



APPENDIX 4E
PRELIMINARY FINAL REPORT

LIMEADE, INC.

For the year ended 31 December 2021

Limeade, Inc.

Appendix 4E

Preliminary final report

1. COMPANY DETAILS

Name of entity:	Limeade, Inc.
ABN:	637 017 602
Financial year ended (reporting period)	31 December 2021
Financial year ended (previous period)	31 December 2020

2. RESULTS FOR ANNOUNCEMENT TO THE MARKET (NOTE: ALL AMOUNTS IN USD)

	Up/(down) \$USD '000	% change	31 December 2021 \$USD '000	31 December 2020 \$USD '000
Revenue from ordinary activities	(1,389)	(2%)	55,196	56,585
(Loss) from ordinary activities after tax attributable to shareholders	(9,700)	(3,660%)	(9,965)	(265)
Net (Loss) attributable to shareholders	9,244	(1,954%)	(9,717)	(473)

3. DIVIDEND

The company has not declared, and does not propose to pay, any dividends for the year ended 31 December 2021. There are no dividend or dividend reinvestment plans in operation.

4. NET TANGIBLE ASSETS PER SECURITY

	31 December 2021 \$USD	31 December 2020 \$USD
Net tangible assets per security	0.08	0.08

Net tangible assets are defined as the net assets of Limeade, Inc., less intangible assets.

5. PRINCIPAL ACTIVITIES

The principal activity of Limeade, Inc. is the development and sale of enterprise employee experience software.

6. COMMENTARY ON RESULTS**Business summary and key performance indicators**

The key performance indicators of the financial results are as follows:

- Recorded revenues of \$55.2 million for the year ended 31 December 2021 compared to revenues of \$56.6 million for the year ended 31 December 2020
- Recorded gross margins of 73% for the year ended 31 December 2021 compared to 77% for the year ended 31 December 2020
- The net loss after tax for the year ended 31 December 2021 is \$10.0 million compared to a loss of \$0.3 million for the year ended 31 December 2020
- The net cash provided by operating activities for year ended 31 December 2021 is (\$5.2) million compared to \$3.8 million for the year ended 31 December 2020

The 2021 financial year for Limeade continued to present persistent headwinds associated with the COVID-19 pandemic and the return to normal business activity, particularly in the first half of the financial year. This global uncertainty did continue to impact enterprise budgeting and decision-making processes, which has impacted overall growth in CARR and recorded revenues.

However, Limeade met its financial guidance for revenue, EBITDA and net loss after tax expectations for the year ended 31 December 2021, reflecting the strong customer retention within the core enterprise well-being customer segment, the additional revenue contribution from the TINYpulse acquisition and prudent cost management within the Company. The reduction in expenditure resulted from a general slowing down of new hires and changes to the marketing and sales spend to more remote/virtual channels, including the fifth Annual Limeade Engage conference moving to a fully virtual platform for the second consecutive year.

Limeade expenditures in sales and marketing decreased 4% from \$17.9 million for the year ended 31 December 2020 to \$17.1 million for the year ended 31 December 2021.

Investment into the Limeade platform and acquisition of the TINYpulse R&D center in Vietnam resulted in an increase of research and development expense, which grew 20% from \$17.0 million for the year ended 31 December 2020 to \$20.4 million for the year ended 31 December 2021.

During the year, the Company released new activities to support employee well-being and COVID-19 along with engagement and inclusion. Additionally, product teams delivered key platform upgrades and global support capabilities. New capabilities focused on reaching dispersed and global workforces, employee listening (via TINYpulse acquisition), recognition and more. Limeade also delivered additional key partnerships highlighted by the Microsoft Teams integration, whereby Limeade will deliver well-being activity content to Microsoft Teams users

The cash balance was \$13.9 million at 31 December 2021 with no debt compared to a \$31.5 million cash balance at 31 December 2020 with no debt. The reduction in cash was driven largely by the acquisition of TINYpulse, which included a \$9.1 million upfront cash payment.

Limeade continues to manage cash that will be used for future organic and inorganic growth opportunities in the business to improve and enhance the product and build pipeline and, ultimately, the grow the Limeade global customer base.

7. DETAILS OF ENTITIES OVER WHICH CONTROL HAS BEEN GAINED OR LOST DURING THE PERIOD

Entity:	TINYpulse
Date control gained:	28 July 2021

The Company operates as a single operating segment and does not calculate profit and loss on an unconsolidated basis.

8. ASSOCIATES AND JOINT VENTURE ENTITIES

There are no associate or joint venture entities.

9. FOREIGN ENTITY ACCOUNTING STANDARDS

The financial statement contained within the Preliminary Financial Report have been prepared in conformity with generally accepted accounting principles in the United States of America ("U.S. GAAP").

10. FINANCIAL REPORT

The following financial report included in this Appendix 4E should be read in conjunction with any public announcements made by Limeade, Inc. in accordance with the continuous disclosure obligations of the ASX listing Rules.

This Appendix 4E and the included financial information are based on the Consolidated Financial Statements and Notes of Limeade, Inc. which have been audited by Deloitte & Touche LLP with an unqualified opinion issued.

SIGNED



Todd Spartz
Chief Financial Officer

24 February 2022