles was not immune to these challenges this year. In response, we made essential organisational changes, restructured, and renewed our focus on our growth drivers. These decisions were made with our customers and products in mind, aimed at positioning us to seize the significant global opportunities ahead of us.

In the first half of FY23, we conducted a thorough operational review with the goal of significantly reducing our operating costs, refocusing our core value proposition, and enhancing discipline throughout the Company. This focus continued into the second half of FY23, leading to a major organisational restructure and a streamlined business model.

I'm pleased to report that this review was successful, resulting in a 36% reduction in operating costs in FY23. However, this cost reduction focus did impact our revenue, along with exiting several R&D partnerships and market conditions, which resulted in a 42% decline to \$30.6 million compared to FY22. The decision to exit the R&D partnerships was to achieve operational simplicity and transparency for our core business.

Additionally, we centralised all our development activities in two cost-effective locations, Porto, Portugal, and Sligo, Ireland, to create operational simplicity and reduce costs. So far, we are pleased with the results of this new configuration.

These steps were taken to future-proof our Company and ensure that we reach our commitment of achieving cash flow breakeven in the second half of FY24.

We are proud of the progress we've made in reinvigorating product innovation, our roadmap, and our core product value proposition. This effort is reflected in the market with significant new customer additions and reduced churn, reaffirming the demand for our products.

Overall, we now operate as a leaner, more focused, and better-positioned business for future growth.

Like many others, our industry faced challenges during the last financial year. As people returned to their workplaces post-COVID, our customers were under pressure to enhance the employee experience while reducing costs. The uncertain environment has led to delayed buying decisions, which we anticipate may persist for some time.

Despite these challenges, we showed resilience and sustained momentum. In FY23, we received \$37.4 million in cash receipts and acquired 64 new customers. More importantly, our churn rate continued to improve throughout the year, reaching only 7% in the second half of FY23, significantly less than the market average for SaaS companies, which typically falls in the range of 10-14%. This underlines the ongoing demand and attractiveness of our products to our customers.

Part of our work this year involved reevaluating our core value proposition for selling our products and serving our customers. By enhancing customer insights and analytics, we now have a much better understanding of our sales approach and how potential customers view us. This is already translating into more customer wins across our various markets.



- In Europe, we secured multiple new customers, including a large construction company with over 10,000 users, a global law firm with over 7,000 users, and a five-year deal with a large government organisation with 38,000 users.
- In the American market we acquired significant new business, including a hospital upsell win of 9,000 users, a global law firm with 1,000 users, and another government municipality with 2,000 users.
- In APAC, we celebrated wins in the media, mining, and retail industries, such as a global advertising PR agency with 1,000 users, a large mining company with up to 32,000 users, and a multinational food company with 12,000 users.

LiveTiles maintains a diverse customer base within the blue-chip enterprise market. In FY23, we increased the percentage of our business which is annuity from 72.1% to 77.6%. Our customer base is well distributed across various industries, eliminating concentration risk.

We also saw net 6% of our customers upselling during FY23, and we are implementing additional measures to ensure outstanding upselling and cross-selling at renewals. Our focus is on improving operational rigor to drive greater adoption and usage of our solutions, as well as launching a more aggressive, coordinated, and consistent sales and marketing campaign to attract new customers.

The software market for our solution is substantial, with a 15% compound annual growth rate (CAGR). The total addressable market (TAM) exceeds \$30 billion, however, by narrowing our focus based on Gartner group analysis and excluding some non-competitive areas, our current TAM stands at \$16.1 billion.

When we consider our serviceable addressable market (SAM), accounting for segments and geographies where we operate, we have a SAM of \$8.1 billion, which is significant. Even when we further narrow our focus to the serviceable obtainable market (SOM), accounting for competitors, replacement cycles, and our capacity, it remains substantial at \$0.74 billion and continues to grow. Although LiveTiles is one of the largest players, our share is less than 7% of the SOM, indicating ample room for growth and market share capture.

Furthermore, there is additional potential to expand this TAM, as identified by Gartner. We also anticipate market consolidation to continue, further benefiting LiveTiles.

We have a clearly defined strategic execution program for FY24 which has been further bolstered by our cost-out program announced in October. We are:

1. Continuing our innovation profile reinvigoration to create leading-edge products. We are well underway with this plan, targeting three major releases per year, led by our new Head of Product, Kim Sorenson.
2. Focusing on a penetration plan that emphasises stronger sales and marketing execution. We've launched a new website, a digital marketing program, and we're revitalising our partner ecosystem while enhancing sales excellence, rigor, and discipline.
3. Ensuring that we attract and retain the best talent. We've restructured and created a more aligned and accountable operating model, providing an environment for our people to do their best work.



All of these efforts are supported by a strengthened focus on operational and financial discipline, which has been implemented since my appointment.

While FY23 presented its challenges, we enter 2024 as a refocused business with a rejuvenated leadership team, energised, focused, and well-positioned to capitalise on our new operating model and organisational structure. Our business fundamentals remain robust, with a strong product and customer acceptance of our value proposition. The reduction in our operating expenses positions us well for growth, and we have substantial opportunities to focus and deliver on operational excellence.

Our reinvigorated product innovation is crucial, and we've already witnessed the results in reduced churn and a more cost-effective operation. We will continue to emphasise discipline and rigor to achieve cash flow breakeven in H2 FY24.

Despite my departure in 2024, I am confident that the changes we implemented in FY23 have not only improved the LiveTiles culture but have also created a greater sense of collaboration. We are already experiencing significant improvements in our cost base, staff alignment with strategic goals, and stronger customer retention. In the coming year, we anticipate reaping the benefits of these changes as we increase revenue, reduce churn, and seize upcoming opportunities.

I would like to extend my personal gratitude to our shareholders, customers, partners, and employees for being integral to our transition. Serving as CEO has been a pleasure, and I look forward to the next period and beyond as we reposition the Company for the next stage of its growth journey.



LiveTiles [LVT.ASX]

2023 Annual General Meeting

30 November 2023

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Contents

01

Chair Address

02

CEO Address

03

Formal
Business

04

Questions

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CHAIR ADDRESS

Steven Gray, Chair



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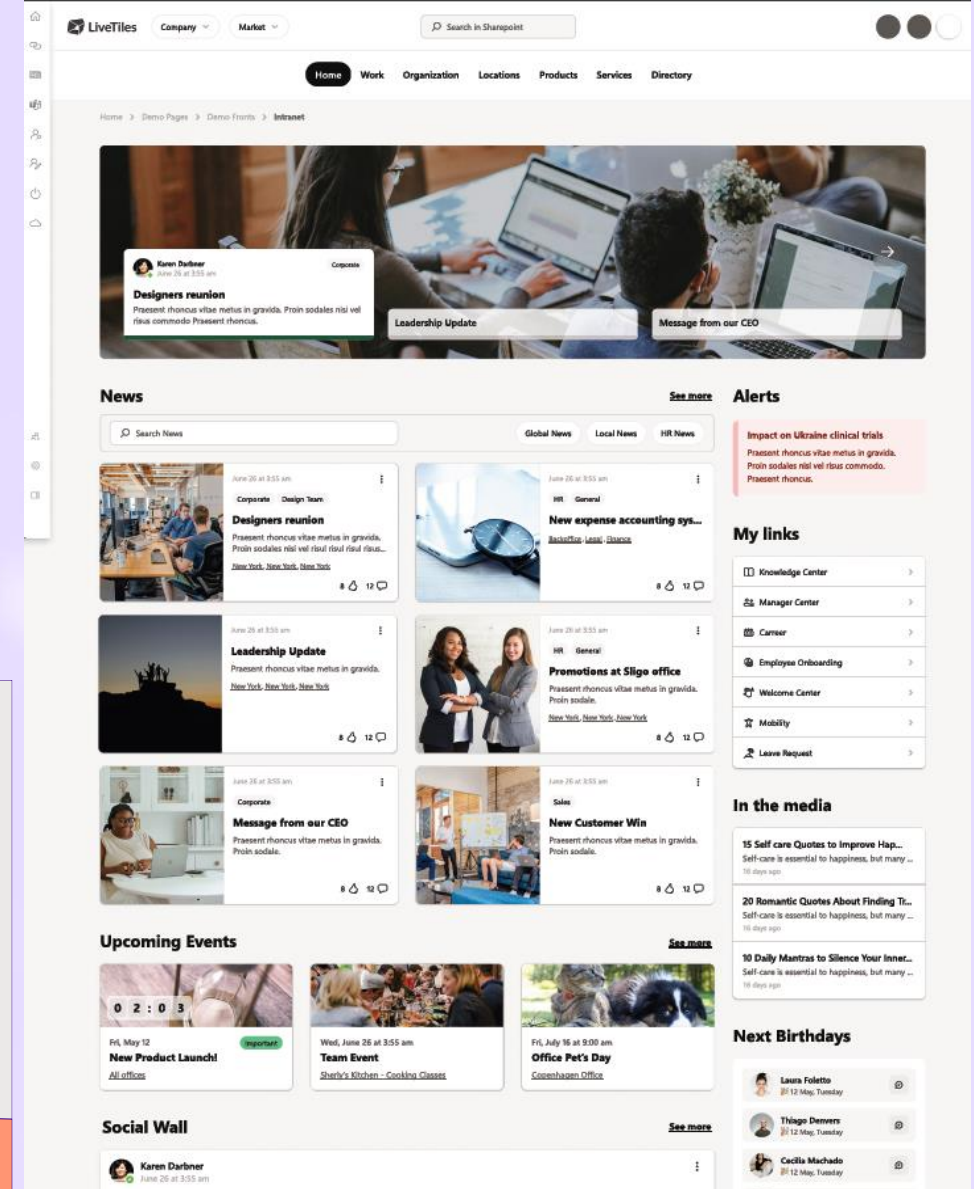
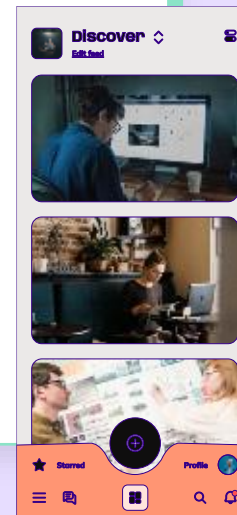
CEO ADDRESS

David Vander, CEO



FY23 Highlights

- ✓ Major restructure and refocus reflected in financials
- ✓ Guidance of achieving cashflow breakeven by 2H FY24
- ✓ Simplification of our business driving better accountability
- ✓ Significant new customer adds proving demand
- ✓ Reinvigorated product innovation and roadmap
- ✓ 36% reduction in operating costs
- ✓ Positioned for growth



FY23 Key Customer Wins

KEY TAKEAWAYS

- During FY23 LiveTiles continued to expand its customer base, securing several high-profile contracts with prominent businesses
- LiveTiles secured 64 new customers in FY23
- These new partnerships have strengthened LiveTiles' market position and validated the value and competitiveness of the Company's product offering
- Strong growth in Enterprise Segment which is our target segment
- Several large successful customer rollouts during FY23

Americas

- Global Law Firm (1k users)
- Large Gov't Municipality (2k users)
- Large Paper Manufacturer (1k users)
- National Hospital upsell (9k users)

EMEA

- Global Construction Company (10k users)
- Large Swiss Gov't Agency (38k users)
- Global Law Firm (7k users)
- Danish Municipality (6k users)

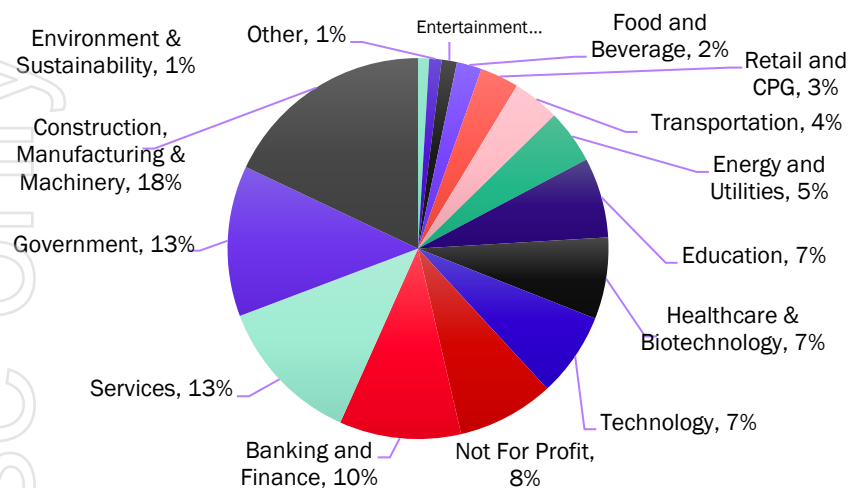
APAC

- Global Advertising and PR Firm (1k users)
- Global Mining Company (up to 32k users)
- Multi-National Food brand (12k users)
- Global Tech Company (2k users)

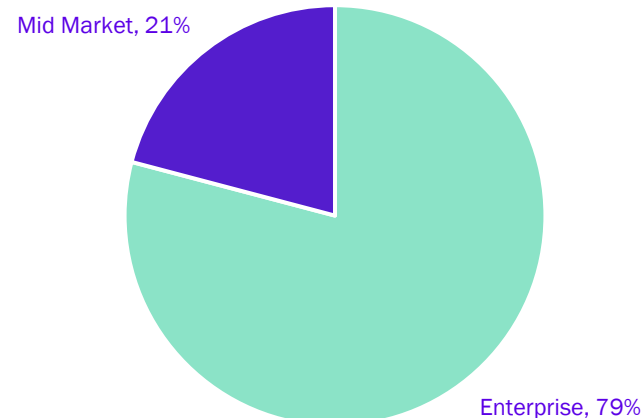
Blue Chip Customer Validation Across a Range of Industry Verticals

Leveraged by 900+ customers across more than 20 countries, LiveTiles supports both front-office and back-office functions

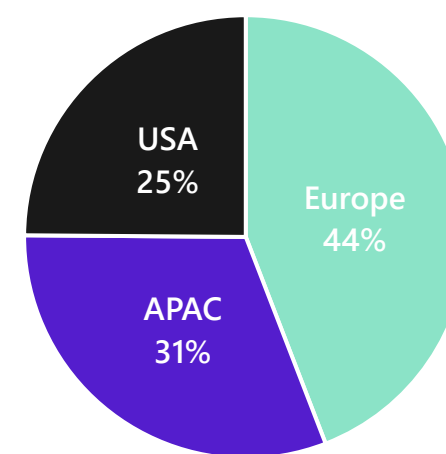
BY INDUSTRY



BY CUSTOMER SIZE



BY GEOGRAPHY



SELECT CUSTOMERS

EDUCATION



GOVERNMENT



INDUSTRIALS



FINANCIAL SERVICES



HEALTHCARE



NOT-FOR-PROFIT



RETAIL/CONSUMER



SERVICES



OTHER



Significant Addressable Market

LiveTiles has significant opportunity in a large and growing market

- Software market potential alone is large AU\$16.1bn & growing at 15% CAGR to 2027¹
- Conservative estimate we are at only <7% of our Serviceable Obtainable Market
- Market definitions keep evolving as opportunities present i.e., AI, visual collab, analytics etc. There is currently no specific market definition or sizing for Intranet Packaged Solutions (IPS)
- Gartner Hype Cycle has at least 16 interesting additional scope items²
- Total software revenue from IPS competitors estimated at AU\$0.4 to \$0.5bn³
- Clear opportunity with adjacent markets and additional scope⁴
- Market consolidation likely in the next 5 years

¹ Gartner: Forecast Analysis: Social and Collaboration Software in the Workplace, Worldwide <https://www.gartner.com/document/4173199?ref=solrAll&refval=370140494>

² Gartner: Hype Cycle for Digital Workplace Applications, 2022s <https://www.gartner.com/interactive/hc/4017167?ref=solrctp&refval=370140864&ipDocCd=772459>

³ Gartner: Craig Roth, VP Analyst

\$AUD

TAM

Total Available Market
\$16.1bn

- Starts with Social & Collab market
- Excluding scope i.e., SharePoint & Teams
- Includes some adjacent and infra

SAM

Service Available Market
\$8.1bn

- Segmentation
- Geographies
- Operational GTM

SOM

Serviceable Obtainable Market
\$0.74bn

- Competitors
- Replacement Cycles
- Capacity

Strategic Execution

Our strategic program for FY24

Objectives

Product

- Reinvigorate our innovation profile
- Create the market leading product
- Seen as leading edge and must have

Penetration (Sales & Marketing)

- Significant increase in lead flow
- Do not lose an existing customer
- Increase win rates

People

- Aligned and motivated teams
- Leadership factory
- Magnet for talent

Initiatives

- 3 Major releases a year
- Product Managers (4)
- 2 Dev locations - Porto & Sligo

- New Marketing program
- Sales Excellence and rigour
- Reinvigorate Partner ecosystem

- Talent reviews
- EX Action plan
- Leadership Development

Operational & Financial Discipline and Rigour

In Summary

Back to basics – focused on customer growth

- 64 new customers
- Reduced attrition to <7%

Simplification of the business

- Conclusion of BindTuning
- Capitalise on H1 Operational Review and lean cost base

Refreshed leadership team

- New Chief Executive Officer
- New Head of Product

Reinvigorated product innovation

- 3 major releases per year
- New leadership & discipline
- 2 low cost dev locations only

Financial discipline and focus on profitability

- Focus on break even
- Rigour & discipline
- Transparency & Predictability

Position for growth

- Focused on AI and data
- Capitalise on lean set up
- Accelerate target markets

Thank You! Q+A



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