



ASX Announcement

1 June 2018

Strong early adoption of LiveTiles Bots

- LiveTiles Bots customer acquisition is surpassing early expectations with multiple customers secured via joint campaign with Microsoft
- New customers range from mid-market to Fortune 500 companies, and span the Financial Services, Healthcare, Manufacturing, Professional Services and Education sectors
- Early take-up of LiveTiles Bots has generated annualised recurring revenue (ARR) of \$0.8 million since 1 April 2018
- LiveTiles Bots is strongly aligned with Microsoft's 'AI-first' vision and is capitalising on the rapidly growing enterprise artificial intelligence (AI) market

LiveTiles Limited (ASX:LVT) (LiveTiles or the Company), a global software company that empowers its users to drive their own intelligent workplace experiences, is pleased to announce it has secured multiple new LiveTiles Bots customers as a result of its joint campaign with Microsoft in North America that began in December 2017.

LiveTiles Bots is an intuitive web-based tool that enables organisations to create customisable virtual assistants to automate mundane and repetitive tasks, thereby improving productivity in the workplace. The positive market response and early adoption has surpassed initial expectations and is a strong endorsement of the product.

Strong early demand for LiveTiles Bots across a wide variety of use cases

The early adopters of LiveTiles' AI solution range from mid-market to Fortune 500 companies, and span the Financial Services, Healthcare, Manufacturing, Professional Services and Education sectors.

Early take-up of LiveTiles Bots has surpassed expectations, generating annualised recurring revenue (ARR) from the LiveTiles Bots product of \$0.8 million since 1 April 2018. LiveTiles Bots is expected to contribute to LiveTiles' strong subscription revenue growth in FY18 and beyond.

Demonstrating the flexibility of LiveTiles Bots, the early customer use cases involve creating customised AI assistants to reduce employees' time spent on mundane tasks in areas such as human resources, inventory management, customer service and IT support.

With LiveTiles' 'drag and drop' technology, AI assistants can be tailor-made to suit any team or function within an organisation.

Daniel Diefendorf, Senior Vice President, Americas said: "The market response to our AI solution has been stronger than initially anticipated. We believe this is driven by enterprises seeking opportunities to increase productivity with simple to use and easy to deploy solutions. Adoption of AI within enterprises has quickly shifted from researching the possibilities to action and deployment, with



organisations now identifying multiple opportunities to implement AI solutions. With Microsoft's support, we are at the forefront of the AI industry and have a very strong partner to drive customer acquisition."

"We look forward to continuing to work closely with Microsoft on a global level to help customers realise the advantages of innovative, scalable and effective AI solutions in the workplace."

LiveTiles closely aligned with Microsoft's 'AI-first' vision

LiveTiles has worked closely with Microsoft to promote its AI product through Microsoft's North American sales channels, successfully securing multiple customers since December 2017.

Microsoft has reorganised its organisational structure to support the evolution from its successful mobile-first strategy, to a highly supported and well-funded 'AI-first' strategy and continues to invest heavily in programs to assist its customers with their adoption of AI technology.

LiveTiles has become deeply embedded with the Microsoft sales channel to promote LiveTiles Bots which runs on Microsoft's Azure cloud platform. LiveTiles recently showcased its AI solutions at Microsoft's annual Build Conference in Seattle in May 2018, where CEO Satya Nadella presented his company's AI vision to over 5,000 attendees.

Lili Cheng, Corporate Vice President, Microsoft AI and Research said: "LiveTiles continue to strengthen its partnership with Microsoft, driving momentum by engaging with Microsoft sales teams and customers across the globe. LiveTiles is a very important strategic partner of ours in the Data & AI space, and its vision and approach to AI aligns perfectly with the Microsoft vision as set out by CEO Satya Nadella at our annual Microsoft Build Conference last month."

Microsoft has now approved co-selling initiatives with LiveTiles in 39 countries (including the United States, Canada, United Kingdom, Germany, Netherlands, Australia and Singapore), enabling LiveTiles to open up additional sales opportunities through co-selling LiveTiles Bots and LiveTiles Design with Microsoft's field sellers.

LiveTiles well positioned to capitalise on growing AI market

There is a growing appetite for AI solutions in the enterprise space, particularly for quick-to-deploy solutions that can be used to solve a wide variety of business challenges, which has created a significant opportunity for LiveTiles.

LiveTiles has recognised a distinct shift in the market, from organisations initially learning and understanding the benefits and potential use cases of AI, to now actively seeking AI solutions to deploy in the workplace to increase productivity and enhance efficiencies.

LiveTiles Bots helps businesses utilise the advantages of AI technology in a simple and cost-effective way, by giving non-technical users the ability to rapidly create and deploy customised AI solutions.



According to Gartner, global business value derived from AI is projected to total US\$1.2 trillion in 2018, an increase of 70% from 2017, with AI-derived business value forecast to reach US\$3.9 trillion in 2022.¹ The Gartner report supports LiveTiles' view that AI promises to be the most disruptive class of technologies during the next 10 years.

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About LiveTiles:

LiveTiles is a global software company headquartered in New York, with operations in Seattle, Tri-Cities (Washington State), San Francisco, Los Angeles, Chicago, Minneapolis, North Carolina, London, Zurich, Amsterdam, Sydney, Melbourne, Brisbane and Hobart. LiveTiles offers intelligent workplace software for the commercial, government and education markets, and is an award-winning Microsoft Partner. LiveTiles' products comprise LiveTiles Design, LiveTiles Bots, LiveTiles Intelligence, LiveTiles for SAP Software, LiveTiles MX and LiveTiles Mosaic. LiveTiles' customers represent a diverse range of sectors and are spread throughout the United States, United Kingdom, Europe, the Middle East and Asia-Pacific.

¹ <https://www.gartner.com/newsroom/id/3872933>