



ASX: LME 2022 Financial Results

March 1, 2023



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Immersive Limeade solutions to create a healthy employee experience

What we do

Limeade is an immersive employee well-being company that creates healthy employee experiences. Today, millions of users at **800+** companies in **100+** countries use Limeade solutions to reduce burnout and turnover and increase well-being and engagement – ultimately elevating business performance

Why we exist

Transform work into a source of positivity, energy, humanity and purpose

Who we are


300+ purpose-driven people in North America (244), EU (13) and APAC (64)

Software-as-a-service (SaaS) business with **96%** recurring revenue

Only company with world-class employee **Well-Being** and **Listening** solutions

17 years of experience – the pioneer of holistic workplace well-being

NOTE 1.: Number of employees as at 12/31/2022. This does not include part-time employees. These are full-time employees and includes employees on leave



Limeade Well-Being

88% CARR
HR Benefits Buyer

Primary Target: Enterprise (5,000+)
Secondary Target: Mid-Market (500-5,000)

An *immersive employee well-being* solution that creates healthy employee experiences



Limeade Listening

12% CARR
HR Talent & Other Buyers

Primary Target: Mid-Market (500-5,000)
Secondary Target: Enterprise (5,000+)

Tools and insights to build an *employee engagement strategy* that works



Growing market

\$73B

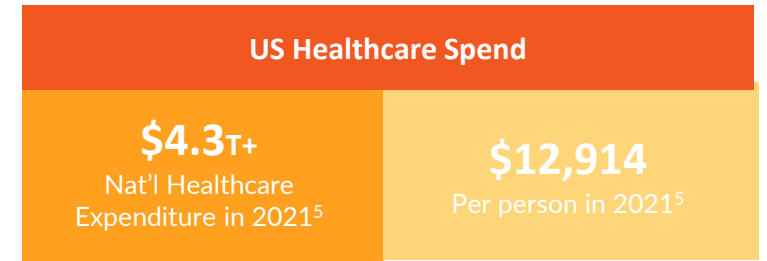
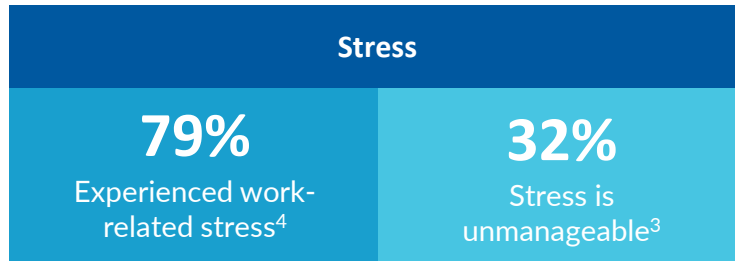
Global Corporate Wellness Market Value¹

6.8%

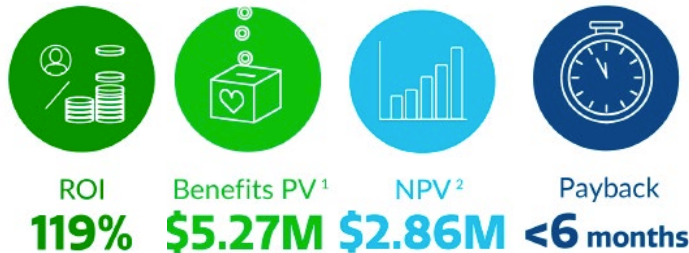
CAGR (FY20-27)¹



Workplace challenges



Limeade ROI and impact



Findings from the Total Economic Impact™ (TEI) study, a commissioned study conducted by Forrester Consulting on behalf of Limeade, August 2022.

“One of the things that we enjoy about Limeade is their strong personalization and the fact that they have machine learning and AI built into the platform to provide an experience that is more like a streaming service in terms of curating personalized content. Previous platforms and wellness efforts cast a wide net and tried to catch as many [participants] as possible versus really individualizing an approach to help people be at their best.” – Wellness program manager, healthcare, *Forrester TEI Report 2022*

“[Our prior solution] wasn’t really driving changed behaviors. It wasn’t really helping folks manage stress. It wasn’t helping folks become more mentally and emotionally healthy. Participation was driven by incentives, and we wanted to move away from that being the guiding principle for our program [with Limeade].” – Senior benefits analyst, conglomerate, *Forrester TEI Report 2022*

“Employees enjoy having more control over what they can focus on for their own well-being versus being told where to focus and being offered limited areas of focus. I see a higher level of satisfaction from employees when they are driven by intrinsic motivation or satisfaction from what they accomplished versus checking off a to-do list that someone else gives them.” – Manager of wellness, professional services, *Forrester TEI Report 2022*

NOTE 1: Corporate Wellness - Global Market Trajectory & Analytics

NOTE 2: Bureau of Labor Statistics, 2022

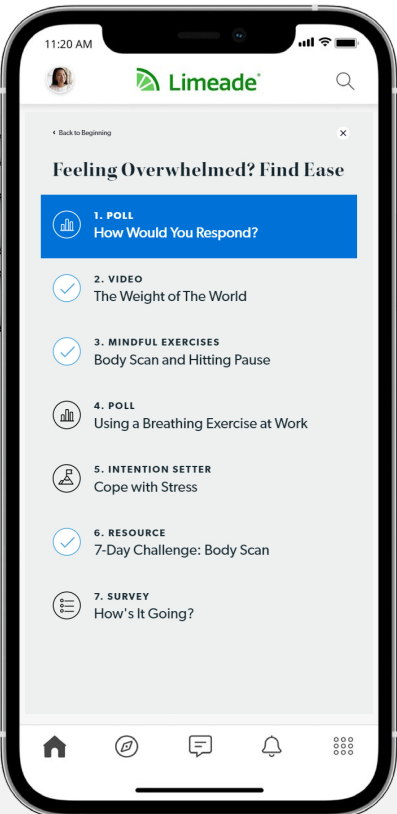
NOTE 3: Limeade Institute Survey, 2021

NOTE 4: American Psychological Association's 2021 Work and Well-being Survey

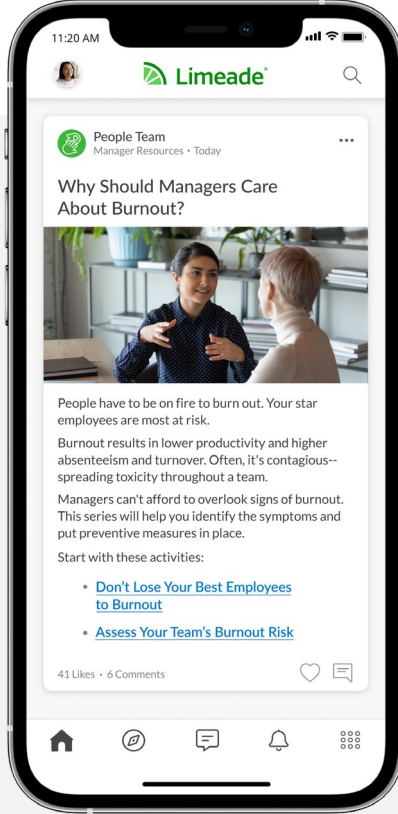
NOTE 5: Centers for Medicare and Medicaid Services, NHE Fact Sheet 2021

FY22 investments to drive FY23 scale

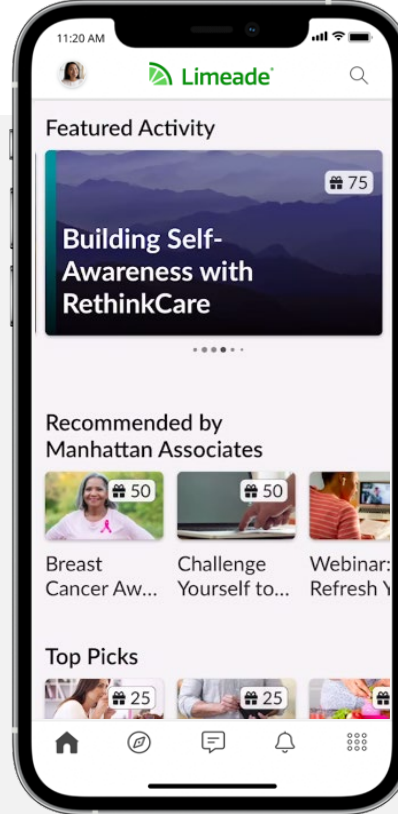
Content, integration & *communication* capabilities of Limeade Well-Being (based on Limeade ONE platform) are creating competitive wins. Strong technical & operational leadership is driving focus on customer success, health & well-being ROI and increased FY23 gross margin



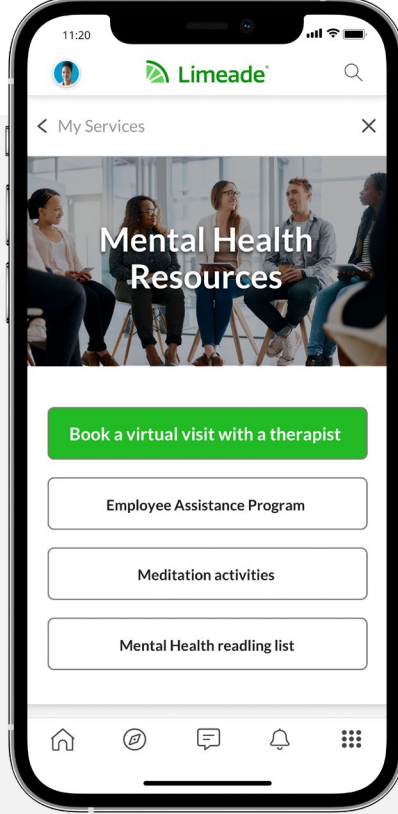
Sequenced content



Targeted communication



Personalized experience



Access to benefits

Infusing well-being into the flow of work

Microsoft Teams & Viva integration efforts and Limeade + partner innovations are driving record FY23 requests for proposals (RFP). 1,200+ signups for Q1 FY23 LimeTime conference



Desk workers



within Microsoft Teams

Activity
Chat
Teams
Calendar
Calls

Feed

- Keep going! Track your progress on 10:00 AM your well-being now. Keep working on your well being today!
- Keep going! Track your progress on your well-being now. Keep working on your well being today! 2/22
- Nikita just joined your team. Cheer them on! New team member joined! 2/18

Send Feedback 1770pts

My Choice 275/1250 pts.

Limeade Insulated Camper Mug	1000/1000 pts.	Completed on Aug 20, 2021
Limeade Recycled Baseball Cap	1770/2250 pts.	In progress
Limeade Hammock	1770/3500 pts.	No started
Limeade Super Soft Blanket	1770/5000 pts.	No started

Emotional Physical Capacity for Change Work Health Risk: Limeade Actualization

Managing Stress & A...
Positive Relationships
Self-Acceptance
Self-Leadership
Managing Depression

Overall 73.22%

● Emotional
● Physical
● Capacity for Change
● Work
● Health Risk: Limeade
● Actualization



Deskless workers



11:20 AM

Limeade

My Activities

- Spend Time Outdoors 50
- Stepping It Up Together 25
- Take Care of Yourself

My Updates

Human Resources Well-Being - Today

Make the Most of Your Benefits

If you haven't yet scheduled your yearly check up, immunizations or other preventative care, take a moment to explore your current benefits and find in-network providers near you.



Mobile-first design with 4.8 app rating

FY22 financial highlights

\$56.0M ▲
 Revenue
 up 1% from FY21

69% ▼
 Gross Margin
 down 4% from FY21

(\$7.7M) ▼
 Adjusted EBITDA¹
 down \$2.2M from FY21

\$59.5M ▲
 CARR²
 up 5% from FY21

86% ▲
 NRR³
 up 7% from FY21

187 ▲
 New Customers
 13 new Well-Being customers
 174 new Listening customers

1,060 ▲
 Total Customers⁴
 100 Well-Being customers
 960 Listening customers

\$524K ▲
 Well-Being Average CARR⁵

\$10K
 Listening Average CARR⁵

NOTE 1: Adjusted earnings before interest, taxes, and depreciation (EBITDA) excludes one-time expenses and non-cash stock comp expense. See Slide 9 for reconciliation and more details. Adj EBITDA is an unaudited value.
 NOTE 2: Contracted Annual Recurring Revenue. CARR is an unaudited value.
 NOTE 3: Net revenue retention, defined as CARR at the beginning of the period plus any CARR added in that period through sale of new solutions to customers who were customers at the beginning of the period (existing customers) or expansion in the number of employees of existing customers; less any reduction in CARR in that period through existing customers who terminate, decide not to renew their subscription or reduce usage of Limeade solutions amongst their employee population, divided by CARR at the beginning of the period. NRR is an unaudited value.
 NOTE 4: Total Customers refers to the number of unique logo customers
 NOTE 5: Average CARR is calculated by total CARR divided by number of Customers (see note 3)

Income Statement (GAAP)

US\$ in millions	FY2022	FY2021	\$ Change	% Change
Subscription Revenue	\$ 54.0	\$ 52.2	\$ 1.8	3%
Other Revenue	2.0	3.0	(1.0)	-33%
Revenue	56.0	55.2	0.8	1%
Cost of revenue	17.2	15.0	2.2	15%
Gross profit	38.8	40.2	(1.4)	-3%
<i>Gross profit %</i>	69%	73%		-4%
Sales and marketing	16.9	17.7	(0.8)	-5%
Research and development	22.1	20.4	1.7	8%
General and administrative	14.0	11.9	2.1	18%
Total operating expenses	53.0	50.0	3.0	6%
Net operating income (loss)	(14.2)	(9.8)	(4.4)	45%
Other income (expense)	1.0	(0.2)	1.2	NM
Net loss after tax	\$ (13.2)	\$ (10.0)	\$ (3.2)	32%
EBITDA	(10.2)	(8.0)	(2.2)	28%
Stock-based compensation	2.4	1.9	0.5	26%
Earnout write-off	(0.9)	-	(0.9)	NM
One-time expense	1.2	0.5	0.7	140%
Other income (expense)	(0.1)	0.1	(0.2)	NM
Adjusted EBITDA	(7.7)	(5.5)	(2.1)	38%

NM = not meaningful

Commentary

- 1% revenue increase due to FY21 CARR, partially offset by lower revenue from third-party biometric events and coaching services
- Decrease in Gross Margin driven by headcount increases and hosting costs
- Decrease in Sales & Marketing primarily driven by decreases in headcount
- Increase in Research & Development spend primarily related to the headcount to support investments in product and technology to drive scale and value in FY23 and beyond
- Increases in General & Administrative largely driven by increased legal and accounting fees incurred to support SEC filing activities. These expenses represent \$1.1M of the one-time expense adjustment from EBITDA to Adj EBITDA in FY22

FY22 results within guidance

\$55-58M Revenue

(\$6-8M) Adjusted EBITDA¹

(\$11-14M) Net Profit After Tax

Commentary

- FY22 Revenue of \$56.0M was achieved through focused efforts to retain and attract customers who value creating healthy employee experiences
- FY22 Adjusted EBITDA of (\$7.7M) represents investments into Well-Being and Listening solutions and financial compliance, marked by successful SEC registration in 2H FY22
- FY22 Net Loss After Tax of \$13.2M reflects SEC registration expenses, increased stock-based compensation and capitalization of software development costs

NOTE 1: Adjusted EBITDA excludes one-time expenses and non-cash stock comp expense.

FY23 guidance

\$57-59M Revenue ▲

\$0.5-2.5M Adjusted EBITDA¹ ▲

(\$5-7M) Net Profit After Tax ▲

NOTE 1: Adjusted EBITDA excludes one-time expenses and non-cash stock comp expense.

Commentary

- FY23 Revenue benefits from strong Q4 FY22 new sales growth in Well-Being, coupled with investments in innovation and customer service for Well-Being customers
- FY23 Adjusted EBITDA reflects the impact of a strategic restructuring plan announced Jan FY23 that decreases OPEX by an expected \$7.0M. The Company has implemented additional cost saving measures and is committed to careful cost management towards its Adjusted EBITDA target
- FY23 Net Loss After Tax improvements from focus on operational efficiencies and decreased expenditures
- Management believes the investments made in FY22 and the strategic restructuring actions taken in early FY23 have laid the groundwork for the company to be cashflow positive in the second half of FY23
- Gross Margin is expected to return to historical percentage levels – in the low-to-mid-70s

Thank You



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