

1H20 Financial Results

Henry Albrecht, CEO
Toby Davis, CFO
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ASX:LME



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Business Update

COVID-19 + Future of Work

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Q&A



Despite the global pandemic and recession,
customer retention remains strong,
long-term demand has grown significantly,
and ***Limeade continues to lead with innovation.***

— *Henry Albrecht, CEO*

About Limeade

Global



100+ countries

2.6M+ users

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

Award-Winning



**We're focused on
our own employee
experience**

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 175
of the best companies
in the world**

\$56.1M¹
98% recurring revenue²

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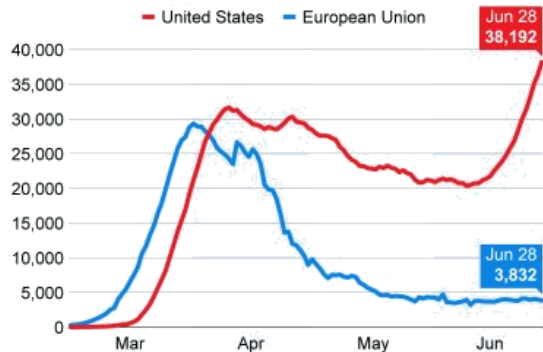
Q&A

2020: Unprecedented challenges

GLOBAL PANDEMIC¹

The State of the Unions

Seven-day rolling average of newly confirmed COVID-19 cases in the U.S. and the European Union



Source: Johns Hopkins University

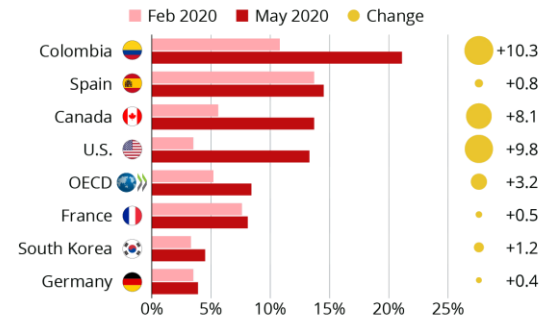


Newsweek statista

13% UNEMPLOYMENT IN CORE US MARKET²

Continental Divide in COVID-19 Unemployment Burden

Labor force unemployment in February and May 2020 in selected OECD countries (in percent)



Source: OECD

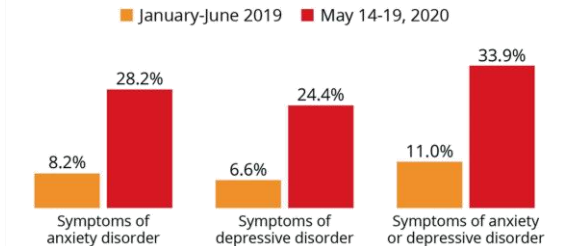


statista

REAL HUMAN IMPACT³

Pandemic Causes Spike in Anxiety & Depression

% of U.S. adults showing symptoms of anxiety and/or depressive disorder*



* Based on self-reported frequency of anxiety and depression symptoms. They are derived from responses to the first two questions of the eight-item Patient Health Questionnaire (PHQ-2) and the seven-item Generalized Anxiety Disorder (GAD-2) scale.

Sources: CDC, NCHS, U.S. Census Bureau



statista

Work has fundamentally changed

Gartner®

HOW WORK IS CHANGING

HR Priorities for 2020-2021¹

1. Future of Work
2. Critical skills and competency development
3. Organizational design and change management
4. Employee Experience
5. Current and Future Leadership

Future work trends post Covid-19²

1. Increase in remote working
2. Expanded data collection (listening)
3. Contingent worker expansion
4. Expanded employer role as social safety net for employee well-being
5. Separation of critical skills and roles
6. (De-)Humanization of employees



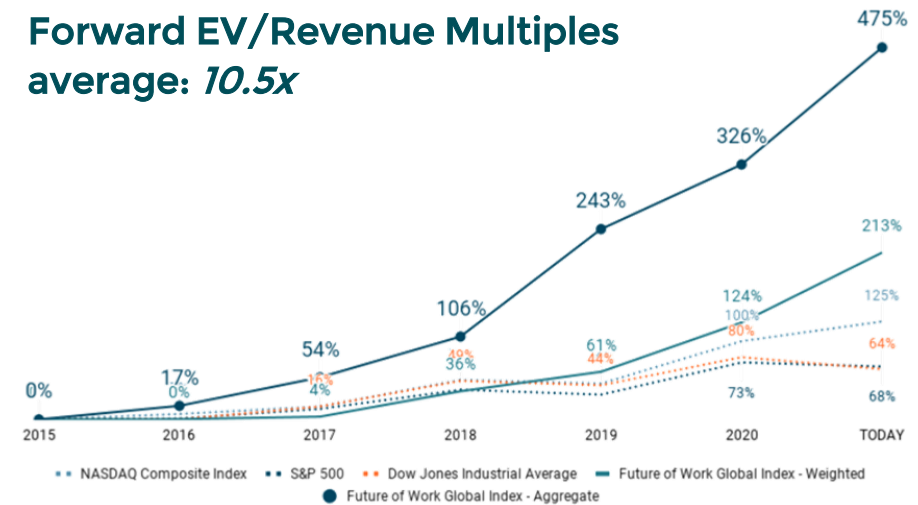
ACADIAN
VENTURES

FUTURE OF WORK INDEX

(Includes Limeade)

Outpacing NASDAQ and DJIA Indices *five years running*

Forward EV/Revenue Multiples
average: 10.5x



Source: The Acadian Company LLC, as of June 30, 2020

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NOTE 1: Gartner report and HR Priorities for 2020 - 2021, including EX - July 2020

NOTE 2: Gartner 9 Future of work trends post Covid-19 - June 2020

Our POV is resonating in the market

6X increase in top-tier press coverage during H1 2020 vs. PCP

Inc.

How Covid-19 Exposed 3 Big Flaws in the Way We Work¹

Employers are realizing, more than previously, that caring for employees is not just good for people, but good for business.

Dr. Laura Hamill, chief people officer and chief science officer of employee experience software company Limeade, believes there needs to be a radical rethinking of work.

Chief Executive



The New Abnormal²

As companies get back to business, CEOs are asking: how will the way we've worked change the way we work?

Forbes

Four Ways Leaders Can Engage Their WFH Teams During Covid-19³

An "Organizational Communication White Paper" by Limeade, an employee experience software company, found a positive correlation between increased communication and a favorable employee experience.



Josh Bersin, Global Analyst on Limeade:

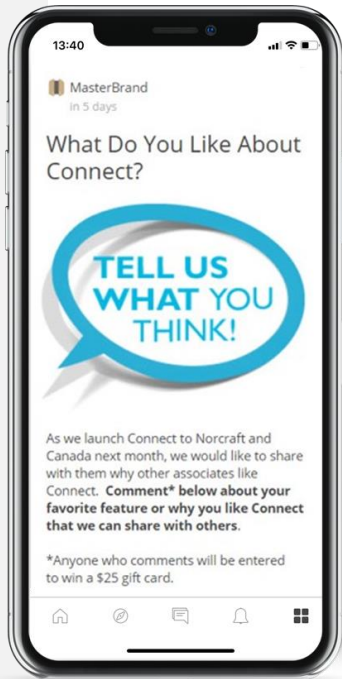
"Their entire focus is on **CARE** ... for individuals, managers, and teams, which is perhaps the **#1 issue companies face.**"

April 20, 2020

Investing in innovation

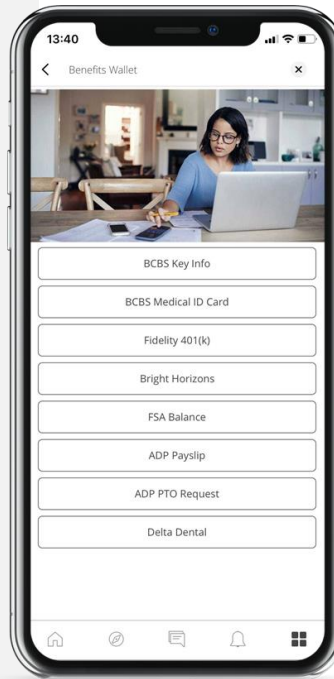
New and timely features showcase the power of the Limeade Platform

LISTENING



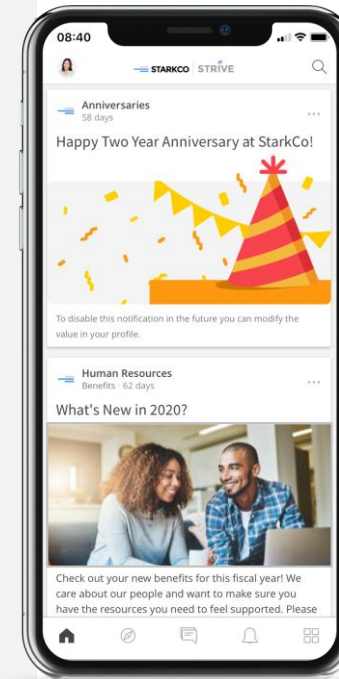
- ✓ **Enhanced Pulse Surveys**
- ✓ **"In The Moment" Well-Being Reminders**
- ✓ **Report a Safety Incident:** Instant alert reporting
- ✓ **Daily Health Check**
- ✓ **Ask a Question:** Enable employees to ask questions to key groups like HR, COVID-19 Task Force, Leadership and more

REACHING EMPLOYEES



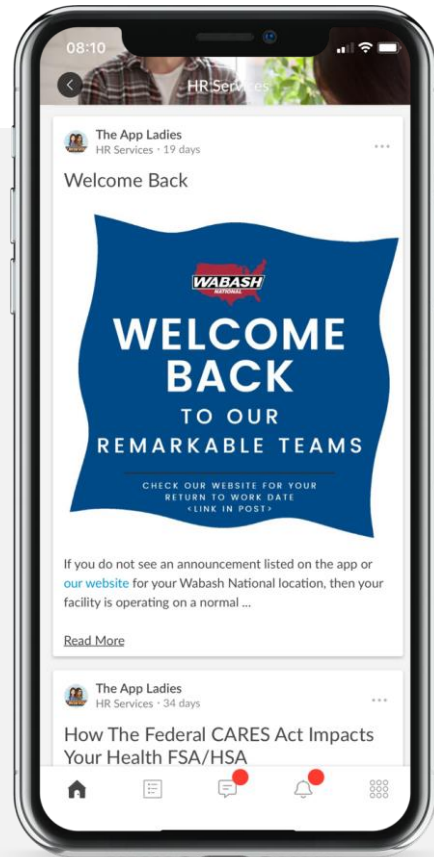
- ✓ **Care in Crisis Resource Center**
- ✓ **Leadership Spotlight:** Making leaders more visible and accessible
- ✓ **Return to Work Guide**
- ✓ **Onboarding Guide**
- ✓ **Emergency Notifications and Resource Center**
- ✓ **Benefits Wallet:** Every essential employee benefit in one place
- ✓ **Employee Resource Groups**

RECOGNITION



- ✓ **Automated Milestones:** Help employees feel valued and celebrated with automated birthday and work anniversary recognitions
- ✓ **Living Your Company Values:** Customizable badges that promote company values, reinforcing purpose and connection

Limeade is positioned to *lead*



THE *RIGHT* CAPABILITIES FOR THE FUTURE OF WORK

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

Only Limeade combines
**Well-Being, Inclusion
and Engagement with
real-time
communications**
to meet the needs of a
changing workforce

***Flexibility to
serve different
populations***

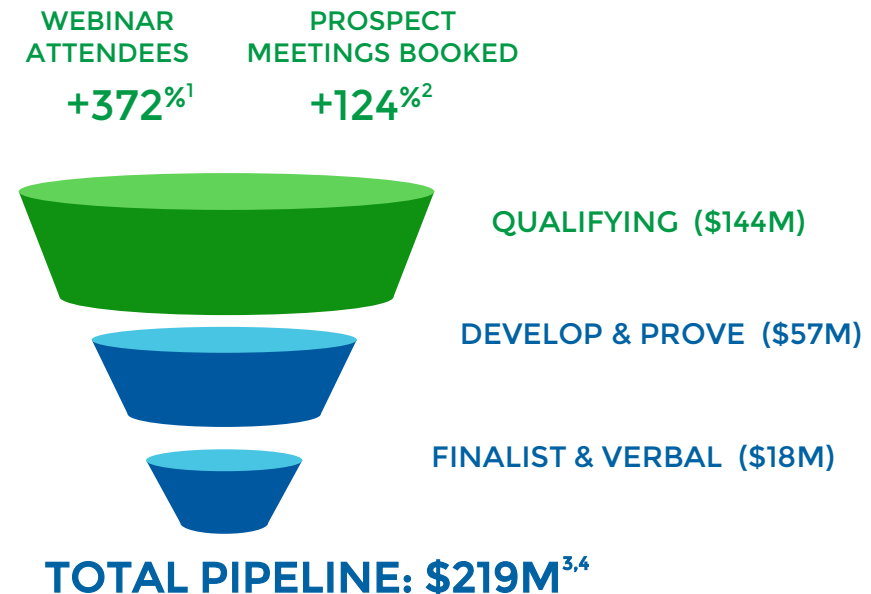
- Full-time
- Part-time
- Contingent
- Contract

Customer and pipeline momentum

CUSTOMER FEEDBACK

- **Top 5 Global Airline:** Limeade awarded “vital vendor” status
- **Top 5 Global Tech Company:** “Glad to have Limeade aboard for the journey. We view [Limeade] as utterly foundational now.”
- **Large German Global Manufacturing Company:** “Limeade is night and day better than our prior vendor”

CREATING STRONG PIPELINE



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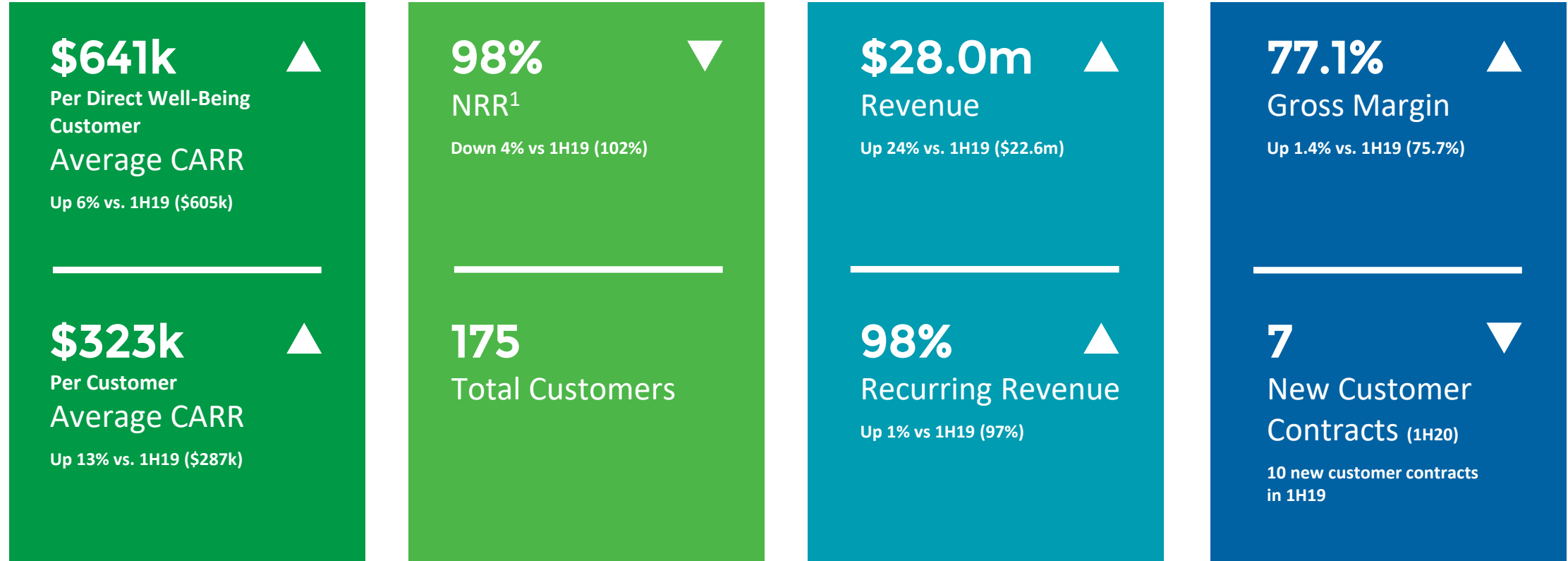
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Q&A

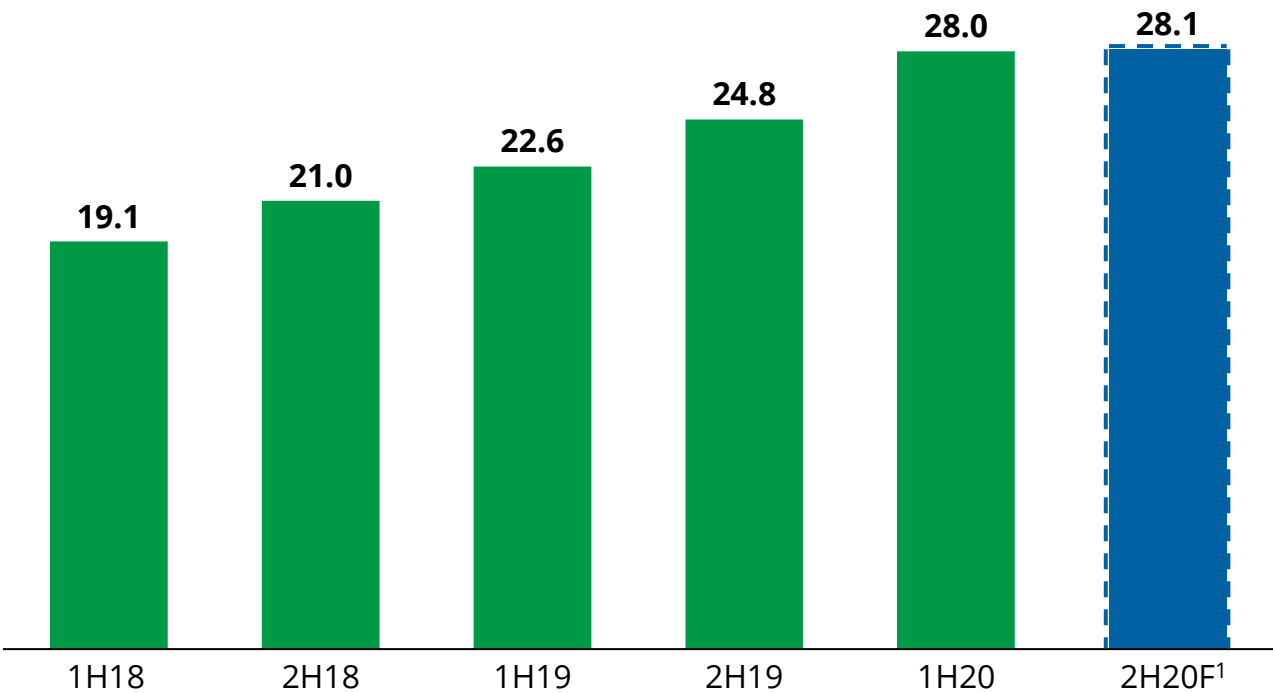
1H20 key operating metrics

Even with COVID-19, Limeade is seeing strong momentum with continued improvement across its key operating metrics



Consistent revenue growth

Strong and consistent revenue base due to SaaS revenue model and customer contract commitments



Commentary

- Customers typically sign 3-year contracts, and pay annual subscription fees in advance
- Average length of a customer relationship is over 7 years
- Average time to implement a new customer is ~90 days
- Diverse customer base by industry reduces sector concentration risk

Pro forma income statement

(in millions)	1H20	1H19	\$ Change	% Change
Subscription revenue	27.4	21.8	5.6	25.7%
Other revenue	0.7	0.8	(0.1)	(15.2%)
Total revenue	28.0	22.6	5.5	24.3%
Gross profit	21.6	17.1	4.5	26.2%
Sales and marketing expenses	(9.6)	(7.6)	(2.0)	26.0%
Research and development expenses	(8.6)	(7.3)	(1.3)	17.6%
General and administrative	(4.1)	(3.8)	(0.3)	7.8%
Total operating expenses	(22.3)	(18.7)	(3.6)	19.0%
EBITDA	(0.7)	(1.6)	0.9	58.2%

Commentary

- 24% revenue increase compared to PCP due to increase in customers signed in FY19 and launched in 2H 2019 and 1H20
- 19% increase in operating expenses compared to PCP largely from increases in headcount to 275 for 1H20 from 230 for 1H19
- Overall, 58% improvement in EBITDA loss compared to PCP due to increase in revenue and improvement in operational and marketing efficiencies

Pro forma cash flow

(in millions)	1H20	1H19	\$ Change	% Change
EBITDA	(0.6)	(1.5)	0.9	62.2%
Change in working capital	0.1	1.0	(0.9)	(93.7%)
Operating cash flow	(0.5)	(0.5)	(0.0)	0.9%
Capitalised development costs	(1.5)	(1.4)	(0.1)	8.2%
Other capital expenditure	(0.2)	(0.5)	0.3	(66.2%)
Free cash flow	(2.2)	(2.4)	0.2	7.7%

Commentary

- 1H20 operating cash flow of (\$0.5M) was flat compared to 1H19. This is due to improvements in EBITDA which were offset by timing differences in working capital
- Free cash flow slightly improved by 8% from (\$2.4M) in 1H19 to (\$2.2M) in 1H20

Statutory balance sheet

(in millions)	1H20	1H19	\$ Change	% Change
Cash	28.4	2.3	26.1	1126.8%
Accounts receivable	5.6	6.8	(1.1)	(16.8%)
Other current assets	4.8	4.0	0.8	19.5%
Total current assets	38.9	13.1	25.7	196.2%
Intangible assets & Other	11.1	10.5	0.5	5.1%
Other non-current assets	0.8	1.0	(0.2)	(24.4%)
Total non-current assets	11.8	11.5	0.3	2.6%
Total assets	50.7	24.6	26.0	105.7%
Accounts payable	2.1	3.0	(0.9)	(31.3%)
Line of credit	0.0	2.8	(2.8)	(100.0%)
Deferred revenue	10.5	7.2	3.3	45.2%
Other liabilities	12.1	14.5	(2.3)	(16.0%)
Total liabilities	24.7	27.5	(2.7)	(9.9%)
Total Equity	25.9	(2.8)	28.8	1016.7%

Commentary

- Cash position of \$28.4M as at 30 June 2020 represents a strong cash balance to fund future growth initiatives
- Line of credit balance \$0 as at 30 June 2020
- 45% increase in deferred revenue due to increase in customers signed in FY19 and billed in late 2019 and early 1H20

Expense base drivers

Continued investment in people to execute on strategic plan and market opportunities



Overall headcount has grown
from 230 to 275 in the 12 months to 30 June 2020

Commentary

- Investments in R&D to continue to drive Limeade Platform innovation and infrastructure to enable future solutions and additional features
- Investments in sales & marketing teams for pipeline growth and new geographic market expansion
- 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 due to managing the requirements of a publicly listed growth company

FY20 outlook

\$56.1M
Revenue

- Limeade **reaffirms** FY20 prospectus revenue forecast

(\$5.5–6.5M)
EBITDA

- Limeade **reaffirms** its guidance for FY20 EBITDA loss to be between \$5.5M and \$6.5M resulting in an improvement of between \$4.2M and \$5.2M from the prospectus forecast

(\$7–8M)
NPAT

- Limeade **reaffirms** its guidance for FY20 NPAT loss to be between \$7M and \$8M resulting in an improvement between \$4.4M and \$5.4M from the prospectus forecast

- Upgraded guidance versus prospectus forecasts was announced to the market on 31 July 2020. This was the result of savings due to a reduction in COVID-19 related travel expenses, transitioning to fully virtual marketing and customer events and moderation of hiring plans

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Q&A

Thank You

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