



ASX: LME 1H22 Financial Results

August 29, 2022 (PDT)

August 30, 2022 (AEST)



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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 (238), EU (15) and APAC (61)


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

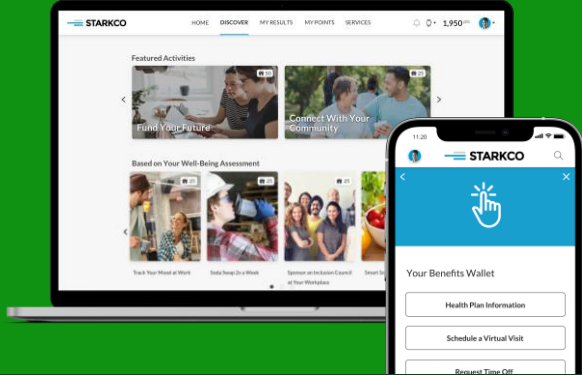
Only company with world-class employee **Well-Being**, **EX** and **Listening** solutions

16 years of experience — the pioneer of holistic workplace well-being

NOTE 1: Number of employees as at 6/30/2022. This does not include part time employees. These are full time employees and includes employees on leave

Three solutions to create a healthy employee experience




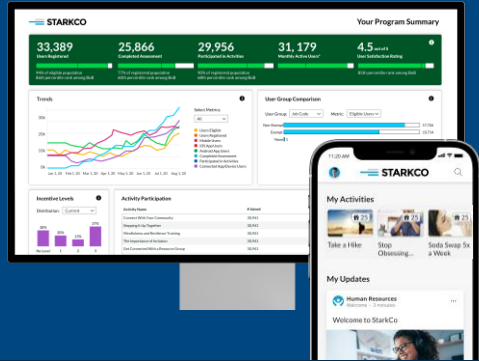


78% CARR
HR Benefits Buyer

Primary Target: Enterprise (5,000+)

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





9% CARR
HR Talent & Other Buyers

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

A holistic approach to the future of work and an EX solution with well-being at its heart





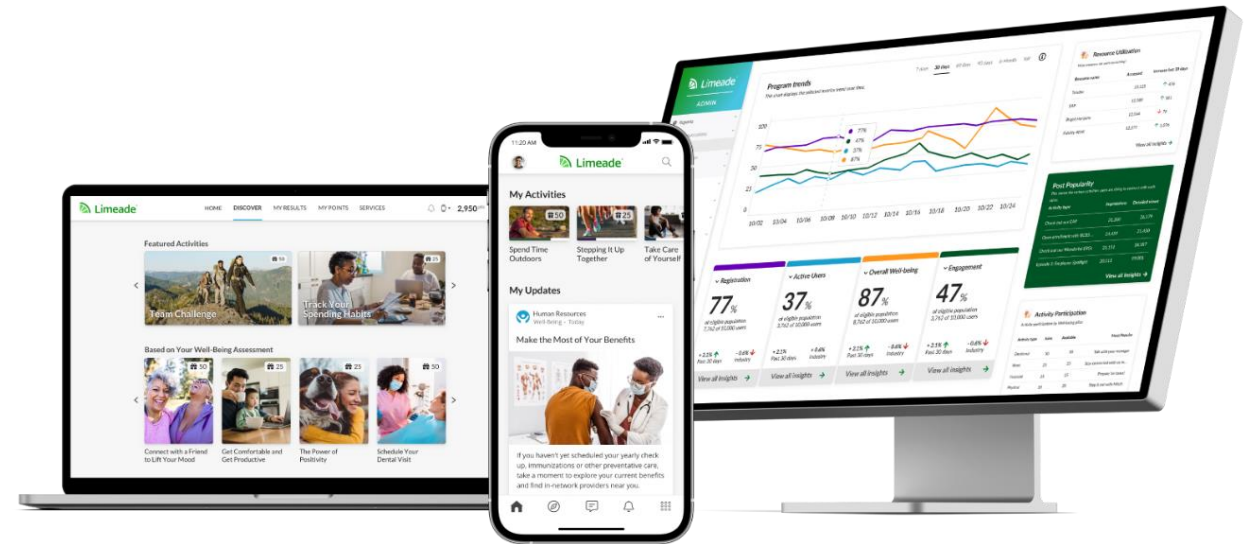
13% CARR
HR Talent & Other Buyers

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

Tools and insights to build an employee engagement strategy that works

How Limeade infuses well-being into work

How and where people work will never be the same. A new approach is needed



Flow of Work

Web, App and Mobile Experiences

ACTIVITIES & CONTENT

Offer employees the opportunity to care for themselves, learn and improve

REWARDS & RECOGNITION

Encourage employees to recognize peers, teams, projects and to earn meaningful rewards

LISTENING & CONVERSATIONS

Listen to employees, understand their needs and act

UPDATES

Reach and connect with all employees with regular, flexible communications

INTEGRATIONS

Promote company resources, benefits and Limeade partner services

ACTIONS & INSIGHTS

Measure what matters and get actionable insights from real-time dashboards

Self-Service and Administration

Personalization

Huge, growing market



Growing need



Limeade is poised for success

"Today, wellbeing platform providers are creating a seamless employee experience, using artificial intelligence to stitch together any number of specific solutions for the workforce in a highly personalized app or desktop experience — effectively creating a one-stop shop that is curated for each employee. Limeade is a good example of this — it's an immersive well-being company that brings together all the pieces and makes it easy for employees to engage with the services and tools they need most."

Five Essential Truths about Corporate Well-Being, The Josh Bersin Company, 2021

"[Limeade] shines for its holistic focus on employee well-being. It also shines for its clean and attractive user interface, all informed by the science of care, mobile app, fitness tracker data, and benchmarking capabilities."

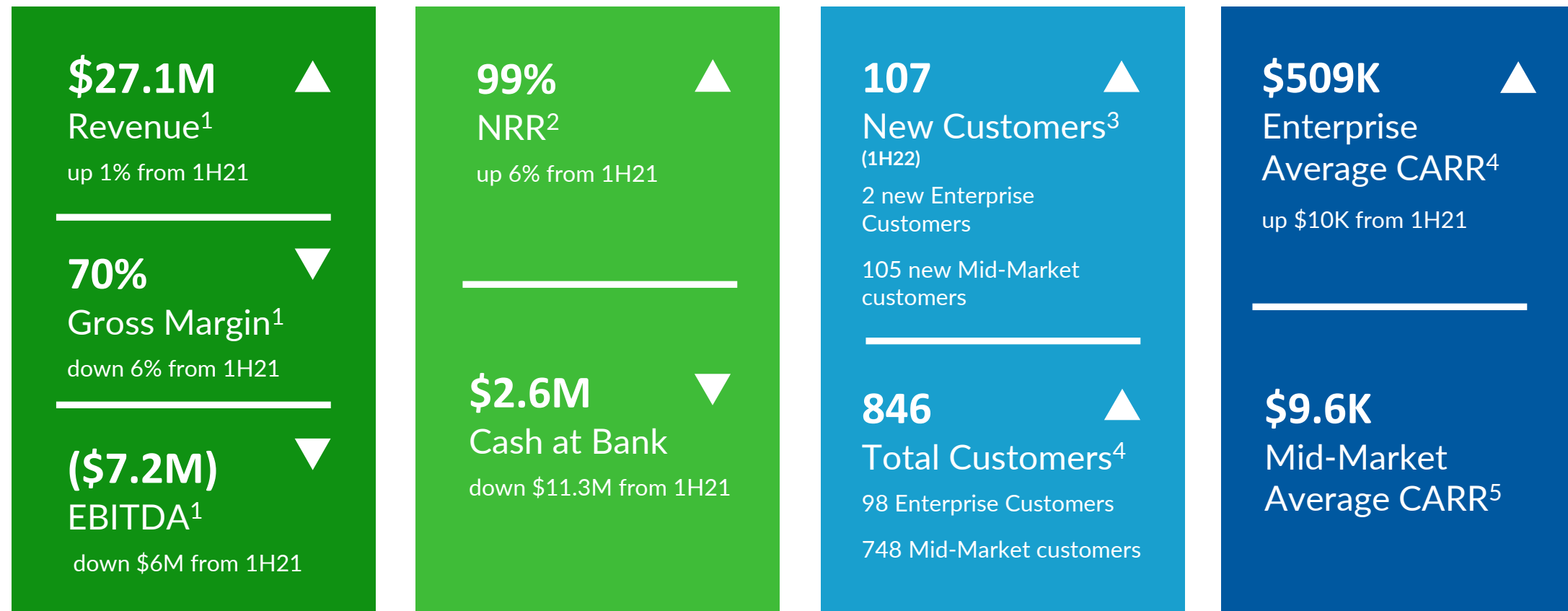
Forrester, 2020

"Limeade brings 15 years of insights and innovation — from wellbeing surveys, fitness trackers, biometrics and more — to promote personalized, in-the-moment wellbeing experiences into the flow of work. This collaboration further helps Microsoft customers get moving and connect to relevant company benefits to reduce burnout and boost energy."

Limeade Joins Microsoft Efforts to Help Employees Thrive in the New World of Work, Seth Patton, General Manager, Microsoft 365 Next Gen Productivity & Employee Experience at Microsoft, 2021

NOTE 1: Total Available Market (TAM) estimate is based on IDC report "Worldwide and U.S. Employee Experience Software and Services Forecast, 2021–2025," dated July 2021. Their definition of EX is "survey feedback/measurement and recognition and well-being (including mental, physical, and financial well-being)." For a more detailed and updated TAM analysis using substantially the same methodology as the Limeade 2019 IPO prospectus, please contact Limeade Investor Relations and request "Limeade Independent Expert Report 2022: Employee Experience (EX) Software Solutions."
NOTE 2: Bureau of Labor Statistics, 2022
NOTE 3: Limeade Institute Survey, 2021

First-half 2022 financial summary



NOTE 1: Proforma Revenue, Gross Margins, and Adjusted EBITDA. See Proforma reconciliation slide for details. Proforma excludes the revenue write-down from purchased deferred revenue per GAAP, one-time transaction costs, and non-cash stock comp expense.

NOTE 2: Net revenue retention (NRR), 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.

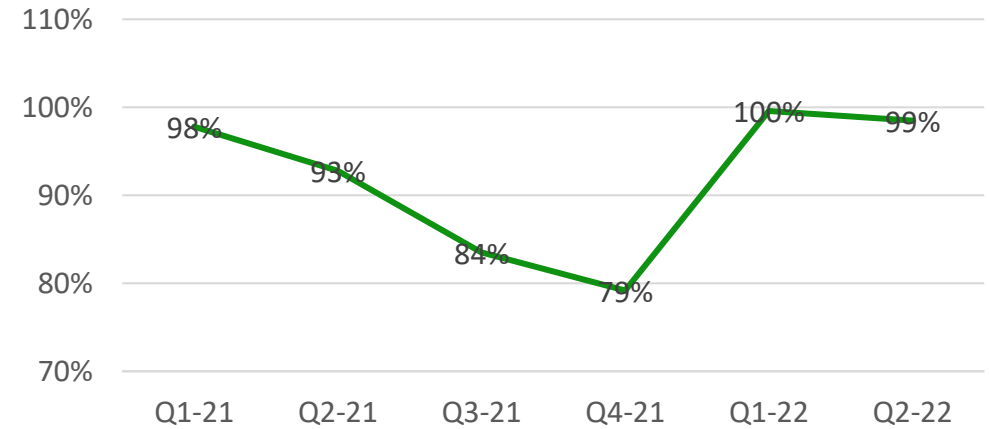
NOTE 3: Enterprise refers to accounts with \$100k or greater in CARR (contracted annual recurring revenue)
Mid-Market refers to accounts with less than \$100k in CARR

NOTE 4: Total Customers refers to the number of unique logo customers

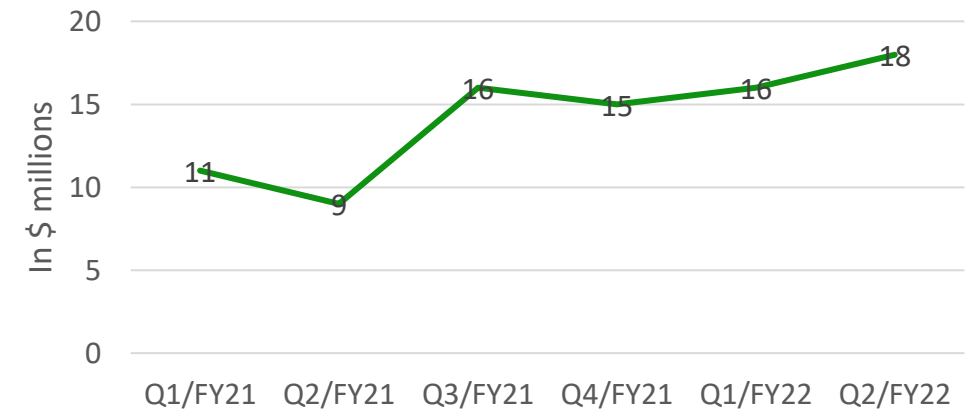
NOTE 5: Average CARR is calculated by total CARR divided by number of Customers (see note 3)

R&D investments driving improved retention and late-stage pipeline

Net Retention



Late Stage Sales Pipeline



Statutory Income Statement

US\$ in millions	1H 2022	1H 2021	\$ Change	% Change
Subscription Revenue	\$ 25.7	\$ 25.1	\$ 0.6	2%
Other Revenue	0.9	1.7	(0.8)	-46%
Revenue	26.7	26.9	(0.2)	-1%
Cost of revenue	7.9	6.4	1.5	23%
Gross profit	18.8	20.5	(1.7)	-8%
<i>Gross profit %</i>	<i>70%</i>	<i>76%</i>		<i>-6%</i>
Sales and marketing	9.3	7.8	1.5	19%
Research and development	12.1	9.3	2.8	30%
General and administrative	7.0	5.6	1.3	24%
Total operating expenses	28.4	22.7	5.6	25%
EBITDA	(9.6)	(2.3)	(7.3)	319%
Net profit/(loss) after tax	\$ (11.1)	\$ (3.2)	\$ (7.9)	249%

NOTE: Proforma excludes the revenue write-down from purchased deferred revenue per GAAP, one-time transaction costs, and non-cash stock-based compensation expense. See Proforma reconciliation slide for details.

Commentary

- 1% revenue decrease due to lower YE FY21 CARR vs FY20 leading to lower revenue in FY22 vs FY21
- 6% percentage point decrease in Gross Margin driven by increased resources need to implement customer upgrades to Limeade ONE Well-Being and EX solutions
- Sales and marketing expense was 35% and 29% of revenue in 1H22 and 1H21, respectively
- Increases in R&D spend were primarily driven by the addition of the TINYpulse development team and first-half 2022 investments related to the Limeade ONE upgrade
- Increases in G&A were largely driven by increased legal and accounting fees incurred to support SEC filing activities

Proforma Income Statement

US\$ in millions	1H 2022	1H 2021	\$ Change	% Change
Subscription Revenue	\$ 26.2	\$ 25.1	\$ 1.0	4%
Other Revenue	0.9	1.7	\$ (0.8)	-46%
Proforma Revenue	27.1	26.9	0.2	1%
Cost of revenue	7.7	6.2	1.5	23%
Gross profit	19.4	20.6	(1.2)	-6%
<i>Gross Margin</i>	72%	77%		-5%
Sales and marketing	9.0	7.6	1.4	18%
Research and development	11.6	8.9	2.8	31%
General and administrative	6.0	5.3	0.6	12%
Total operating expenses	26.6	21.8	4.8	22%
Net operating income (loss)	(7.2)	(1.2)	(6.0)	508%
Other income (expense)	0.0	0.0	0.0	814%
Proforma Adjusted EBITDA*	(7.2)	(1.2)	(6.0)	507%
Stock based compensation	(1.2)	(1.0)	(0.2)	21%
Proforma EBITDA	(8.4)	(2.2)	(6.2)	285%
Proforma Net profit/(loss) after tax	\$ (9.9)	\$ (3.1)	\$ (6.9)	224%

* NOTE: Adjusted Proforma excludes non-cash stock-based compensation expense. See Proforma reconciliation slide for details.

Reconciliation of statutory EBITDA to proforma Adjusted EBITDA

US\$ in millions	1H 2022	1H 2021	\$ Change	% Change
Statutory EBITDA	(9.6)	(2.3)	(7.3)	319%
TINYpulse acquisition costs	-	0.1	\$ -	0%
TINYpulse revenue writedown	0.4	-	\$ -	0%
Form 10 preparation costs	0.7	-	\$ -	0%
Proforma EBITDA	(8.4)	(2.2)	(6.2)	285%
Stock-based compensation	1.2	1.0	\$ 0.2	21%
Proforma Adjusted EBITDA*	(7.2)	(1.2)	(6.0)	507%

* NOTE: Adjusted Proforma excludes non-cash stock-based compensation expense. See Proforma reconciliation slide for details.

Commentary

- TINYpulse acquisition included legal, due diligence and other transaction costs
- Under GAAP, deferred revenue added in an acquisition is written down by the cost to service that deferred revenue. The resulting proforma adjustment reflects the full revenue without this write-down
- Stock-based compensation reflects non-cash share-based payments

FY22 guidance

\$55-58M Proforma¹ Revenue

(\$6-8M) ADJ EBITDA

(\$11-14M) NPAT

Commentary

- Reiterate FY22 proforma revenue guidance. This includes the deferred revenue adjustment from the TINYpulse acquisition. There is no further write-down past July 2022
- Reiterate FY22 proforma adjusted EBITDA loss guidance. This includes deferred revenue adjustment from TINYpulse acquisition and excludes SEC Form 10 filing fees and stock-based compensation costs
- Net profit loss after tax guidance has increased to a loss of (\$11-14M) from a range of (\$8-11M) primarily due to SEC registration, increased stock-based compensation and deferred software capitalization costs
- Guidance implies confidence in the company's return to organic CARR growth in FY22, and implies significant improvements in 2H FY22 proforma revenue, adjusted EBITDA, and NPAT compared to 1H FY22 and 2H FY21

NOTE 1. See Proforma reconciliation slide for details. Proforma excludes the revenue write-down from purchased deferred revenue per GAAP, one-time transaction costs, and non-cash stock-based compensation expense.

Thank You



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