

FY20 Financial Results

Henry Albrecht, CEO

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limeade® ASX: LME



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What We Do

Limeade is a global, enterprise-focused **employee experience software company** that helps every employee know their company cares.

Limeade integrates solutions for Well-Being, Engagement & Inclusion with robust Communications capabilities in a simple, modern interface.



Why We Exist

To transform work into a source of positivity, energy, humanity and purpose.

Executive Summary

Limeade remains well positioned to capitalise on the growing employee experience market

- In 2021, large companies recognise that Well-Being is more essential than ever
- Limeade is a pioneer of employee Well-Being and related topics, including Engagement, Inclusion & Communications
- Our sales + marketing pipeline is bigger than ever

We are continuing to invest in growth, despite the temporary impacts of COVID-19

- Despite the pandemic's impact on timing of closing new deals in 2020, our pipeline remains strong
- Platform innovation has accelerated, with 560 new activities, 25+ new features and new integrations with Microsoft Teams, Wellbeats & Happify

Financial Performance

- FY21 Guidance of \$50M-\$53M Revenue and (\$5M-\$8M) EBITDA
- Growth strategy is still on track
- Expecting sales momentum to return in H2 FY21

Why Limeade

Global



100+ countries

2.6M+ users

Based in Bellevue, WA, USA
Offices in Canada, Germany

Award-Winning



**We invest in our
employee experience
so you can
elevate yours.**

Market-Leading



**“Shines for its holistic
focus on employee well-
being”**

Employee Experience (EX)
Management Platforms For Large
Enterprises, Q1 2020

Enterprise SaaS



**Employee experience (EX)
provider to 150
of the best companies
in the world**

**\$56.6M¹
97% recurring revenue²**

Well-being is *More Essential Than Ever*

32%



Reduction in physical activity
due to COVID restrictions.¹

14%



Hear leaders discuss the importance
of mental health.²

49%



Experiencing a negative impact on
finances and planning.³

69%



Lack a strong sense of
purpose at work.⁴

40%



Feel isolated at work.⁵

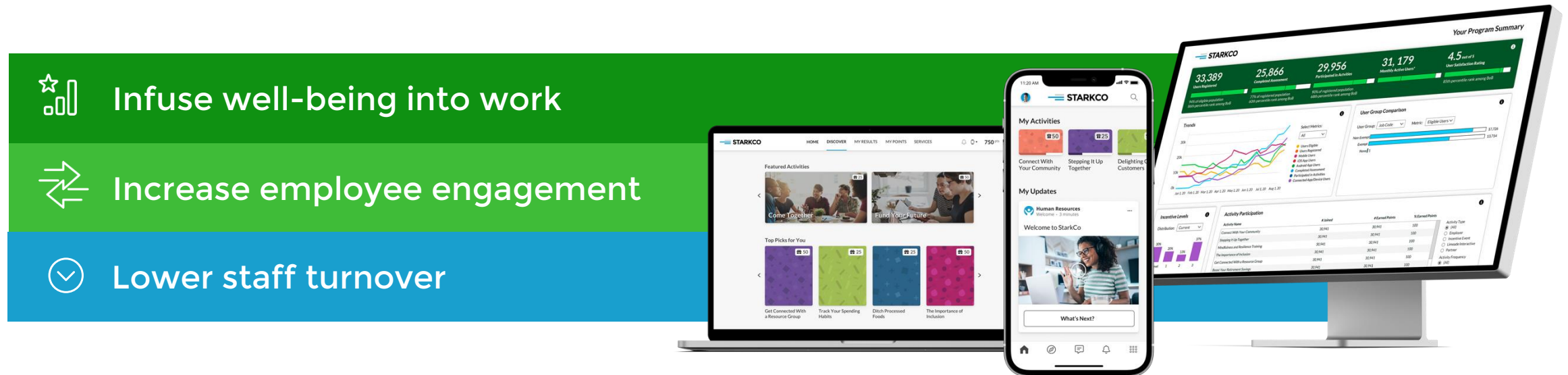
80%



Identify well-being as critical to
business success in 2021.⁶

Reaching Employees Worldwide

Limeade reaches 100% of our customers' workforce — whether on-site or distributed — and serves the CHRO, CXO and HR and Benefits leaders within their global enterprises.



END-USER TESTIMONIAL

"I downloaded the app, and after getting to know about Limeade, started participating in activities. Now we know what's going on in our offices globally... and it's even useful in connecting our people! Really like it a lot... great initiative!" — Ryan LLC, User

FY20 Operational Highlights



Met Challenges From Covid-19

- ✓ Seamlessly transitioned to completely remote operations and workforce
- ✓ Launched 100+ COVID activities to support employee Well-Being, Inclusion, Engagement and Communications, critical culture-connectors in the new world of remote work



Business Highlights

- ✓ Exceeded Revenue, EBITDA and NPAT guidance in FY20
- ✓ \$3.8M operating cash flow positive
- ✓ Top 12 workplace culture award
- ✓ Limeade ONE platform refresh
- ✓ Increased monthly active users (MAU) 20% YoY



Key Executive Appointments & Workforce

- ✓ Chief Technology Officer
- ✓ VP of Product
- ✓ General Counsel
- ✓ 264 LimeMates in US (headquarters), Canada, Germany, Switzerland, UK and Australia

Innovation Highlights

Motivating Employees

560
New Activities

- ✓ 50 Team activities
- ✓ 70 Emotional health, resilience, mindfulness and exercise activities
- ✓ 100+ Covid-19 activities
- ✓ 110 Engagement activities
- ✓ 110 Inclusion activities
- ✓ 120 Manager activities

Platform Capabilities

25+
Upgrades

- ✓ Added new authentication and foreign language support
- ✓ Employee listening and insights dashboard updates
- ✓ New communication capabilities

New Partnerships and Connections



- ✓ Microsoft Teams integration providing Limeade Well-Being activity content to Teams users
- ✓ New connections into Wellbeats and Happify experiences



Expanding employee Well-Being and Engagement to their global workforce pays dividends

Ryan offers end-to-end tax services, software and technology to 16,000+ clients across 50+ countries.

Results since launching *Ryan Thrive* with Limeade:

- Increased reach to global employee population **by 569%**
- Global employee registration **increased to 87%** – up from 13% in 2019 under its prior program
- **194% increase** in Well-Being Assessment participation
- **185% increase** in global Well-Being Activity participation
- **4x increase** in global monthly active users

"I can't imagine an organization having to navigate through a circumstance as disruptive as COVID-19 without a platform in place like Limeade to help their people."

We've built well-being into our culture as a vital foundation. We know that people are going through stress, anxiety and more — and having a central point that we can say 'here is help' — our speed to care for people has been there from day one."

Telling a story with a single access point and constantly telling them that story over again is vital right now."

— Tony Bridwell, Chief People Officer, Ryan LLC

"When we found out about this new app and how you can use it to send out communications to keep employees informed, we wanted to use it like a social media app within Ryan."

We've found that if you add relevant content and put out messages that matter, people want to participate."

— Rodney D'Souza, Senior Director, India Operations Services, Ryan LLC

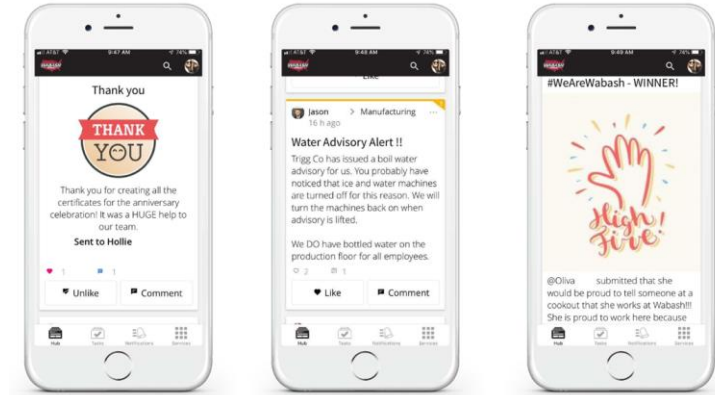


Improved communications and empowered a hard-to-reach manufacturing workforce

Wabash National is a diversified industrial manufacturer and a leading producer of semi-trailers, truck bodies and liquid transportation systems in North America. At several locations, 80% of their workforce is deskless.

Wabash@Work launched with a phased rollout at multiple locations. Within 2-3 weeks, they saw the impact of Limeade at their largest manufacturing site:

- **61% of employees actively using Limeade**, and nearly a thousand daily views from 2,000 manufacturing workers
- **HR saw immediate improvement in the time and energy spent fielding questions** from employees among three shifts, answering 100+ questions through Limeade
- **160 Cheers were given** by employees praising co-workers for their performance, increasing positivity and recognition



"We thought the app would be a big hit with millennials, but we're finding that employees of all generations have fallen in love with their ability to communicate with it."

We post every single day and employees finally have visibility into what is going on with production and why. They're engaged and we're learning so much from having a direct feedback loop with everyone."

— Claire Haggard, People Engagement Leader

Global Manufacturing Leader

Dramatically improved employee well-being and engagement while significantly reduced turnover and safety incidents

This 110,000-employee company operating in over 100 countries has generated significant people and business results from employees using Limeade (vs. non-users):

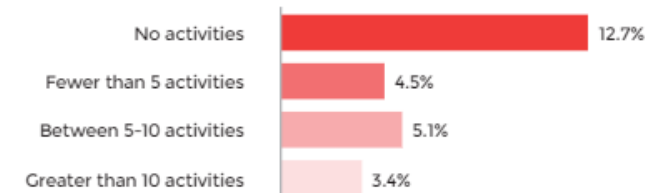
- **81% of well-being areas improved**
- **68% increase in employee engagement**
- **23% reduction in injury frequency rate**
- **3x reduction in turnover**

WELL-BEING RISK STATUS IMPROVEMENTS

RISK DIMENSION	% CHANGE YOY
Resilience	+11.30%
Managing Stress	+11.65%
Work-Life Balance	+24.92%
Sense of Team	+13.46%
Nutrition	+10.32%
Back Health	+26.94%

RETENTION RATES

TURNOVER RATES BY ACTIVITY PARTICIPATION



6% Those who register for the Limeade program have turned over at a 6% lower rate than those who do not.

\$30M For every 1% decrease in employee turnover, customer could save upwards of \$30M globally.

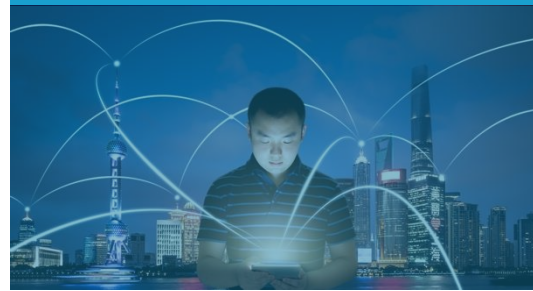
The Employee Experience (EX) Market + Limeade

Significant Market Size



The EX technology market is sizeable and broadly defined (\$21.8b¹ to \$300b²) – spanning well-being, engagement, communications, collaboration and productivity software, HRIS systems

Primed for Growth



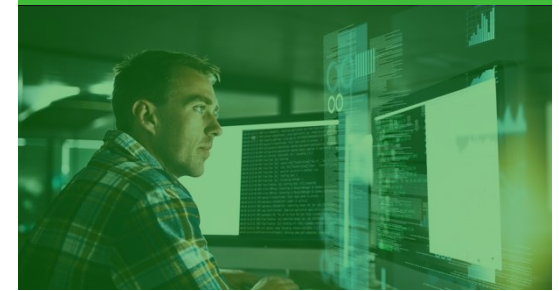
Perfect storm of challenges – COVID-19, racial and social injustice, remote work, millennial and Gen Z workforces and emotional health epidemics provide headwinds to companies and tailwinds to Limeade and our well-being and employee experience technology

Ripe for Partnerships + Consolidation



Countless vendors are chasing the EX market – creating opportunity for consolidation via acquisitions and partnerships. Limeade provides well-being services to a Top 3 global technology company

Limeade is Well-Positioned



Limeade is a pioneer within the Employee Experience market – well positioned and focused to capitalize upon a \$21.8b market opportunity for its technology within the broader \$300b EX market

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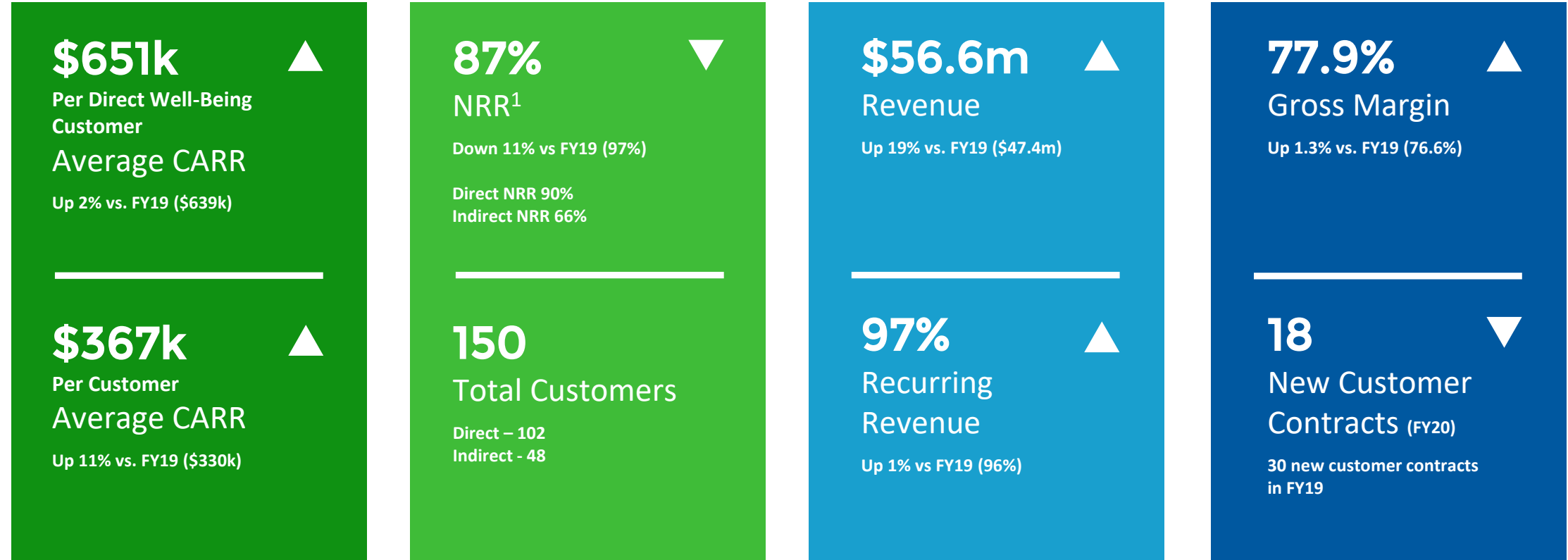
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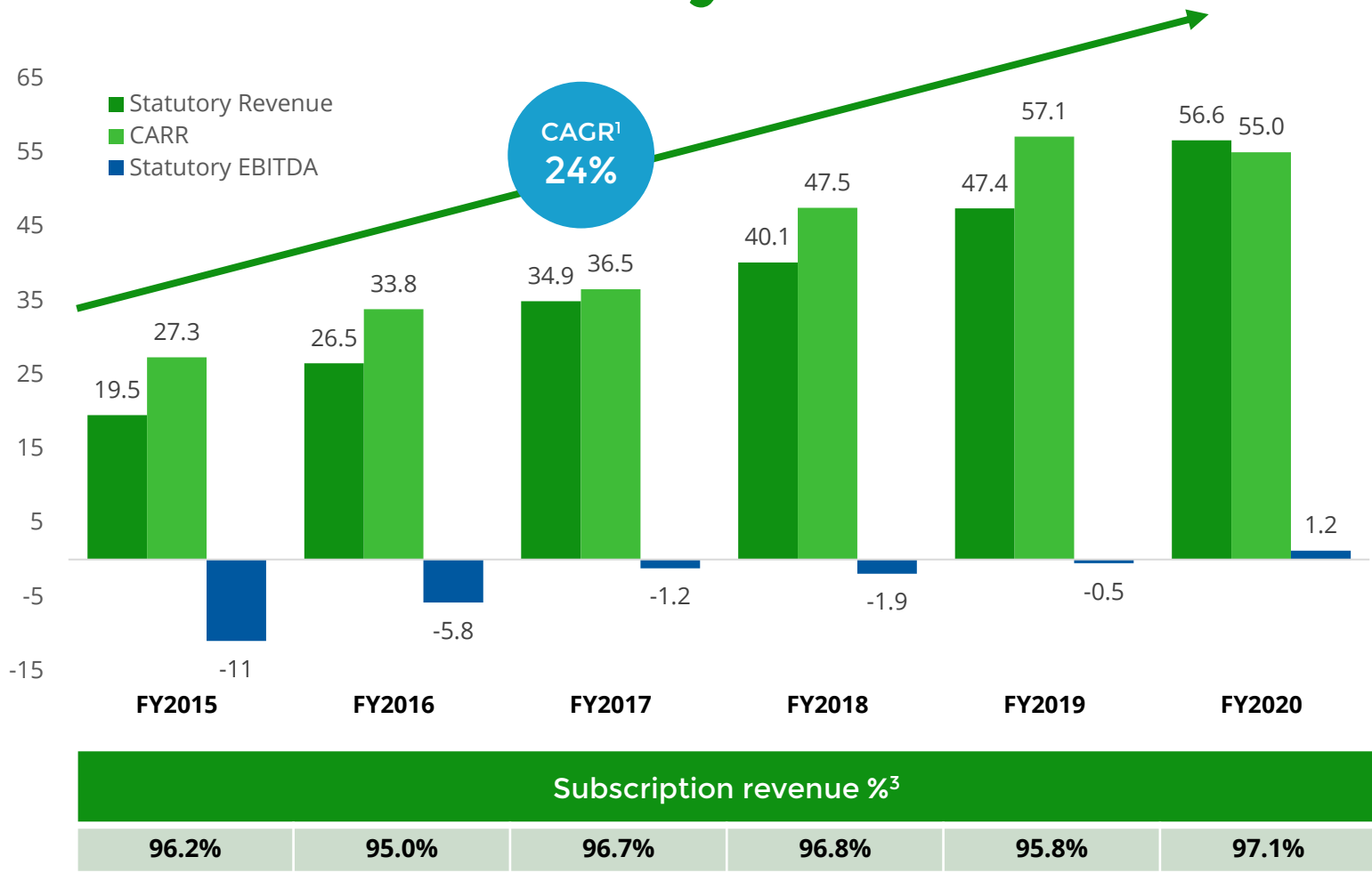
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FY20 Key Operating Metrics

Limeade maintained stability and financial strength during the global pandemic.



Financial Summary



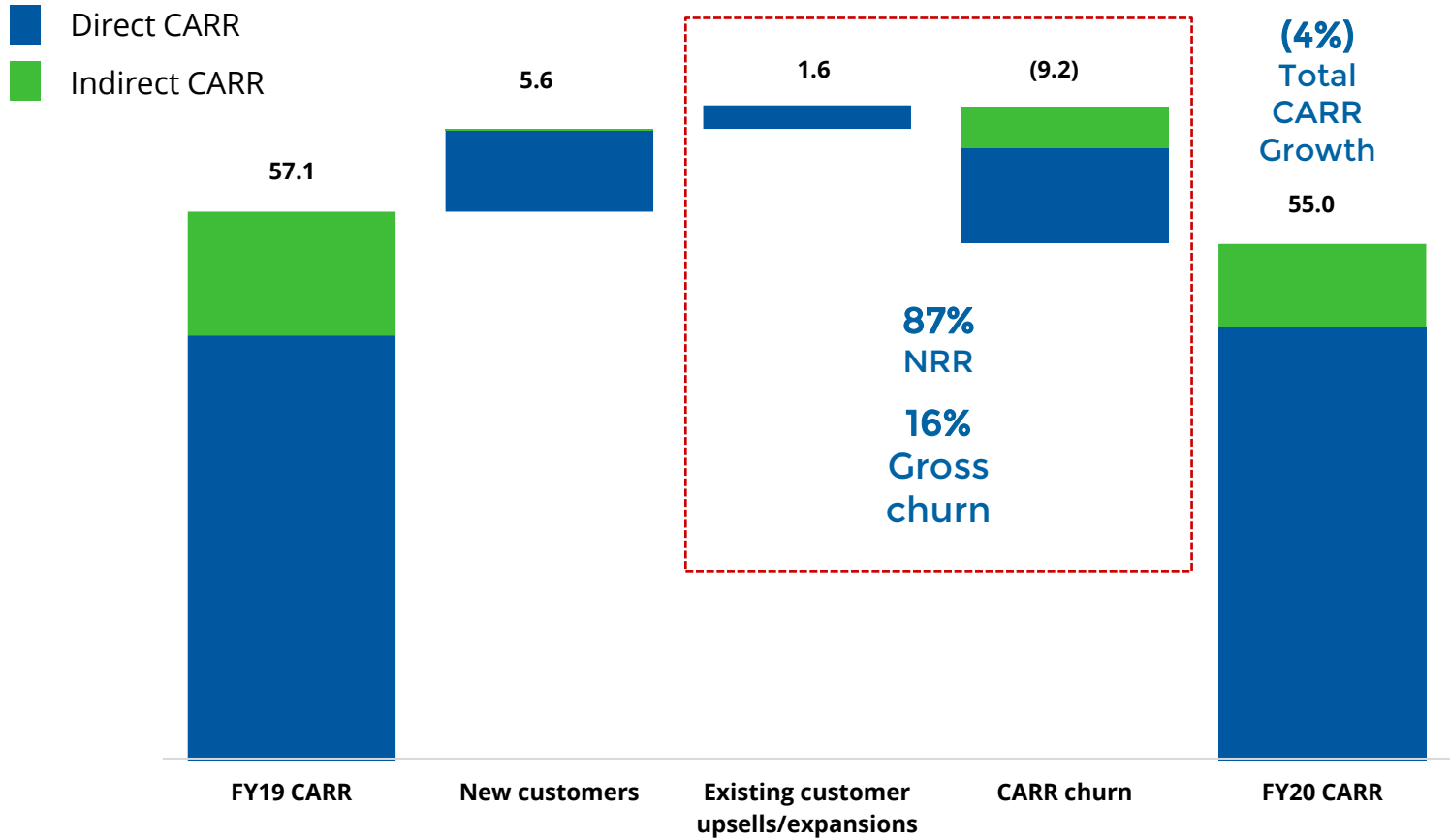
Commentary

- Revenue growth of 19.3% in FY20
- CARR leading indicator of forecast revenue
- Increasing EBITDA and profitability in FY20
- Increasing subscription revenue model

NOTE 1: Revenue CAGR between FY2015 to FY20
NOTE 2: Contracted Annual Recurring Revenue CAGR: 15%
NOTE 3: Subscription revenue as a % of total statutory revenue

CARR Performance

In US\$M



Commentary

- **Direct channel base remains strong.** The economic impact of COVID-19 slowed new customer growth and upsells/expansions, but Limeade maintained its overall direct book of business with FY20 direct channel growth of 1%
- Indirect customer channel decreased with a key reseller focused on midmarket impacted by COVID-19

Pipeline is Bigger Than Ever

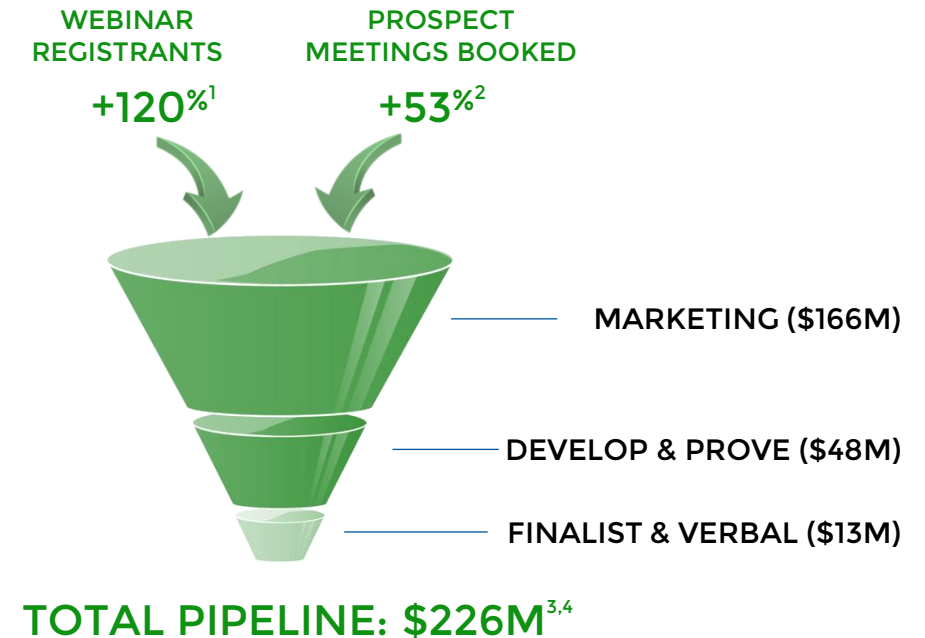
HIGHLIGHTS

474% Increase in qualified leads generated by Limeade webinars

3x Increase in top tier press coverage YoY

2.5x Increase in Limeade Engage 2021 conference registrations YoY

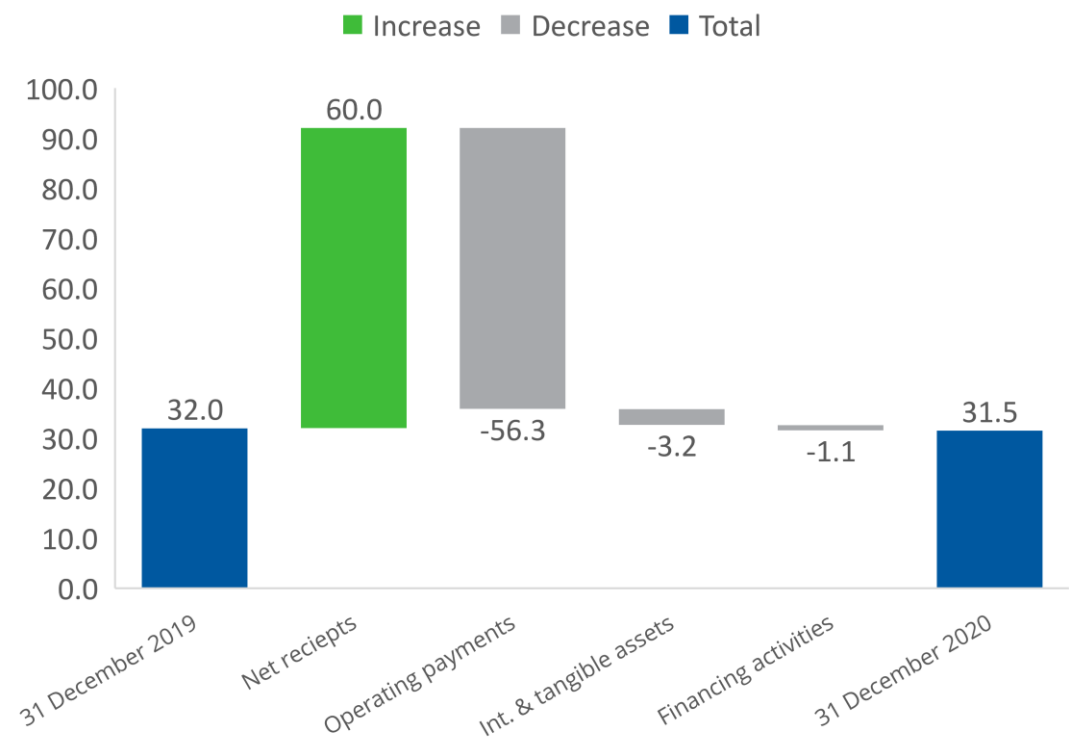
CREATING STRONG PIPELINE



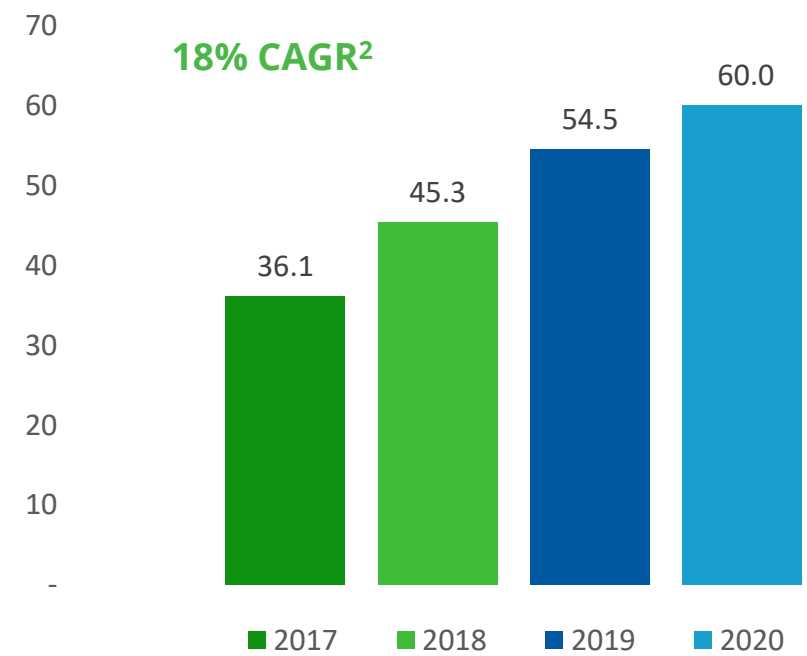
Cash Flow

FY20 Operating cash flow of \$3.8M up 36% from FY19. Cash balance of \$31.5M with no debt as at 31 Dec 2020. Strong cash management during COVID-19. Greatly capitalised to fund ongoing growth investments.

Cash Flow Bridge (US\$M)



Annual Net Cash Receipts¹ (US\$M)



NOTE 1: Annual cash receipts from customers after adjusting for payments made in relation to the sale of third-party products and services.
NOTE 2: Net cash receipts CAGR from FY2017 – FY2020

Pro Forma Income Statement

Summary of pro forma consolidated income statements

US\$ in millions	FY20A	FY19A	\$ Change	% Change
Subscription Revenue	\$ 54.9	\$ 45.5	\$ 9.5	20.8%
Other Revenue	1.7	2.0	(0.3)	(16.1%)
Revenue	56.6	47.4	9.1	19.3%
Cost of revenue	(12.5)	(11.1)	(1.4)	12.6%
Gross profit	44.1	36.4	7.7	21.3%
<i>Gross profit %</i>	78%	77%		1.3%
Sales and marketing	(17.8)	(15.7)	(2.1)	13.7%
Research and development	(16.8)	(14.7)	(2.1)	14.2%
General and administrative	(8.5)	(8.3)	(0.2)	2.1%
Total operating expenses	(43.1)	(38.7)	(4.4)	11.4%
EBITDA	1.2	(2.1)	3.3	160.3%
NPAT	\$ (0.3)	\$ (3.4)	\$ 3.1	92.1%

Commentary

- 19% revenue increase compared to pcg due to increase in customers signed in FY19 and launched in late FY19 and FY20
- 11% increase in operating expenses compared to pcg driven largely from an increase in the average headcount 236 in FY19 to 271 in FY20. The increased staffing costs were offset by reduced sales and marketing spend on events and travel as we shifted to webinars and remote meetings due to COVID-19
- EBITDA profitability of \$1.2M compared to loss in FY19 due to increase in revenue resulting from 2019 CARR growth and 2020 launched customers

Pro Forma Cash Flow

Summary of pro forma cash flows

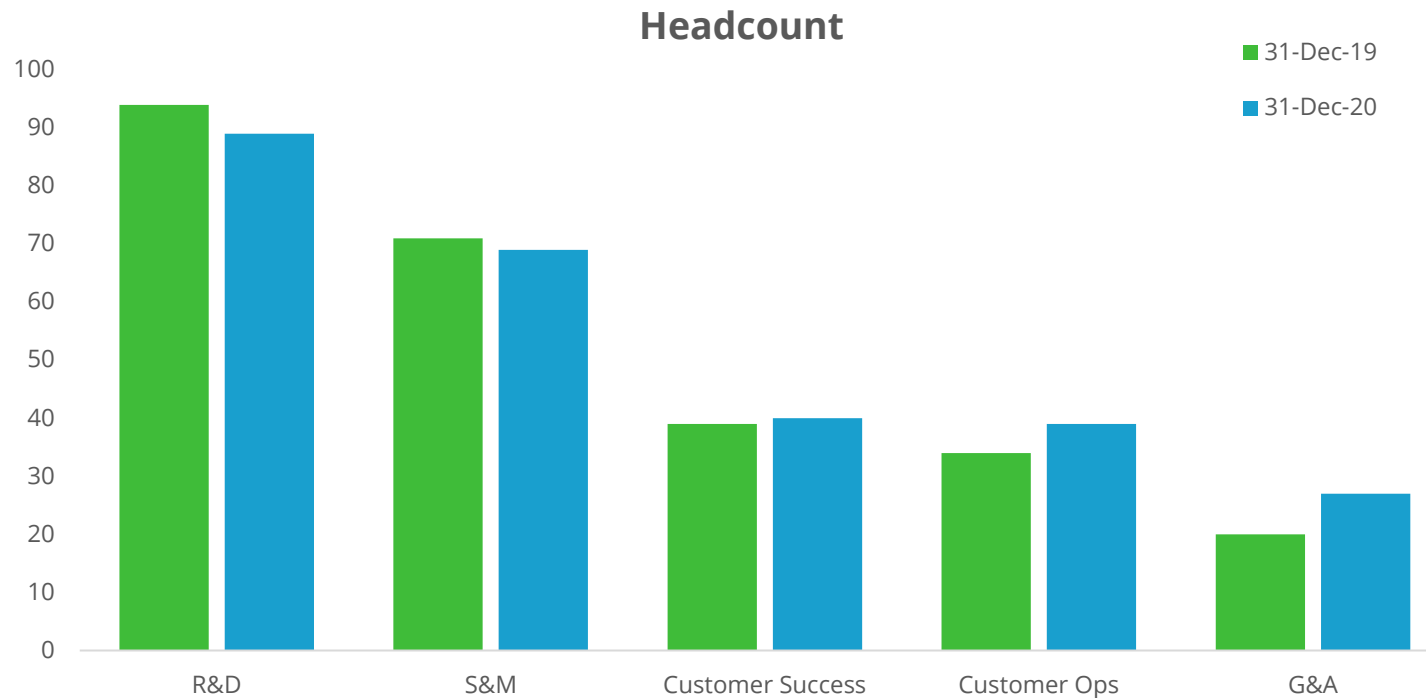
US\$ millions	FY20A	FY19A	\$ Change	% Change
EBITDA	\$ 1.2	\$ (2.1)	\$ 3.3	159.6%
Change in working capital	2.6	3.5	(0.9)	(26.9%)
Operating cash flow	3.8	1.4	2.4	165.3%
Capitalized development costs	(3.0)	(2.5)	(0.5)	20.0%
Business combinations	-	-	-	-
Other capital expenditures	(0.2)	(0.6)	0.4	(68.8%)
Free cash flow	\$ 0.6	\$ (1.7)	\$ 2.3	137.3%

Commentary

- FY20 operating cash flow of \$3.8M increased \$2.4M compared to FY19. This is due to improvements in EBITDA as well as continued improvement in working capital driven by increasing annual payment from customers
- Free cash flow improved by 137.3% from (\$1.7M) in FY19 to \$0.6M in FY20

Expense Base Drivers

Continued investment in people to execute on strategic plan and market opportunities offset by slowed hiring in the wake of the COVID-19 Pandemic



Commentary

- Limeade slowed hiring, at the beginning of the COVID-19 pandemic to ensure flexibility in the face of economic uncertainty
- Reduction in R&D headcount reflects temporary slowdown in hiring plus shift in mix from internal to external resources
- Growth in Customer Success and Customer Operations to support customer base and implement initiatives to deliver best-in-class service at scale
- Increases in General and Administrative teams to manage the requirements of a publicly listed growth company

FY21 Guidance

Continuing to invest in growth.

\$50–53M Revenue

(\$5–8M) EBITDA

(\$7–10M) NPAT

Commentary

- COVID-19 slowed new customer growth in 2020 and therefore impacted revenue outlook when coupled with 2021 forecast churn
- Growth in new 2021 customer acquisitions will continue to be seasonal, accelerating in H2 and contributing to revenue growth in 2022
- Continued investment in sales and marketing to capture growth in the booming demand for employee experience software, focused on the Limeade Well-Being solution
- Continued investment in product and platform innovation

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Limeade *transforms work* into a source of positivity, energy, humanity and purpose.

Employees who perceive that their companies care are¹:



2x

MORE LIKELY
to be engaged
at work

4x

LESS LIKELY
to suffer from
stress and
burnout

7x

MORE LIKELY
to feel included at
work

9x

MORE LIKELY
to stay at their
company for 3 or
more years

10x

MORE LIKELY
to recommend
their company as
a great place to
work

We're built to meet the moment, so our customers can too.

Deloitte.

"Making the shift from "survive to thrive" depends on an organization **becoming distinctly human at its core** – a different way of being that approaches every question, every issue, and every decision **from a human angle first.**"¹

"In a world where organizations are increasingly expected to deliver impact beyond shareholders to all stakeholders, **executives who deprioritize well-being as a goal of work transformation are missing a huge opportunity**"²

— Jen Fisher, Deloitte US Chief Well-Being Officer

joshbersin

"Employee Experience Is now a corporate strategy. While Well-Being started as a benefit provided by the compensation and benefits manager, **it is now central to your entire company strategy.**"³



Well-Being is an emerging professional priority for businesses.⁴

86%

of people think that a company's culture should support mental and emotional well-being

With the right capabilities for today and tomorrow.

Reach anyone, anywhere with low cost, mobile-first technology

Only Limeade **combines Well-Being, Inclusion and Engagement with real-time communications into a common, mobile UX** to meet the needs of today's changing and remote workforce

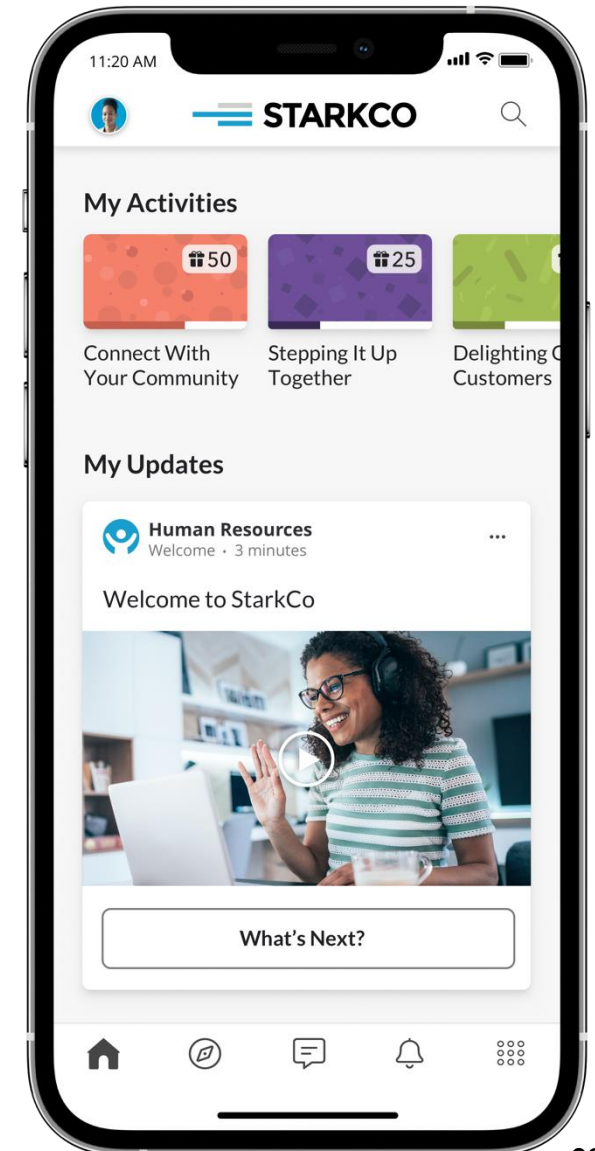
Flexibility to serve different populations

- Full-time, part-time, contingent, contract, union/non-union

Science-based, care-focused approach to elevating the employee experience

- A more human, customized and targeted approach based on applied Limeade Institute research

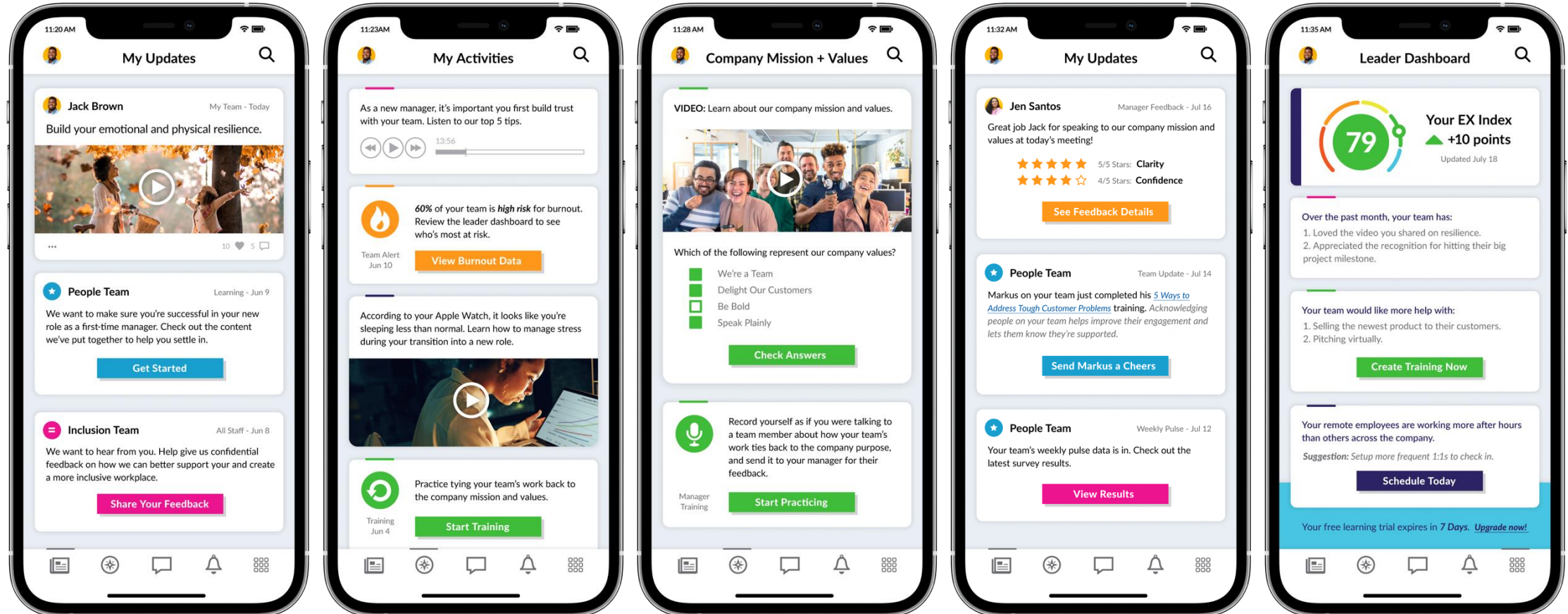
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Our Approach

Care + Culture in a Modern, Mobile User Experience

"Care and culture in a common mobile UX resonates strongly with EX Leaders"
— *Derive One research January 2021*



Strong, Primarily Organic Growth Strategy

Accelerated by complementary acquisitions



Poised and positioned to lead within the explosive-growth Employee Experience market

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Thank You

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Statutory Balance Sheet

US\$ in millions	FY2020A		FY2019A		\$ Change	% Change
Cash	\$	31.5	\$	32.0	\$ (0.5)	(1.5%)
Accounts receivable		8.1		7.0	1.2	16.5%
Other current assets		3.9		4.7	(0.8)	(16.4%)
Total current assets		43.5		43.6	(0.1)	(0.2%)
Intangible assets & Other		11.6		11.0	0.6	5.5%
Other non-current assets		0.4		0.9	(0.4)	(48.6%)
Total non-current assets		12.0		11.8	0.2	1.6%
Total assets		55.5		55.4	0.1	0.2%
Accounts payable		4.1		3.7	0.4	10.1%
Deferred revenue		10.1		8.3	1.8	21.3%
Other liabilities		13.4		16.1	(2.7)	(17.0%)
Total liabilities		27.6		28.2	(0.6)	(2.1%)
Total equity	\$	27.9	\$	27.2	\$ 0.7	2.6%

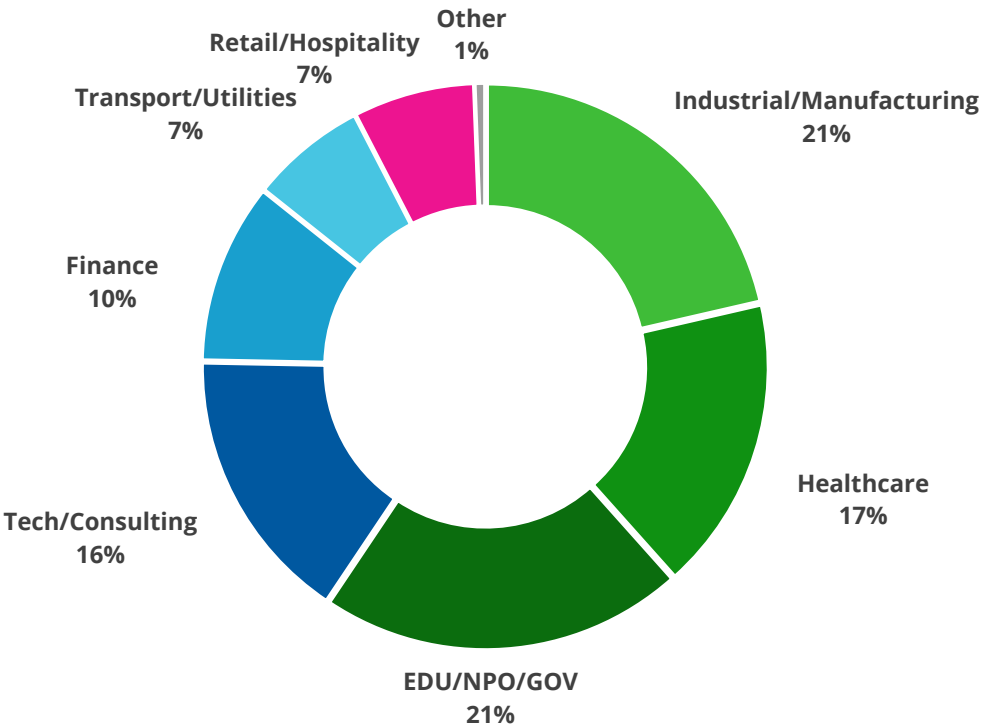
Commentary

- Cash position of \$31.5M as at 31 December 2020 represents a strong cash balance to fund future growth initiatives. At the onset of the pandemic discretionary spend was reduced in response to uncertainty in the macroeconomic environment
- 21% increase in deferred revenue due to increase in customers invoiced in advance

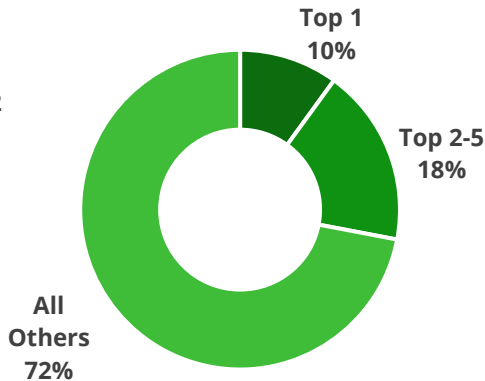
Diversified blue chip customer base

Despite COVID-19, Limeade did not see churn concentrated in any one industry and maintains a highly diversified customer base. Customers with greater than 10k employees increased from 75% as at 31 December 2019 to 80% as at 31 December 2020. Limeade has a highly diversified customer base with minimal reliance on any single customer or industry.

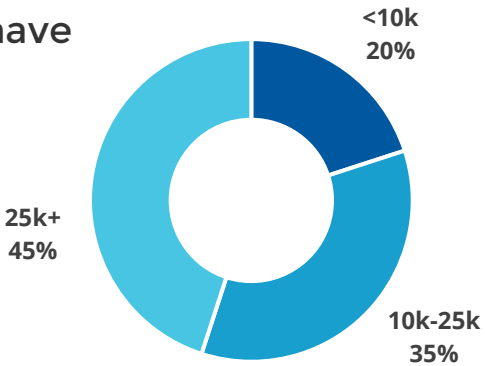
Highly diversified customer base¹



Customer CARR concentration FY20²



>75% of customers have >10k employees³



Direct vs Indirect customer count

	Actual FY2018	Actual FY2019	Actual FY2020
Direct Customer Count Rollforward			
Direct Customer Beg of Period	65	104	103
Direct New Customers	15	23	15
Direct Churned Customers	(9)	(26)	(16)
Direct Acquired Customers	30	0	0
Direct Spinoff New Customers	3	2	0
Direct Customers End of Period	104	103	102
Partner Customer Rollforward			
Partner Customer Beg of Period	98	83	70
Partner New Customers	10	7	3
Partner Churned Customers	(25)	(20)	(25)
Partner Customers End of Period	83	70	48
Total Customer Rollforward			
Total Customer Beg of Period	163	187	173
Total New Customers	25	30	18
Total Churned Customers	(34)	(46)	(41)
Total Acquired Customers	30	-	-
Total Spinoff New Customers	3	2	-
Total Customers End of Period	187	173	150
US/International Customers			
US Customers	87	84	83
International Customers	17	19	19
Total Direct Customers	104	103	102

Commentary

- Direct channel customer base remains strong. The economic impact of COVID-19 slowed new customer growth, but Limeade maintained its direct book of business
- The direct channel grew by 1% on a CARR basis vs pcp from \$48.7 million as at 31 December 2019 to \$49.3 million as at 31 December 2020
- Indirect churn increased over the past year driving customer count lower. In FY20, the average CARR size of indirect churned customers in FY20 was less than \$100k

Pro forma key operating and financial metrics

	Actual FY2018	Actual FY2019	Actual FY2020
Key Operating Metrics			
Net revenue retention (annual basis w/ Jan 1 CARR as beginning CARR)	98.2%	97.4%	86.6%
Average CARR per Direct Limeade Well-Being customer	\$ 526	\$ 639	\$ 651
Average CARR per customer	\$ 254	\$ 330	\$ 367
Customer success - headcount (period end)	30	39	40
Sales and marketing - headcount (period end)	55	71	69
Research and development - headcount (period end)	84	94	89
Total headcount (period end)	219	258	264
Key Financial Metrics			
Subscription revenue growth (% increase period over period)	15.1%	17.1%	20.8%
Gross profit growth (% increase period over period, no D&A)	16.6%	23.1%	21.3%
Gross profit margin (no D&A)	73.6%	76.6%	77.9%
Sales & marketing expense (as % of revenue, no D&A)	28.8%	33.0%	31.5%
Research and development expense (\$m, no D&A)	\$ 13.5	\$ 14.7	\$ 16.8
Capitalized research and development cost (\$m, no D&A)	\$ 1.1	\$ 2.5	\$ 3.0
Total research and development costs (\$m, no D&A)	\$ 14.7	\$ 17.2	\$ 19.8
Research and development expense (as % of revenue, no D&A)	33.7%	31.0%	29.7%
Total research and development costs (as % of revenue, no D&A)	36.6%	36.2%	34.9%
LTV/CAC - Direct ¹	5.7	5.7	2.4