

Q4 update

Long-term profitable growth – before, during and after the pandemic

February 16, 2021



Today's presenters



Erik Syrén, CEO
Lime since 2001



Nils Olsson, COO
Lime since 2006



This is Lime

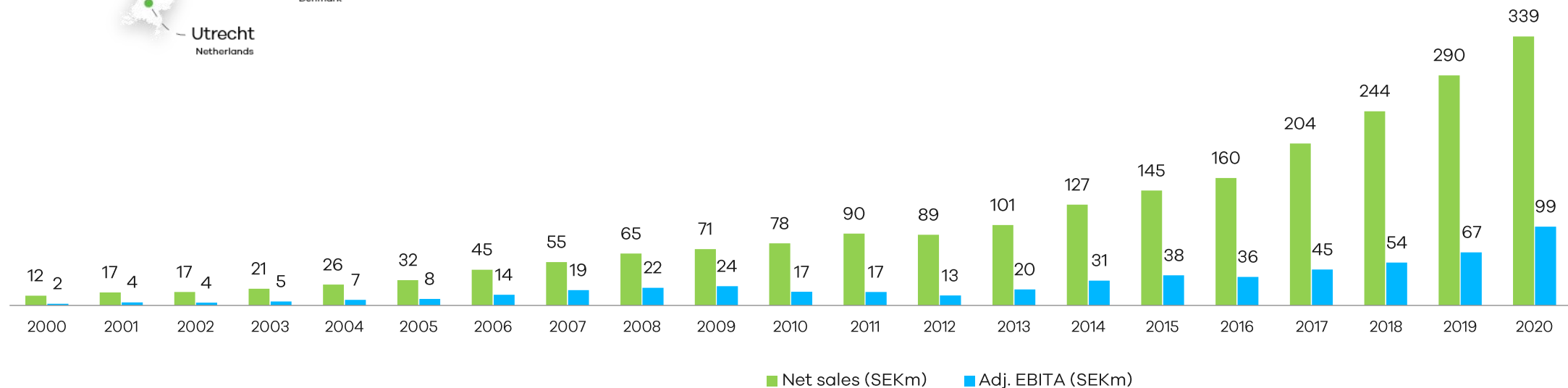
Nordic SaaS CRM expert with solid growth opportunities

Geographical footprint



Key success factors

- **Long history of profitable growth:** 2000-2020 CAGR of 19 % in net sales & CAGR of 25 % in adjusted EBITA.
- **SaaS as a business model:** Approx. 60 % of net sales are recurring.
- **Sticky customer base:** More than 5 000 customers with low customer concentration. 10 biggest customers stand for less than 7 %.
- **Strong corporate culture** with high engagement among employees.





Agenda

1. Investments

**2. Order
intake**

3. Revenue

4. Profit

5. Targets

6. Summary



Agenda



1. Investments



Welcome new Limerz!



Elin Gustafsson
Project Manager
Lund



Jonathan Sjöqvist
Customer Success
Manager, Stockholm



Markus Klepely
Project Manager
Oslo



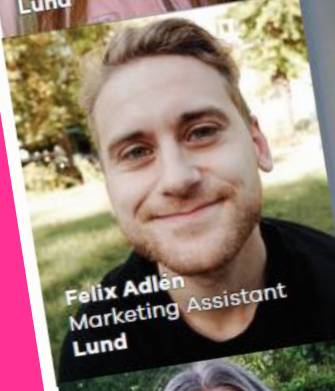
Lucy Chyzhova
UX, UI Designer
Lund



Youri
Project Manager
Utrecht



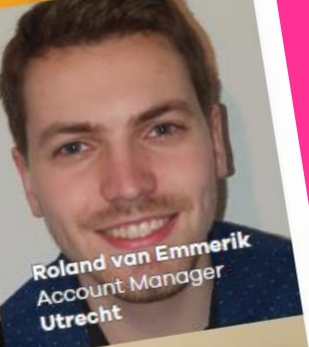
Ifigenia Doshoris
Marketing Assistant
Lund



Felix Adlén
Marketing Assistant
Lund



Julia Matsson
Account Manager
Stockholm



Roland van Emmerik
Account Manager
Utrecht



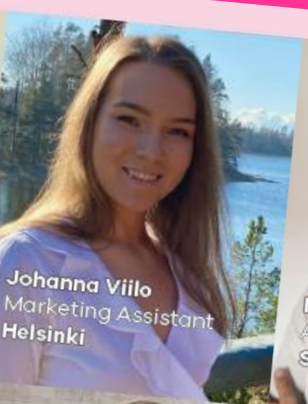
Stefan Persson
Senior Developer
Utrecht



David Akkerman
Application Consultant
Utrecht



Andrew Wren
Senior Developer
Lund



Johanna Viilo
Marketing Assistant
Helsinki



Markus Janetzky
Account Manager
Stockholm



Omar Al-Weli
Developer
Lund



**Tilde Montgomerie
Johnsson**
Customer Success
Manager, Stockholm



Minna Iholin
Project Manager
Helsinki



Rasmus Flomén
Developer
Lund



Lone Rimstad
Project Manager
Oslo



Victor Munthe
Project Manager
Gothenburg



Øystein Nilssen
Account Manager
Oslo



Sander Jensen
Application Consultant
Oslo



Substantially growing organization while increasing employee satisfaction

Lime is an attractive employer

~5 000
applicants
and ~75 new
employees
2020

~25 employees began in Jan
and ~45 began in Aug

~95% have academic
Degree

>50% are women



Trainee program for new hires

On-boarding



- Kick-off
- Follow-up education x2
- Graduation!
- Personal development plan
- Start in January and August



Strong corporate culture



Employee net
promoter score

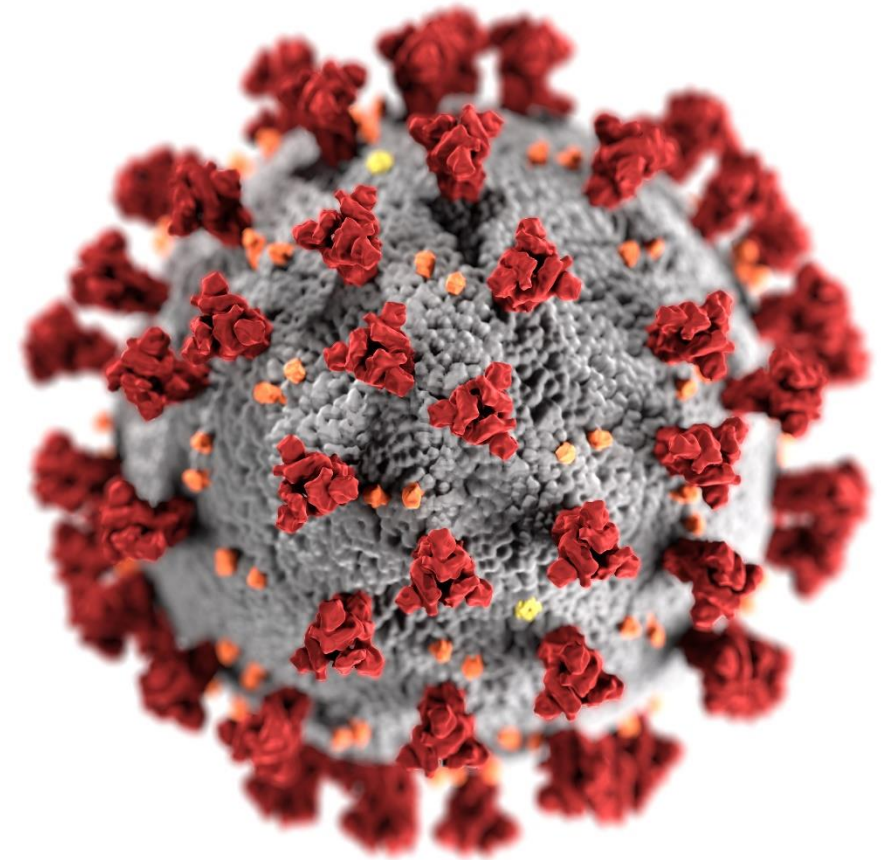
37

(on scale from -100 to +100)
February 2021



Impact

- Order intake less than expected from new customers during mid-March to May.
- Many of our customers decided to have extended holidays.
- Reduced sales to new customers.
- The business climate is getting better and better.
- Good profitability during the whole year.





Agenda

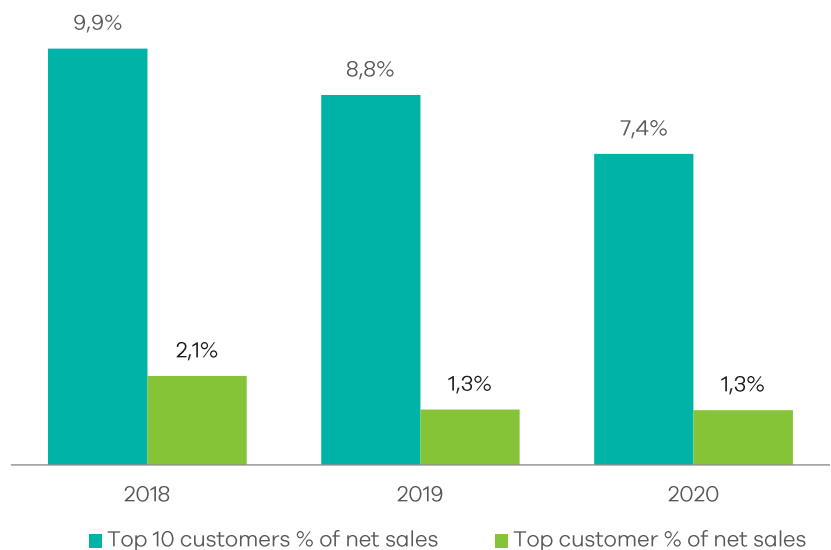
1. Investments

**2. Order
intake**

Several deals in the Nordics

Good mixture of small, midsize and large enterprises

Customer concentration



Agenda



1. Investments



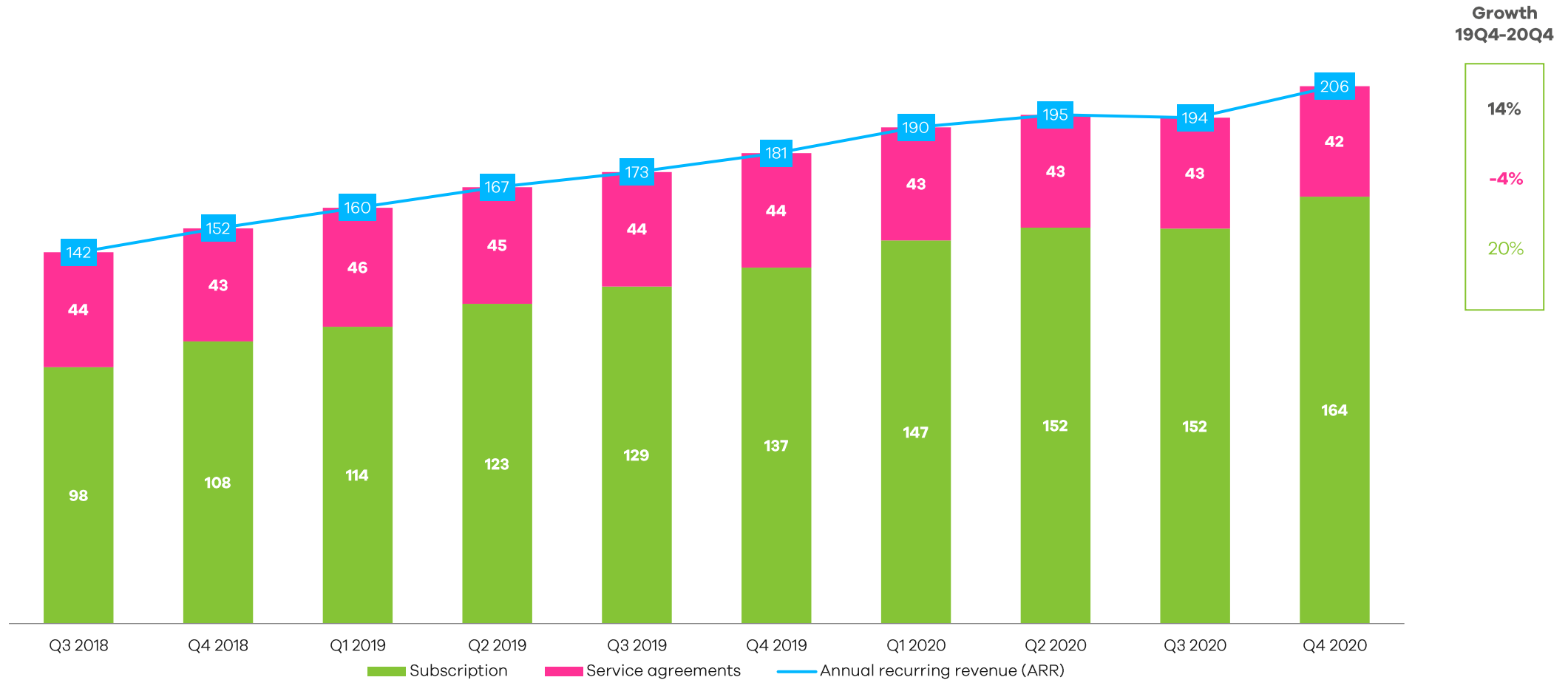
**2. Order
intake**



3. Revenue

Increase in annual recurring revenue drives growth

ARR development (SEKm)

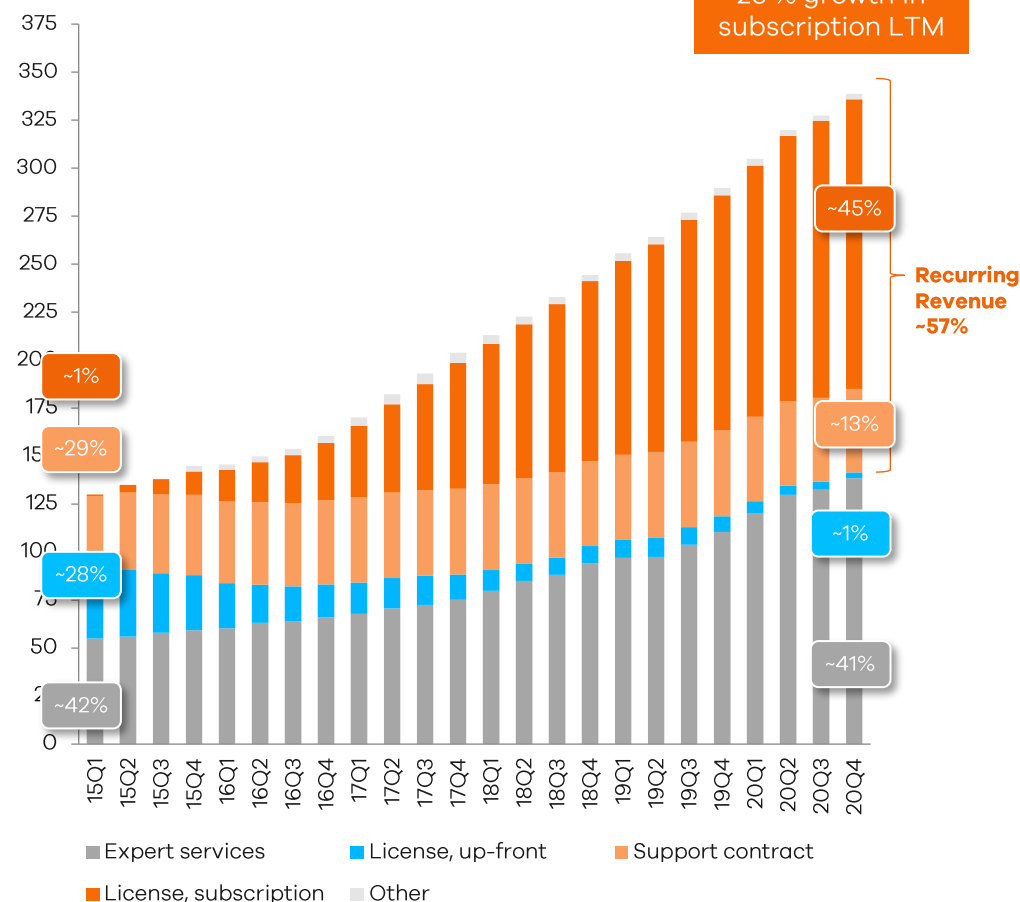


Transition from up-front to subscription pricing model since 2015 is nearly complete

Recurring revenue is growing rapidly

Pricing model transformation over time

LTM net sales by revenue stream, SEKm



Revenue guidance

License, subscription

- ✓ CRM system mainly as subscription
- ✓ Increased sales team to drive further ARR for subscriptions

Support contract

- ✓ Support contract sold together with up-front licenses
- ✓ No addition to support contracts as a result of nearly no up-front sales, Support contracts for existing up-front clients still generate revenue

License, up-front

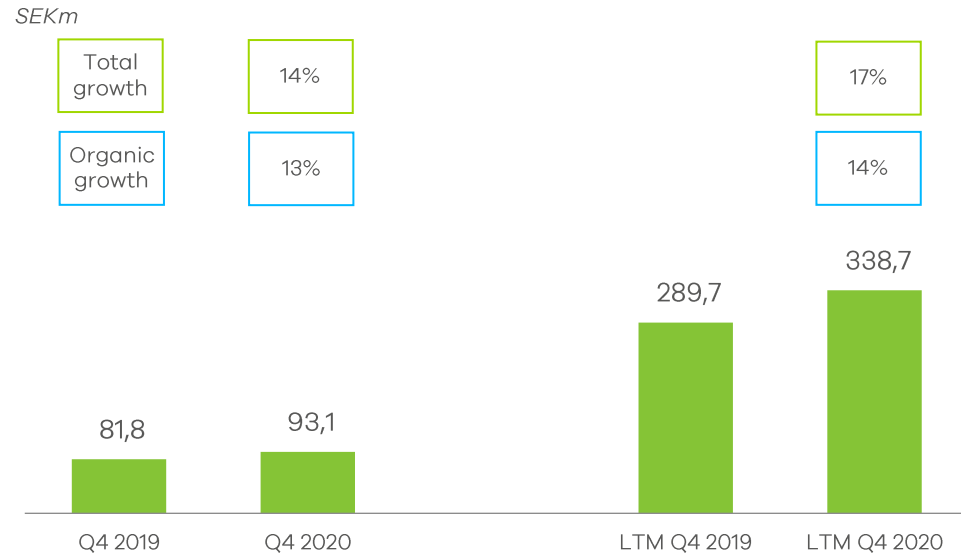
- ✓ Revenue stream in decline as the products are sold as SaaS
- ✓ Some existing clients still buy more licenses up-front

Expert services

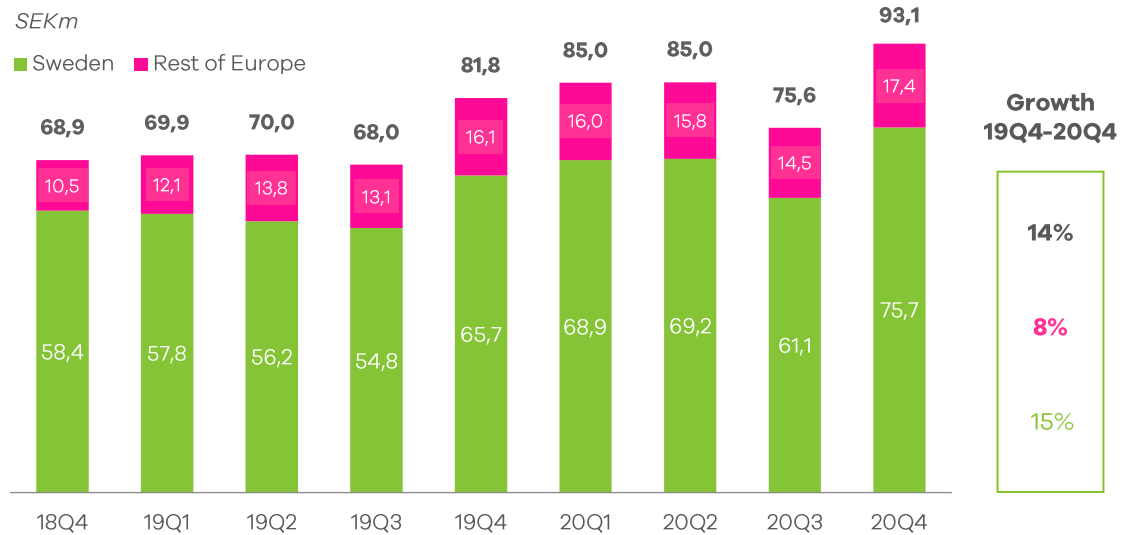
- ✓ Large part of sales derives from existing customers
- ✓ Customer base is growing, expected to drive expert services growth but decreases as part of total net sales

Revenue

Net sales development



Split by geography



Traction across geographies

SEKm

○ Y-o-Y growth (%)





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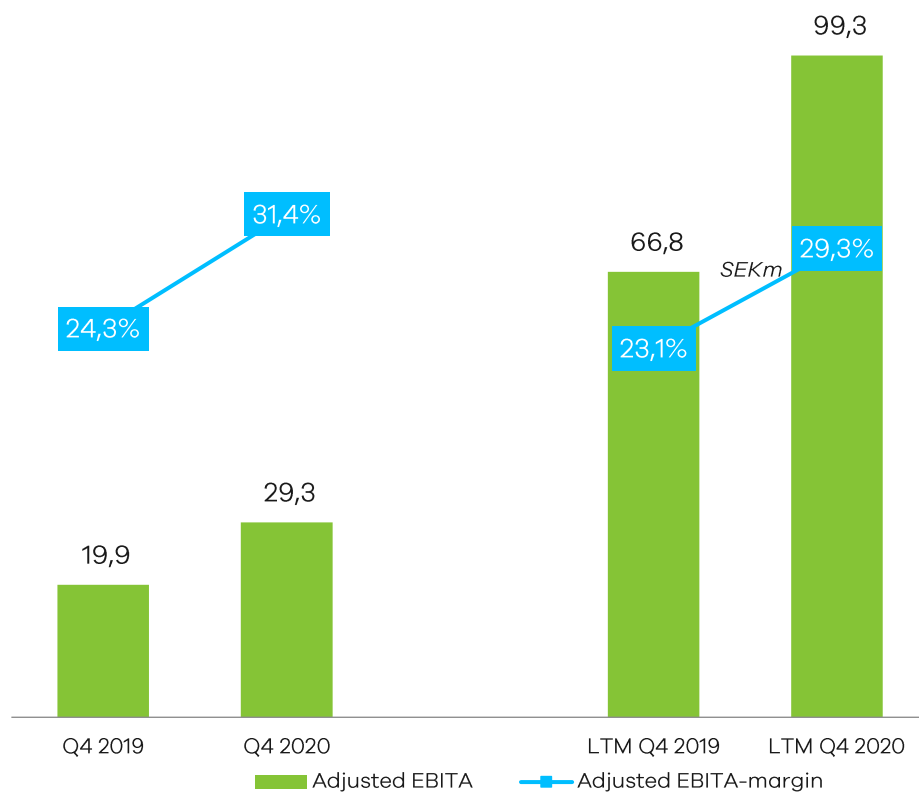
4. Profit

Profit

Reaching an adjusted EBITA margin of 31 % in Q4 2020

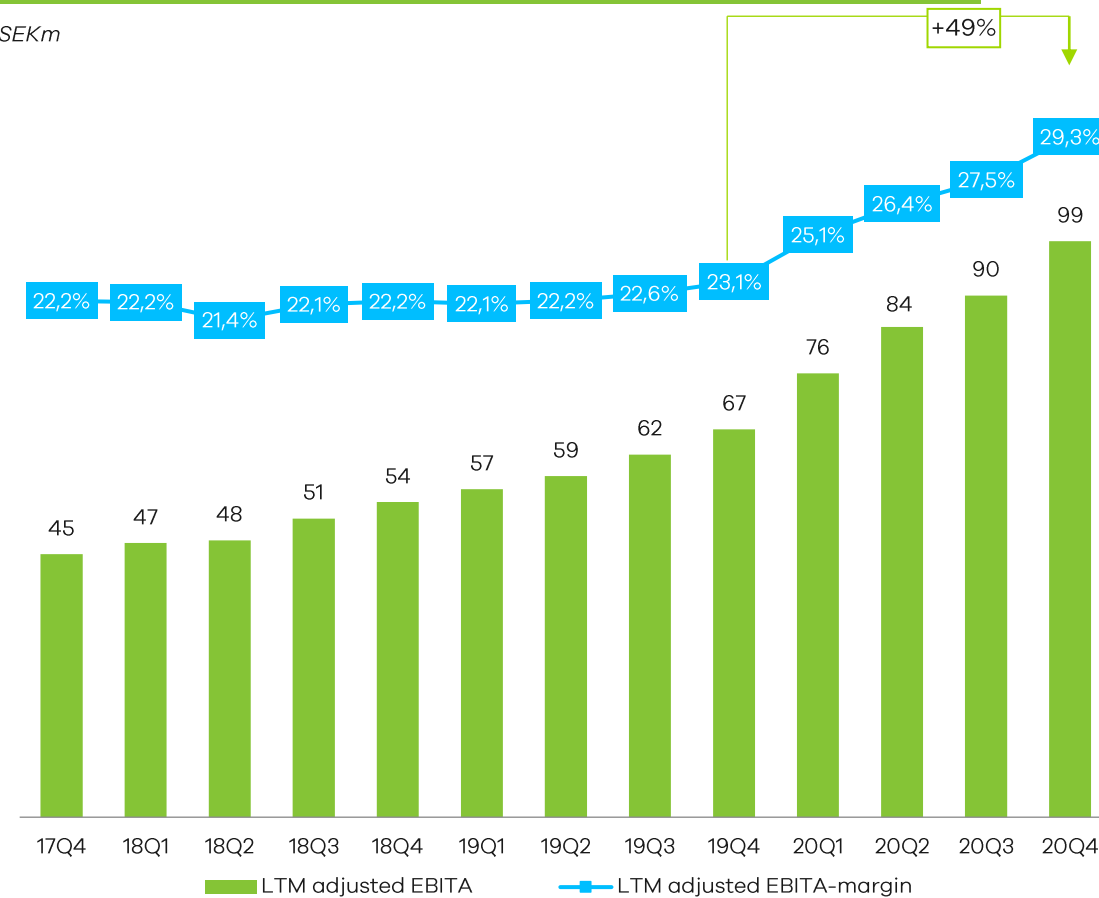
EBITA development¹⁾

SEKm



Rolling LTM EBITA and margin development¹⁾

SEKm



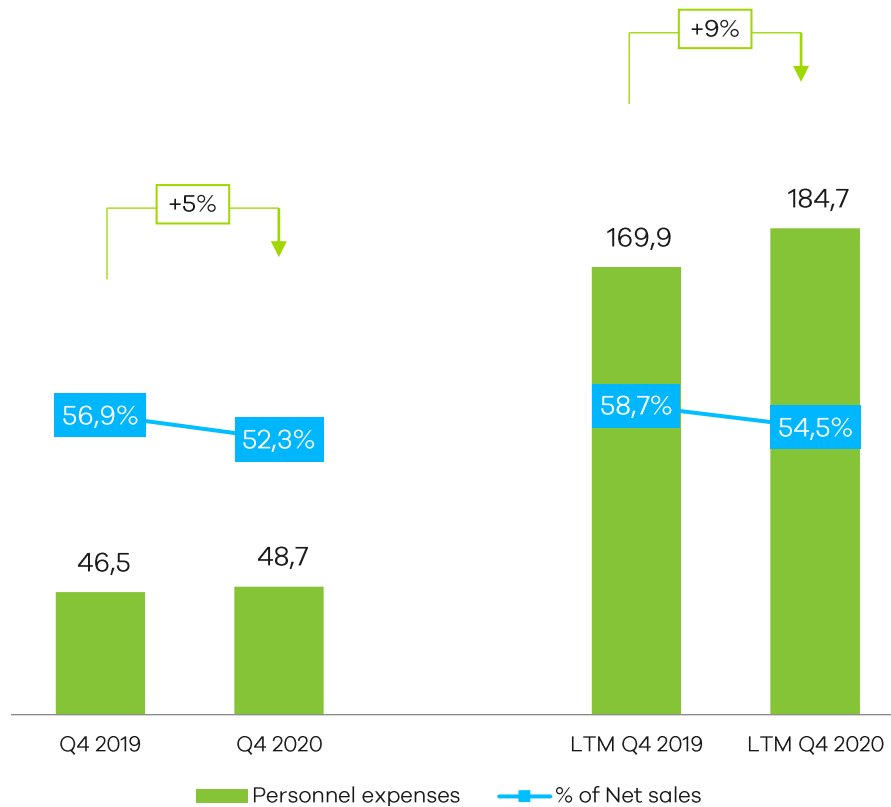
Note: 1) EBITA adjusted for IPO and acquisition related expenses.

OPEX development

Large majority of operating expenses related to growth in FTEs

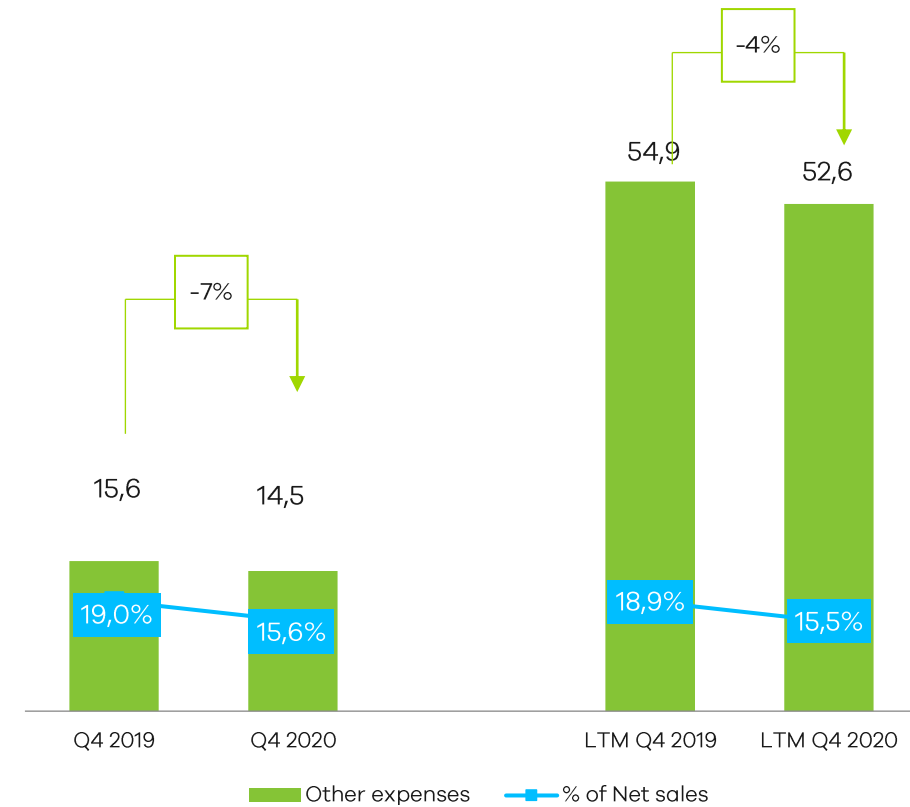
Personnel expenses development

SEKm



Other operating expenses development (adj.)¹⁾

SEKm



Note: 1) EBITA adjusted for IPO and acquisition related expenses.



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New financial targets

Sales growth

"Lime's objective in the medium term is to achieve an annual net sales growth above 18%"

EBITA margin

"Lime's objective in the medium term is to achieve an annual EBITA margin above 25%"

Capital structure

"The objective in respect of the capital structure is that the net debt in relation to EBITDA should be less than 2.5"

Dividend policy

"Lime intends to distribute available cash flow, after taking into account the Company's indebtedness as well as future growth opportunities, including acquisitions. Dividend is expected to correspond to at least 50% of net profit."

Financial targets

LTM Q4 2020

Sales growth

"Lime's objective in the medium term is to achieve an annual net sales growth above 18%"

17 %

EBITA margin

"Lime's objective in the medium term is to achieve an annual EBITA margin above 25%"

29,3 %

Capital structure

"The objective in respect of the capital structure is that the net debt in relation to EBITDA should be less than 2.5"

0.1

Dividend policy

"Lime intends to distribute available cash flow, after taking into account the Company's indebtedness as well as future growth opportunities, including acquisitions. Dividend is expected to correspond to at least 50% of net profit."

**53 %
(2.50 SEK/share
proposed)**



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Q4 2020 summary

Investments

We continue to invest in growth. During the fourth quarter, we invested in sales and marketing, recruitment (25 empl) and product development.

Growth

Net sales MSEK 93,1 +11,3 MSEK
(14 % total growth Q4 and 17 % total growth 2020)

Profitability

Adjusted EBITA margin 31 % Q4 and 29 % 2020
(24 % and 23 % same period last year)

New financial targets

Adjusted and raised financial targets.

Thank you for listening!

investors.lime-technologies.com

