

Q2 update
July 17, 2020



Today's presenters



Erik Syrén, CEO

Lime since 2001



Magnus Hansson, CFO

Lime since 2015



This is Lime

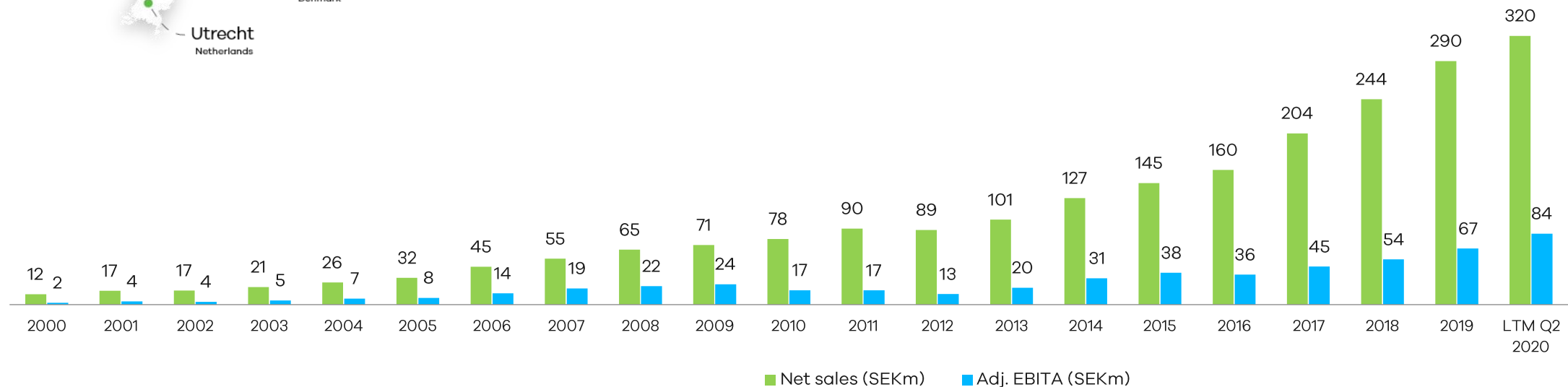
Nordic SaaS CRM expert with solid growth opportunities

Geographical footprint



Key success factors

- **Long history of profitable growth:** 2000-2019 CAGR of 18 % 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 10 %.
- **Strong corporate culture** with high engagement among employees. More than 20 % of the shares are owned by the employees.





Agenda

**1. Covid-19
impact**

**2. Order
intake**

3. Revenue

4. Profit

5. Strategy

6. Summary



Agenda

**1. Covid-19
impact**



Business development



Customer health checks

Train consultants in sales

Service level

Stand ups and cool downs

Communication

Keeping productivity

Leadership

Secured bank facilities

Newsletter campaign

Lime Academy

Planing new releases

Business Continuity Plan

Stress test cash flow

Webinars

Being a flexible supplier

Energy

Role model

Workplace

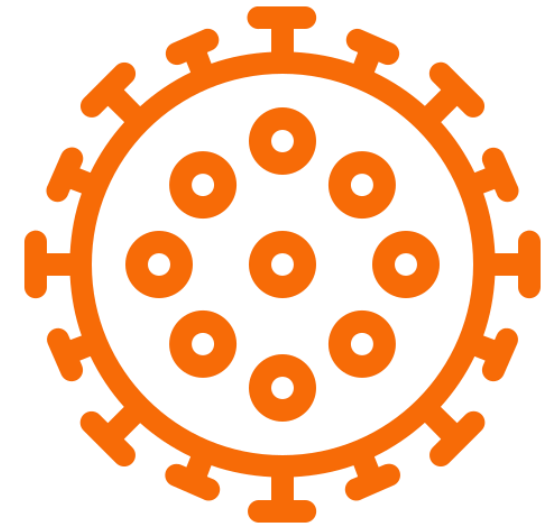
Closeness

Digitalization

Crises management team

Impact

- Existing customers postpone or cancel their projects
- Declined chargeability
- Customers postpone their payments
- Increased customer losses
- Increased customer churn
- Declined new sales





Agenda

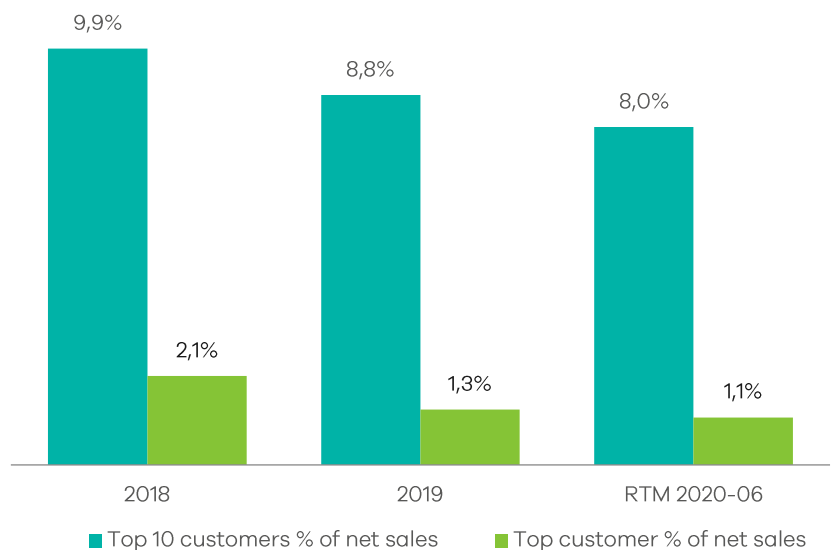
**1. Covid-19
impact**

**2. Order
intake**

Several deals in the Nordics

Good mixture of small, midsize and large enterprises

Customer concentration



Göteborgs Stad
Kretslopp och vatten



Agenda

A green teardrop-shaped graphic with a small tail pointing towards the bottom-left.

**1. Covid-19
impact**

A pink teardrop-shaped graphic with a small tail pointing towards the bottom-left.

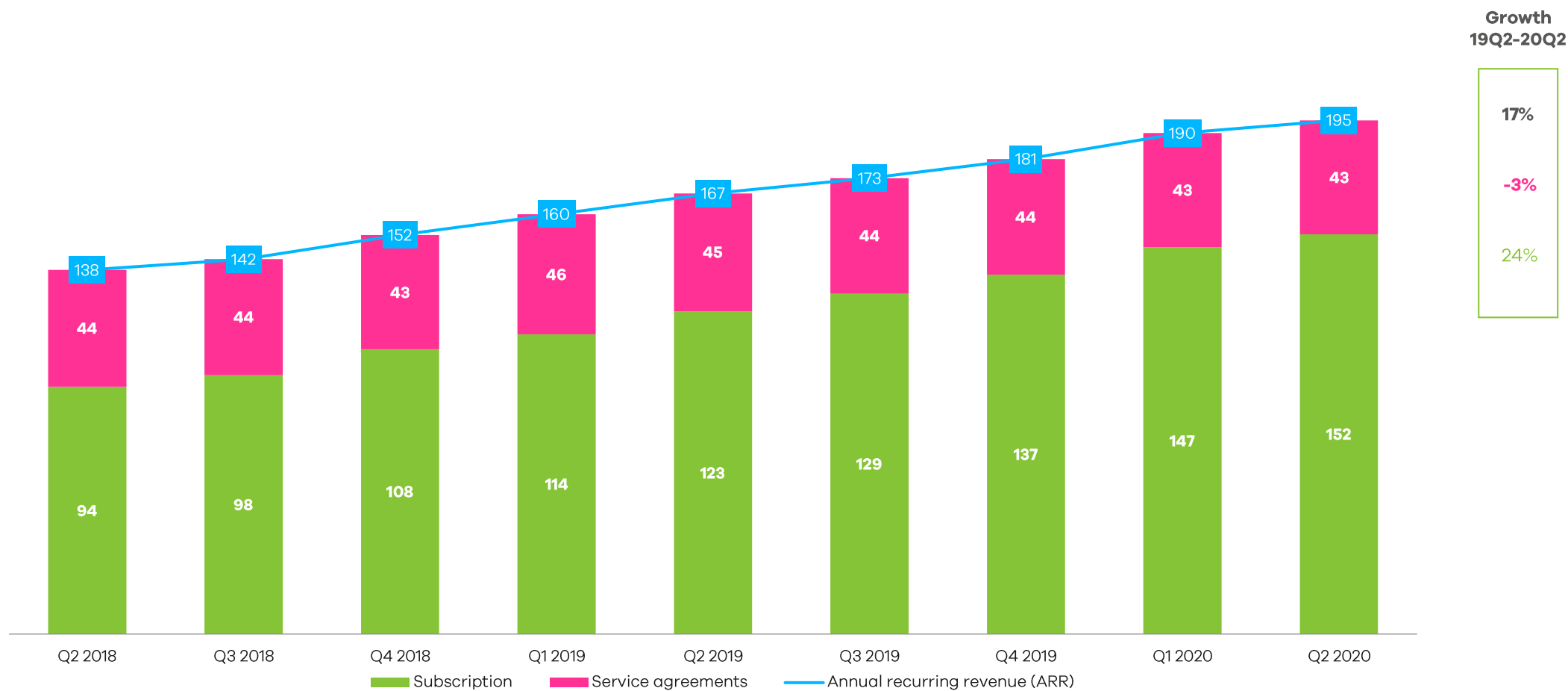
**2. Order
intake**

A teal teardrop-shaped graphic with a small tail pointing towards the bottom-left.

3. Revenue

Increase in annual recurring revenue drives growth

ARR development (SEKm)

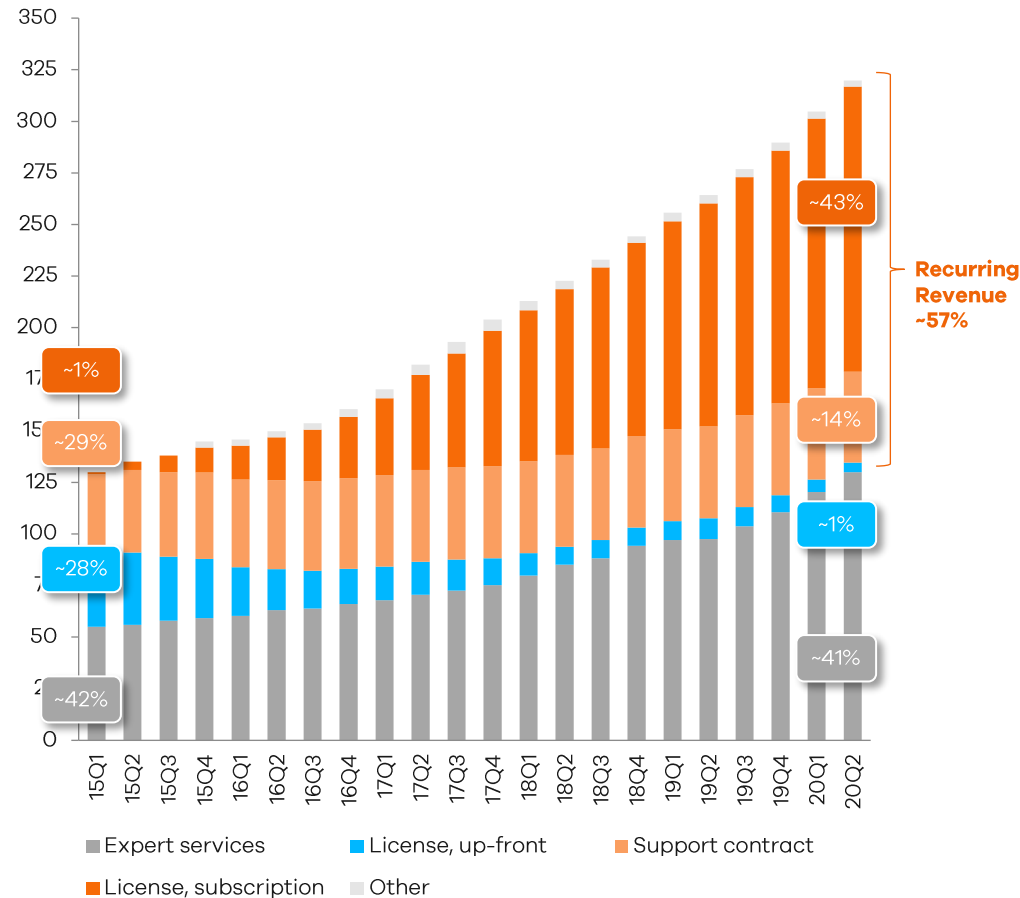


Transition from up-front to subscription pricing model since 2015 is nearly complete

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

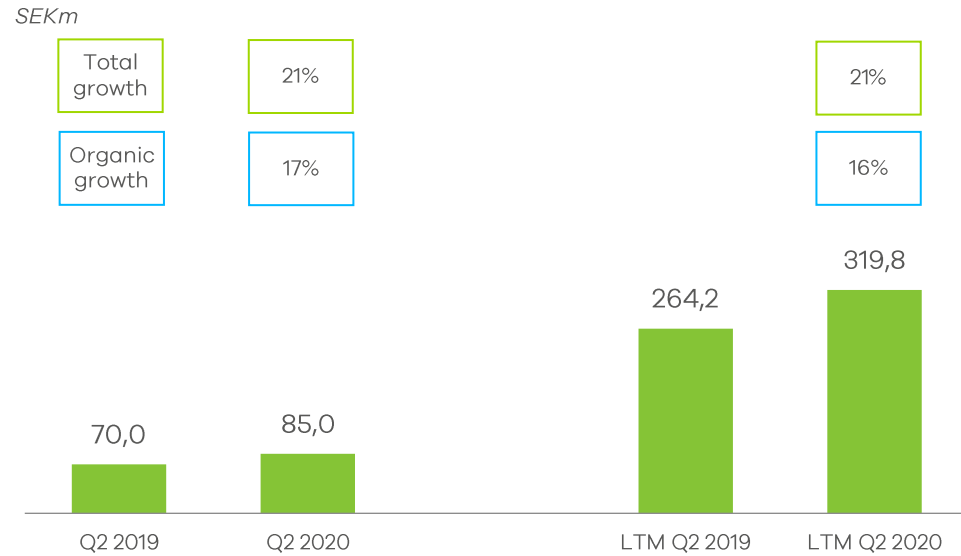
- ✓ Revenue stream in decline as the products are sold as SaaS
- ✓ Some existing clients still buy more licenses up-front

Expert services

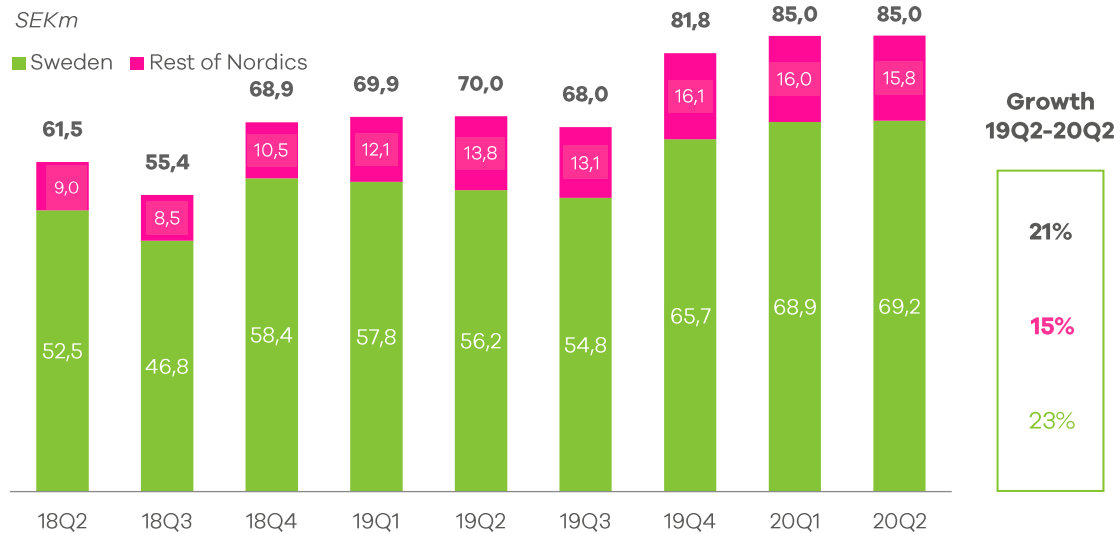
- ✓ Large part of sales derives from existing customers
- ✓ Customer base is growing, expected to drive expert services growth but decreases as part of total net sales

Revenue

Net sales development



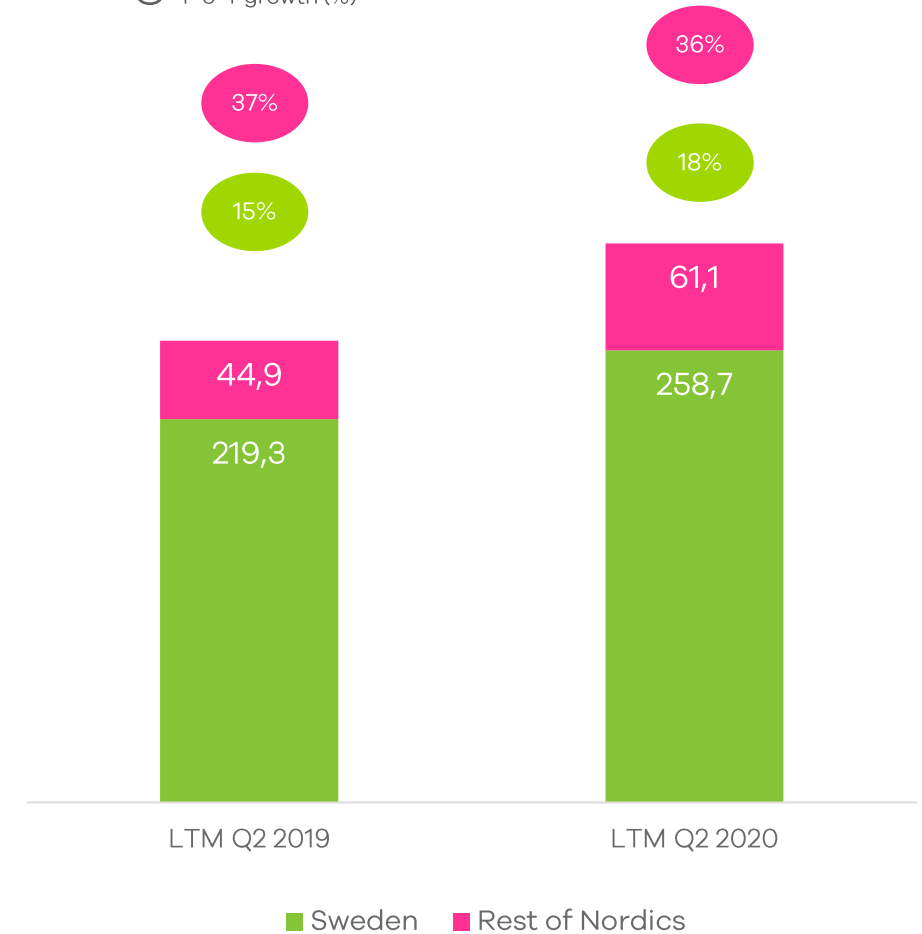
Split by geography



Traction across geographies

SEKm

○ Y-o-Y growth (%)





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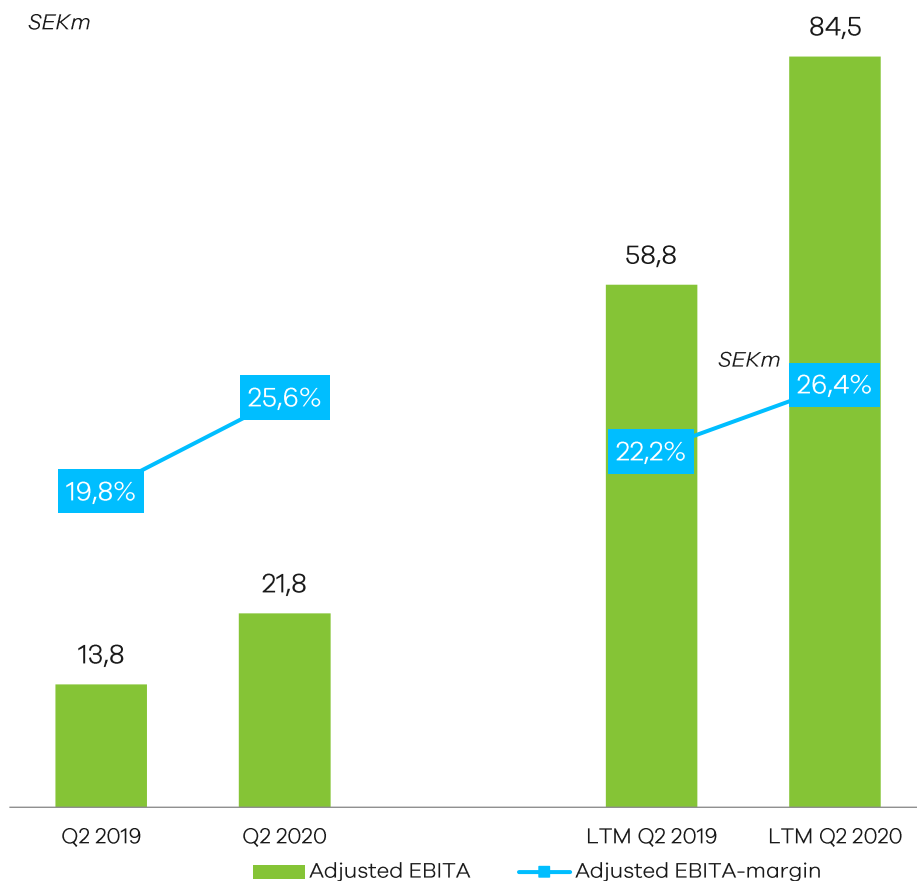
3. Revenue

4. Profit

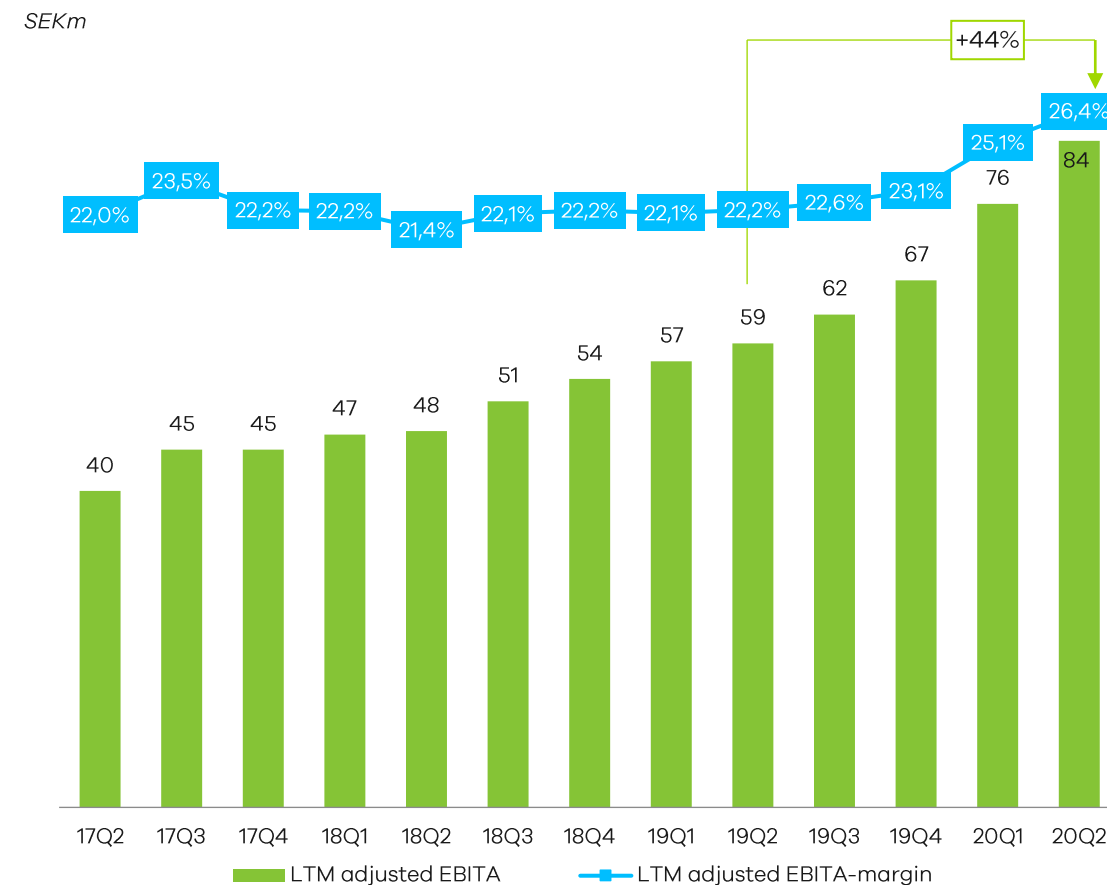
Profit

Reaching an adjusted EBITA margin of 26 % in Q2 2020

EBITA development¹⁾



Rolling LTM EBITA and margin development¹⁾



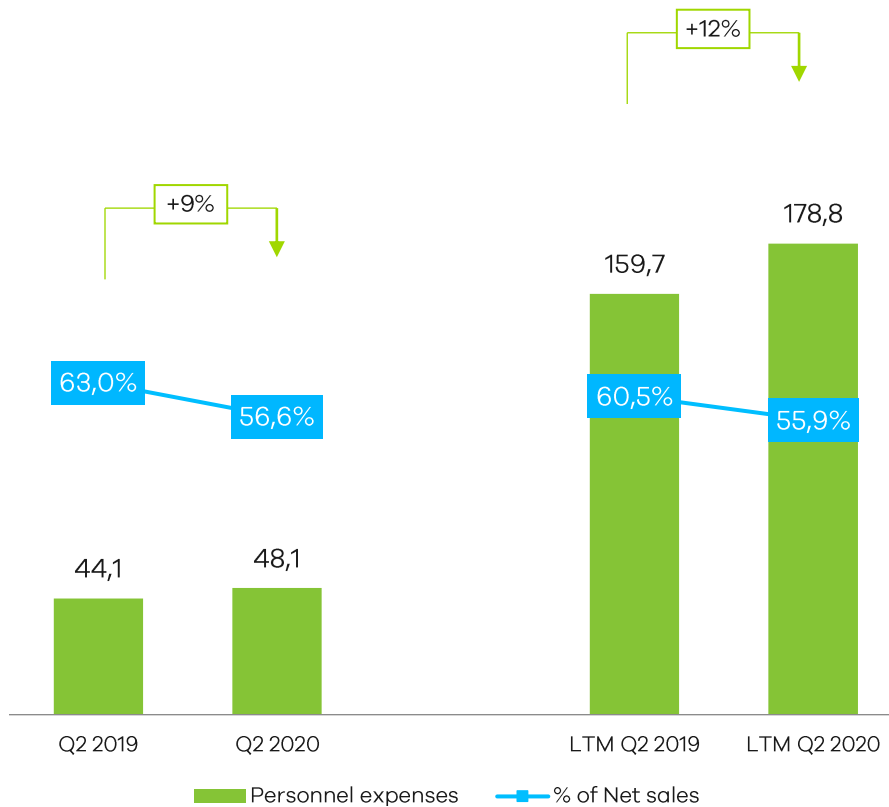
Note: 1) EBITA adjusted for IPO and acquisition related expenses.

OPEX development

Large majority of operating expenses related to growth in FTEs

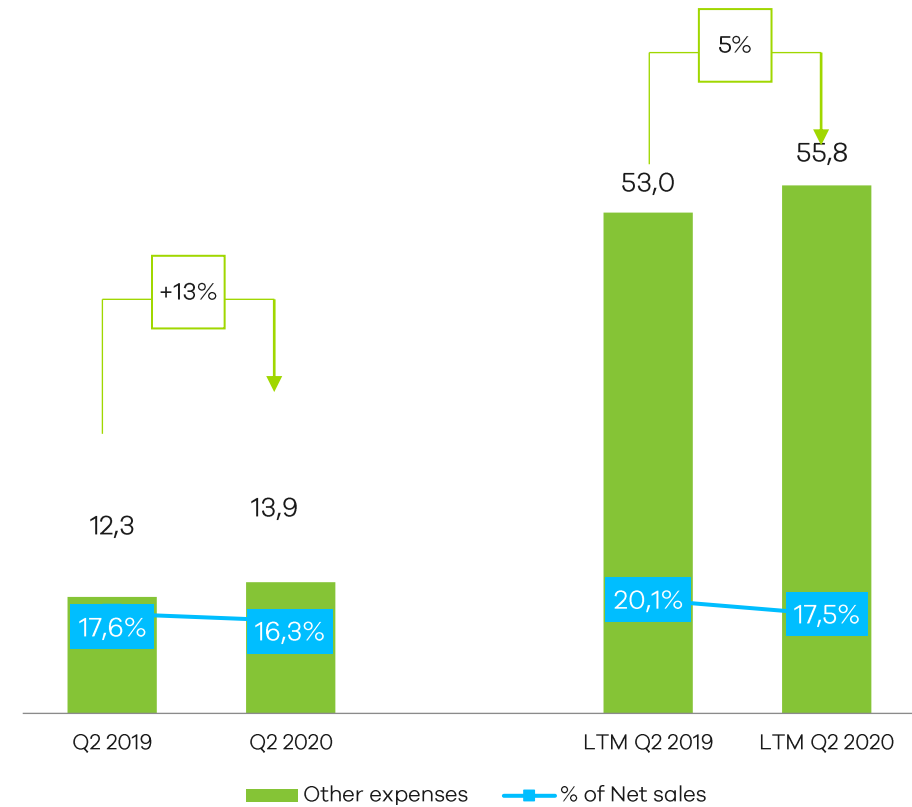
Personnel expenses development

SEKm



Other operating expenses development (adj.)¹⁾

SEKm



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



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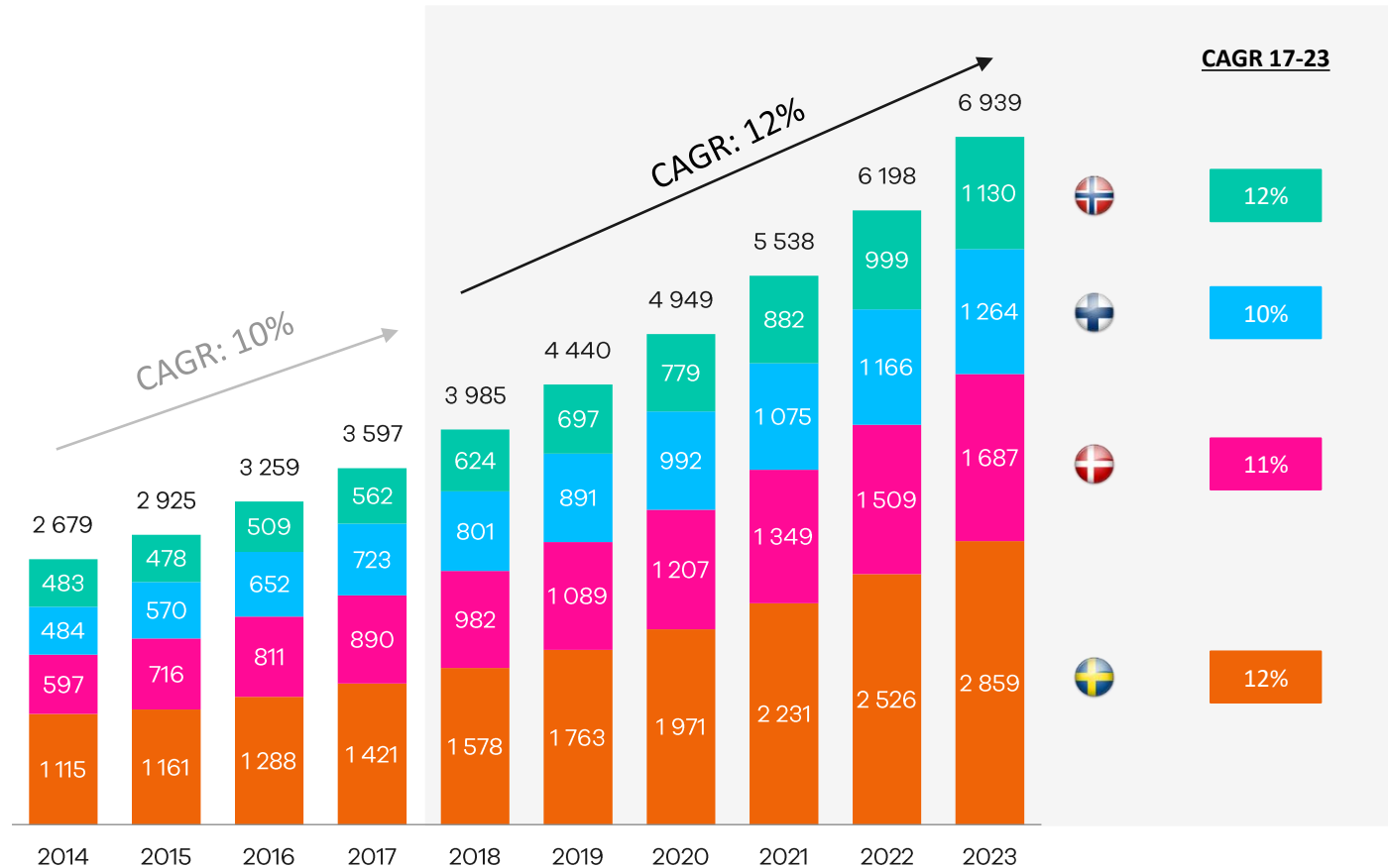
4. Profit

5. Strategy

Large addressable market

Market development

CRM software spend in the Nordics, addressable market (SEKm)



Key growth drivers

- 1 Digitalization
- 2 Shift to Cloud and SaaS
- 3 Compliance with regulations
- 4 Increased process automation and efficiency
- 5 Improved end-user experience and ease-of-integration

Established position for further growth

Several organic drivers supported by acquisition opportunities







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Financial targets

LTM Q2 2020

Sales growth

"Lime's objective in the medium term is to achieve an annual organic net sales growth above 15%"

16 %

EBITA margin

"Lime's objective in the medium term is to achieve an annual EBITA margin above 23%"

26.4 %

Capital structure

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

0.3

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."

**Proposed 51 %
(1.50 SEK/share)**

Q2 2020 summary

Covid-19 impact

We are affected but with our growth strategy and high engagement among the employees we have reduced the impact so far.

Growth

Net sales MSEK 85 +15 MSEK
(21 % total growth)

Profitability

Adjusted EBITA margin 26 %
(20 % same period last year)

Strategy

We keep our strategy: Investments in sales, marketing & recruitments, new office in the Netherlands

Thank you for listening!

investors.lime-technologies.com

