



ASX / MEDIA RELEASE

## December Quarterly Cash Flow Report and Business Update

SYDNEY, Australia and Bellevue, Washington. – January 31, 2020 – [Limeade](#) (ASX: LME, or the Company), an employee experience software company today announces a business update and Appendix 4C quarterly cash flow report for the three months ended 31 December 2019.

### Highlights:

- Successful listing on the Australian Securities Exchange (ASX) on 20 December 2019, raising A\$100 million (US\$68.4 million)
- US\$34.2 million in offer proceeds received by Limeade; remaining funds received by SaleCo for preferred stock liquidation preferences
- 13 new contracts signed during the quarter
- Contracted annual recurring revenue (CARR<sup>1</sup>) as at 31 December was US\$57.1 million
- Prospectus forecasts for FY19 and FY20 reaffirmed

During the quarter, the Company recorded cash receipts from customers of US\$19.0 million. Net cash receipts from customers after adjusting for payments made in relation to the sale of third-party products and services was US\$10.8 million. Cash payments during the quarter were primarily directed towards staff costs (US\$8.3 million), administration & corporate costs (US\$3.0 million), along with advertising & marketing (US\$0.7 million) and research & development (US\$0.2 million). Net operating cash outflow for the quarter was US\$2.2 million.

Proceeds from the issue of shares related to the IPO totaled US\$34.2 million. The Company recorded one-off cash payments relating to the repayment of the Comerica credit facility of US\$2.8 million and IPO costs of US\$3.1 million. The Company's closing cash balance was US\$32.0 million as at 31 December 2019.

Limeade continued to experience strong customer momentum in its cloud-based employee experience software solutions during the December quarter with 13 new contracts signed, including an enterprise customer who is a leading global supplier of technology and services. CARR improved quarter-over-quarter by 6.9% as at 31 December to US\$57.1 million (September

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<sup>1</sup> CARR represents the total value of contracted subscription revenue at a point in time, expressed on an annualised basis.

quarter: US\$53.4 million), and year-over-year by 20%, reflecting an increase in new direct customer signings and upselling and expansion initiatives with existing customers.

Limeade Founder and CEO Henry Albrecht said “We were pleased to have secured the support from a number of leading Australian institutional investors as part of our initial public offering on the ASX. Funds raised will help us in achieving our global growth objectives and leveraging the key benefits our proprietary Limeade platform. Limeade allows companies to show care for their employees.”

Net funds received by Limeade of approximately US\$30.2 million from the December IPO will be strategically deployed to fund the Company's stated objectives in the prospectus relating to delighting customers, selling Limeade solutions to new and existing customers globally and investing in Limeade platform and solution innovation. The Limeade platform unifies employee well-being, engagement and inclusion solutions with robust communications capabilities. Additionally, Limeade remains open to pursuing strategic, technologically aligned and culturally compatible acquisitions to accelerate growth.

*This release dated January 31 2020 has been authorised for lodgement to ASX by Mr Toby Davis, Chief Financial Officer of Limeade and lodged by Mr Todd Richards, the Limeade ASX Representative.*

– ENDS –

## Contact Information

### Company

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## About Limeade

Limeade is an employee experience software company that helps build great places to work. The Limeade platform unifies employee well-being, engagement and inclusion solutions with robust communications capabilities. Recognized for its own award-winning culture, Limeade helps every employee know their company cares. To learn more, visit [www.limeade.com](http://www.limeade.com).

## Disclosure

This ASX release does not constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of any securities referred to herein in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful. Any securities referred to herein have not been registered under the US Securities Act of 1933, as amended (the "US Securities Act") and may not be offered or sold in the United States or to US persons absent registration or an applicable exemption from registration under the US Securities Act and applicable state securities laws. In addition, any hedging transactions involving the securities referred to herein may not be conducted unless in compliance with the US Securities Act.

## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

Limeade, Inc.

**ABN**

637 017 602

**Quarter ended ("current quarter")**

December 31, 2019

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$US'000</b>	<b>Year to date (12 months) \$US'000</b>
<b>1. Cash flows from operating activities</b>			
1.1 Receipts from customers		19,021	86,293
1.2 Payments for			
(a) research and development		(162)	(576)
(b) product manufacturing and operating costs		(833)	(1,984)
(c) advertising and marketing		(663)	(2,365)
(d) leased assets		(34)	(298)
(e) staff costs		(8,265)	(35,836)
(f) administration and corporate costs		(3,011)	(10,464)
1.3 Dividends received (see note 3)		0	0
1.4 Interest received		0	0
1.5 Interest and other costs of finance paid		(54)	(244)
1.6 Income taxes paid		0	0
1.7 Government grants and tax incentives		0	0
1.8 Other – third-party payments		(8,233)	(31,882)
<b>1.9 Net cash from / (used in) operating activities</b>		<b>(2,235)</b>	<b>2,643</b>
<b>2. Cash flows from investing activities</b>			
2.1 Payments to acquire:			
(a) property, plant and equipment		(33)	(618)
(b) businesses (see item 10)			
(c) investments			

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (12 months) \$US'000
	(d) intellectual property	(1,091)	(2,489)
	(e) other non-current assets	0	0
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	0	0
	(b) businesses (see item 10)	0	0
	(c) investments	0	0
	(d) intellectual property	0	0
	(e) other non-current assets	0	0
2.3	Cash flows from loans to other entities	0	0
2.4	Dividends received (see note 3)	0	0
2.5	Other (provide details if material)	0	0
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(1,124)</b>	<b>(3,106)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	34,237	34,237
3.2	Proceeds from issue of convertible notes	0	0
3.3	Proceeds from exercise of share options	108	283
3.4	Transaction costs related to issues of shares, convertible notes or options	(3,089)	(3,305)
3.5	Proceeds from borrowings	0	2,000
3.6	Repayment of borrowings	(2,750)	(4,500)
3.7	Transaction costs related to loans and borrowings	0	0
3.8	Dividends paid	0	0
3.9	Other (provide details if material)	0	0
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>28,506</b>	<b>28,716</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	6,185	3,721
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,235)	2,643
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,124)	(3,106)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	28,506	28,716

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (12 months) \$US'000
4.5	Effect of movement in exchange rates on cash held	0	(11)
4.6	<b>Cash and cash equivalents at end of quarter</b>	<b>31,962</b>	<b>31,962</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$US'000	Previous quarter \$US'000
5.1	Bank balances	31,962	6,815
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>31,962</b>	<b>6,815</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$US'000
0
0



**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$US'000
0
0

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$US'000	Amount drawn at quarter end \$US'000
8.1 Loan facilities	15,000	0
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Limeade has a credit facility with Comerica Bank of \$15M with an interest rate of LIBOR plus 3% per annum.

9. <b>Estimated cash outflows for next quarter</b>	<b>\$US'000</b>
9.1 Research and development	(162)
9.2 Product manufacturing and operating costs	(625)
9.3 Advertising and marketing	(1,076)
9.4 Leased assets	(37)
9.5 Staff costs	(12,203)
9.6 Administration and corporate costs	(3,203)
9.7 Other – third-party payments	(8,965)
<b>9.8 Total estimated cash outflows – excluding cash inflows</b>	<b>(26,271)</b>

10. <b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	<b>Acquisitions</b>	<b>Disposals</b>
10.1 Name of entity		
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:

(~~Director~~/Company secretary)

Date: January 31 2020

Print name: Mr Toby Davis

### Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.