

FY20 Financial Results

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February 2021

limeade® ASX: LME





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.

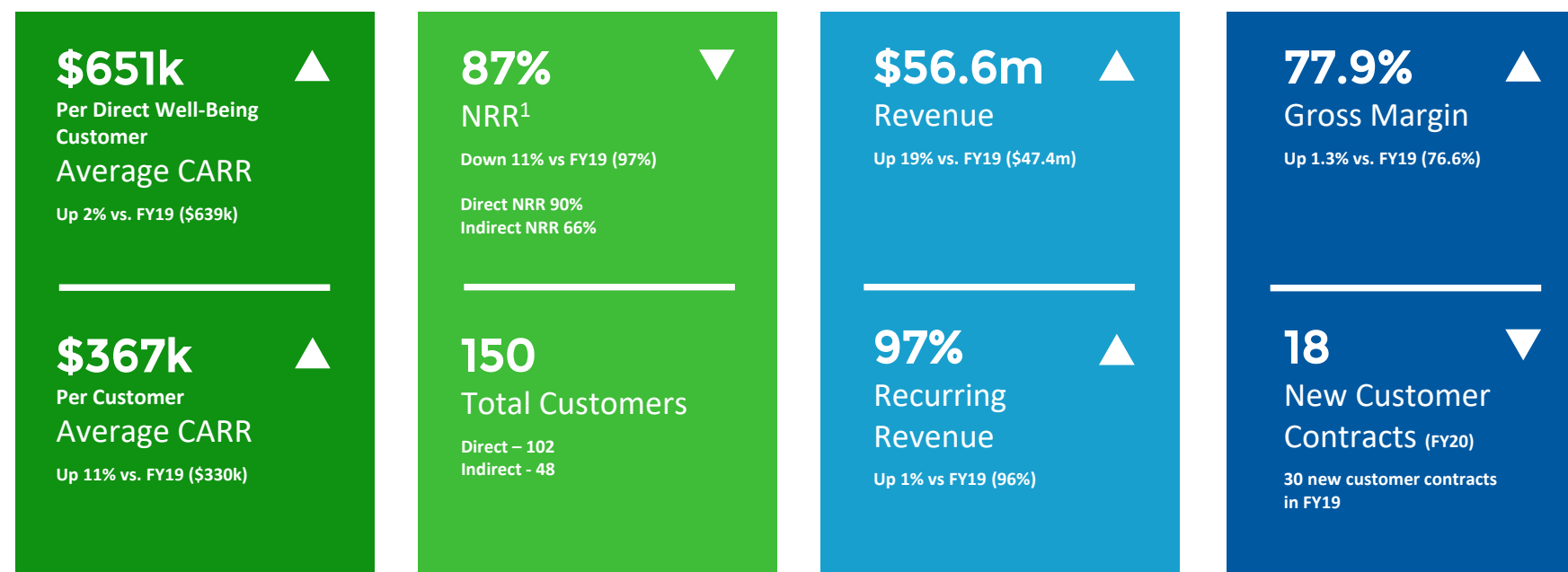


Why We Exist

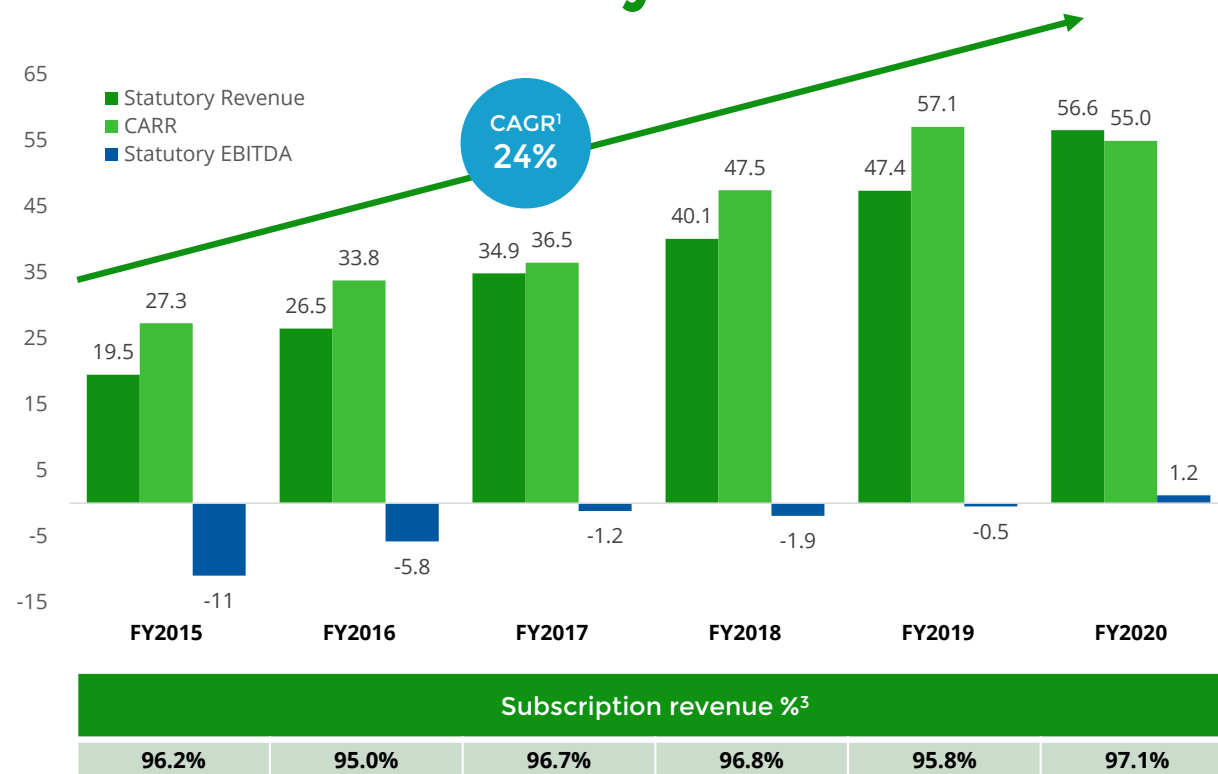
To transform work into a source of positivity, energy, humanity and purpose.

FY20 Key Operating Metrics

Limeade maintained stability and financial strength during the global pandemic.



Financial Summary



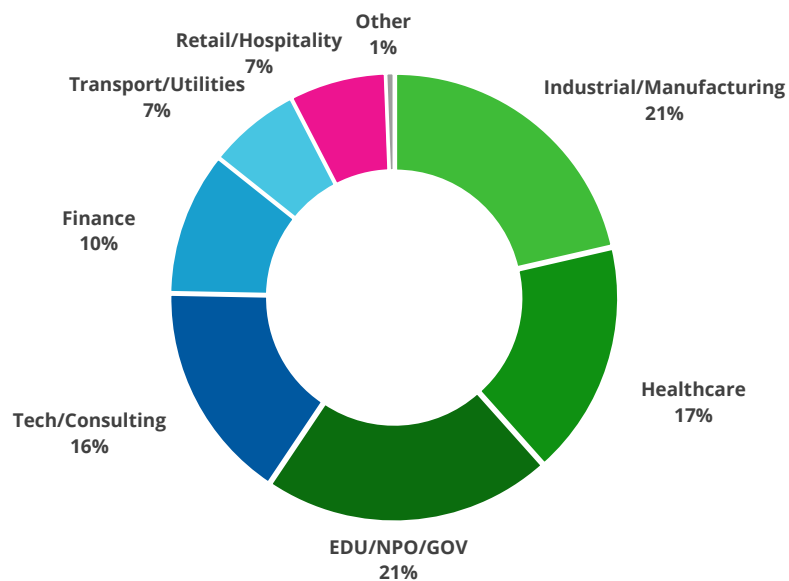
Commentary

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

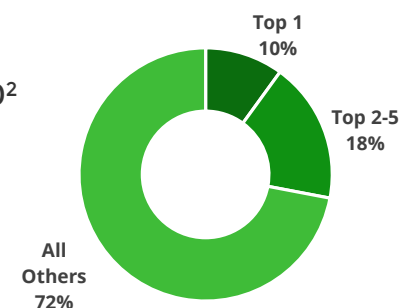
Diversified blue chip customer base

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.

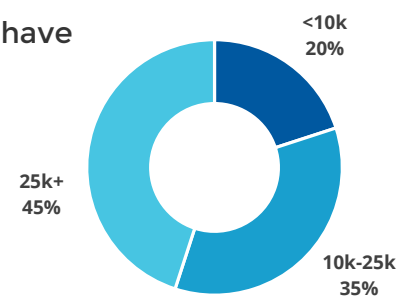
Highly diversified customer base¹



Customer CARR concentration FY20²



>75% of customers have >10k employees³



limeade

NOTE1: CARR - Contracted annual recurring revenue represents the total value of contracted subscription revenue at a point in time, expressed on an annualised basis. CARR balance by industry as of 30 December 2020.
NOTE 2, 3. As measured by CARR.

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



NOTE 1: LTV represents the lifetime value of \$1 in Direct new customer CARR. LTV is calculated by Limeade as its gross profit margin (using the average over the last 12 months) divided by gross revenue churn (using the average over the previous four years). CAC is a measure of the cost to acquire \$1 of CARR and is calculated by the total amount spent on Direct customer acquisition through sales and marketing activities in a period, divided by the total Direct new customer CARR acquired in that period.