

Q3 update
October 25, 2019



Today's presenters



Erik Syrén, CEO
Lime since 2001



Magnus Hansson, CFO
Lime since 2015



The Lime story

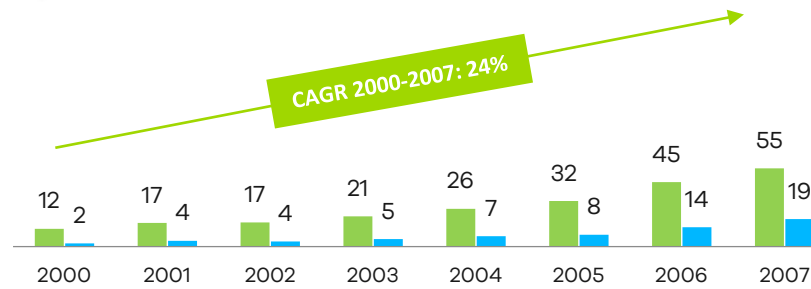
28 years of experience of long term profitable growth

2000 – 2007

100% CRM focus

- Founded in 1990 in Lund and released first sales tool two years later
- Transition from programming consulting to pure CRM focus in 2000
- Lime CRM is launched in 2002
- Stockholm and Gothenburg offices established

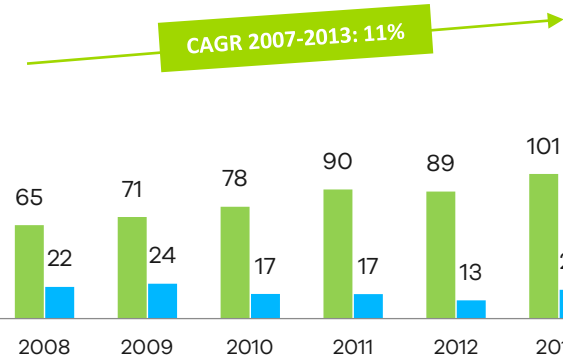
Founded in 1990



2008 – 2013

Subsidiary within Bisnode, initial expansion and product development

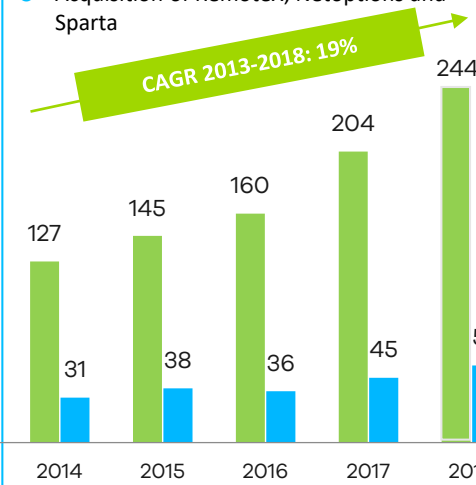
- Subsidiary within Bisnode since 2008
- Expansion to Finland and Norway in 2010 within Bisnode network
- Investments in product development:
 - Investments to make platform more cloud compliant and suitable for SMBs
 - Launch of new product Lime Go
- New CEO (Erik Syrén) as of 2012



2014 – 2018

Transformation of business model to SaaS and organizational scale-up

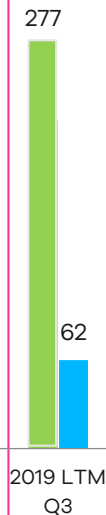
- Acquired by Monterro in 2014
- Transformation of pricing model from upfront to subscription
- Strengthening of organization and product development to scale for further growth
- Focus on scaling up Finland, Norway and expansion to Denmark
- FTE growth of 55% 2015-June 2018:
 - Development, product and market +68%
 - International (outside Sweden) +113%
- Rebranding from Lundalogik to Lime
- Acquisition of RemoteX, Netoptions and Sparta



2019 –

Focus on longterm profitable growth through Nordic expansion and M&A

- Listed on Nasdaq Stockholm since 2018
- Focus on scaling up Finland, Norway and Denmark
- Recruitment of more than 60 employees
- Acquisition of Janjoo and More Intenz



■ Net sales (SEKm) ■ Adj. EBITA (SEKm)



Agenda

1. COO

2. Strategy

3. Deals

4. ARR

5. Netsales

**6. Profit-
ability**



Q3 2019 highlights



1. COO

COO



Nils Olsson, COO

Lime since 2006

Q3 2019 highlights

A green teardrop-shaped graphic with a white outline, containing the text "1. COO".

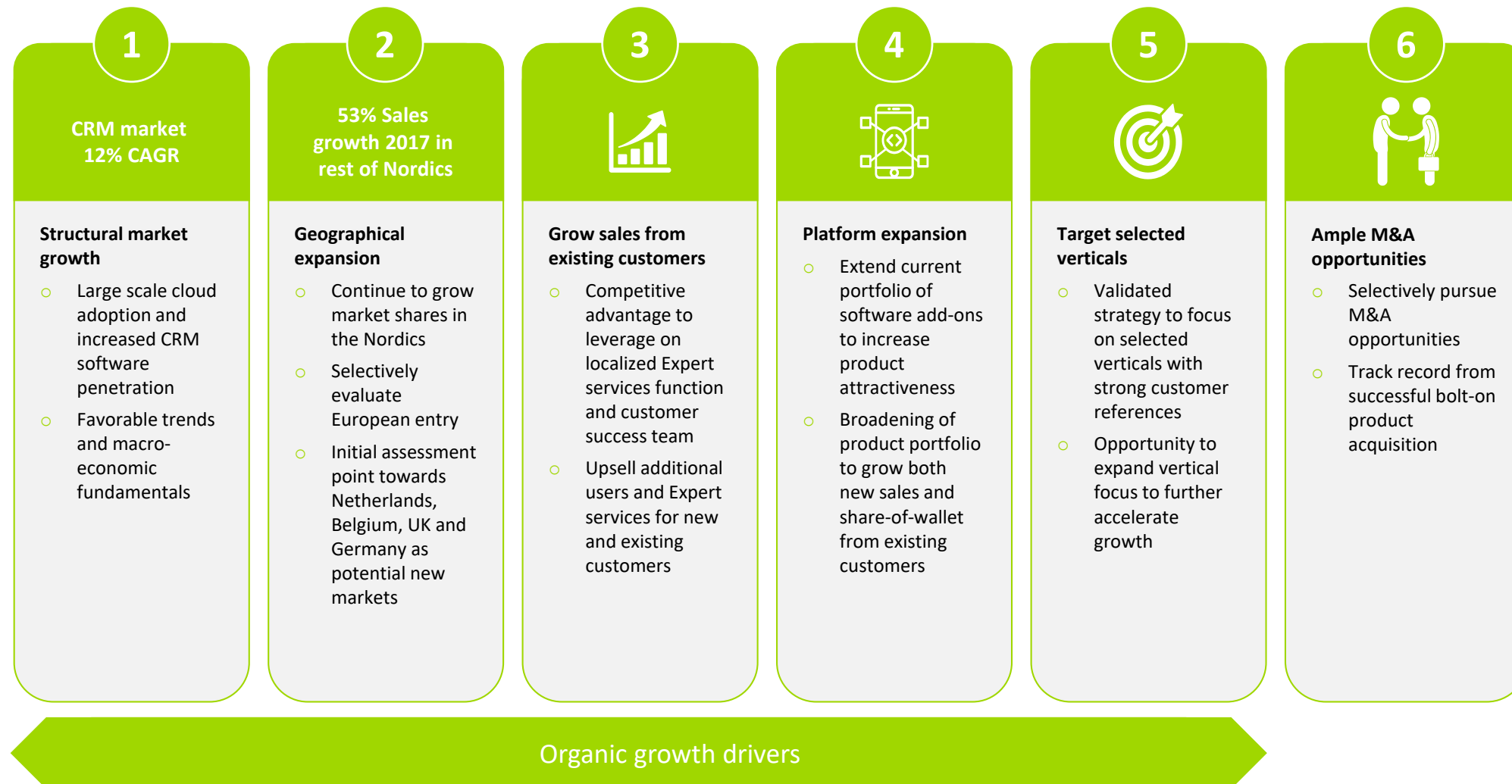
1. COO

A pink teardrop-shaped graphic with a white outline, containing the text "2. Strategy".

2. Strategy

Strategy 2020

Several organic drivers supported by acquisition opportunities





Q3 2019 highlights



1. COO



2. Strategy

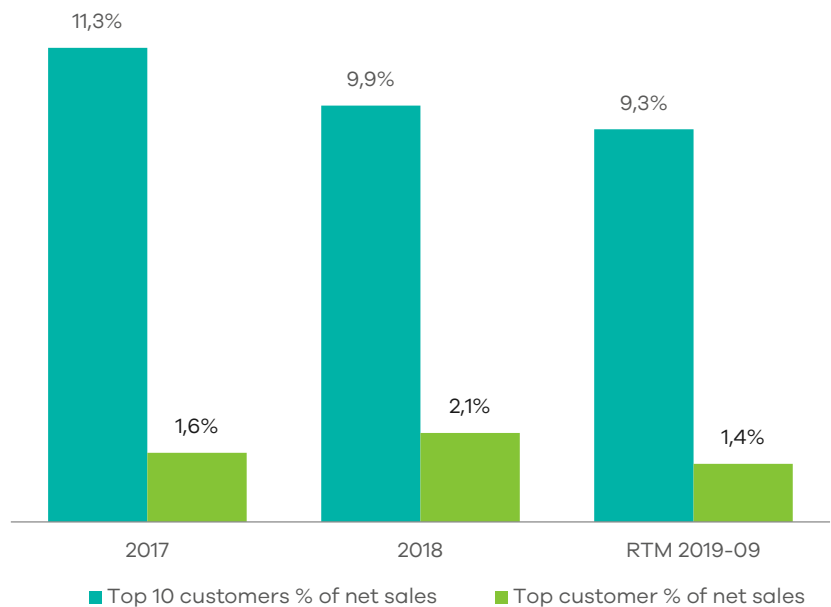


3. Deals

Several deals in the Nordics

Good mixture between small, midsize and large enterprises

Customer concentration



Q3 2019 highlights



1. COO



2. Strategy



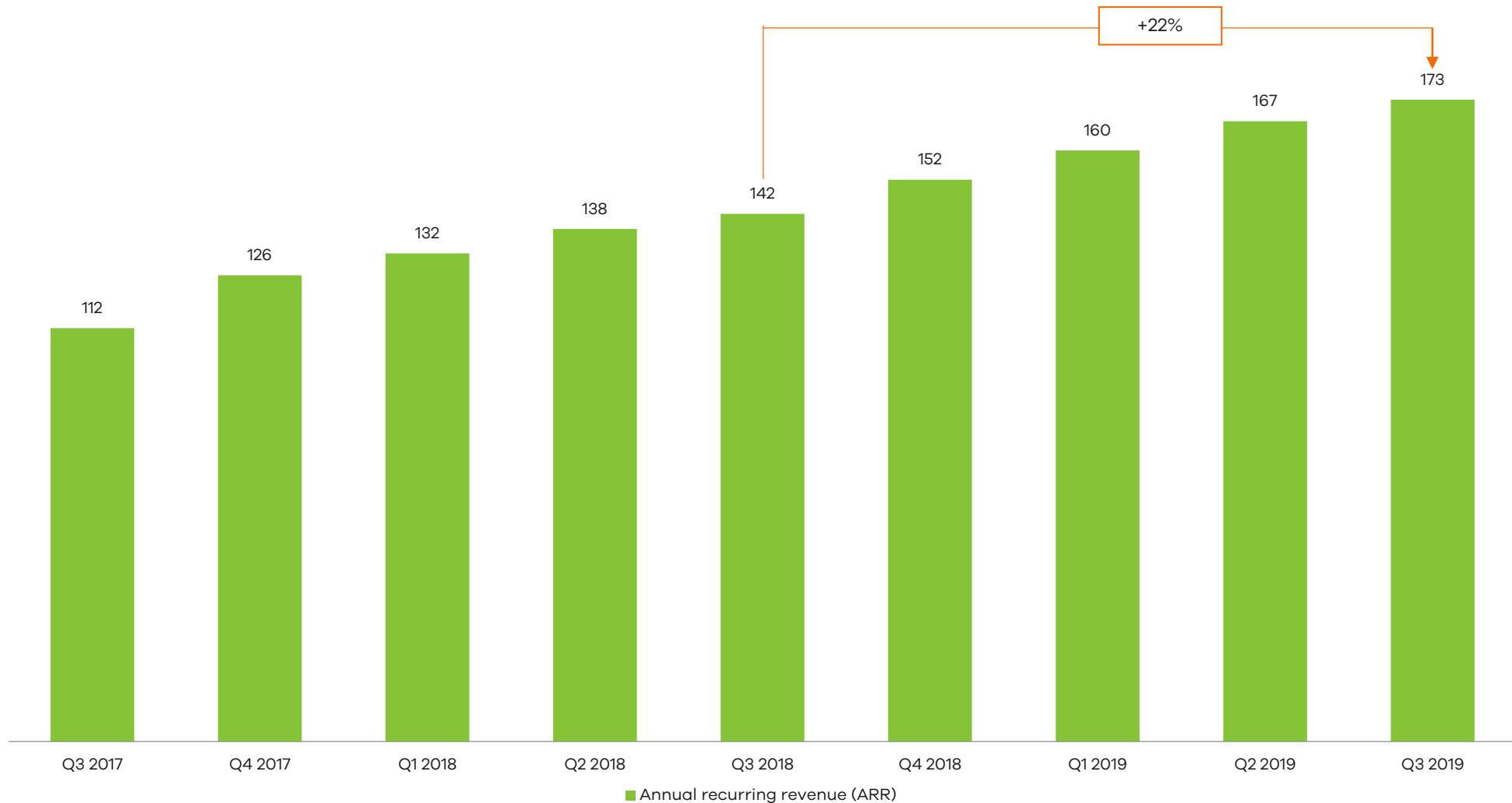
3. Deals



4. ARR

Increase in annual recurring revenue drives growth

ARR development (SEKm)





Q3 2019 highlights

1. COO

2. Strategy

3. Deals

4. ARR

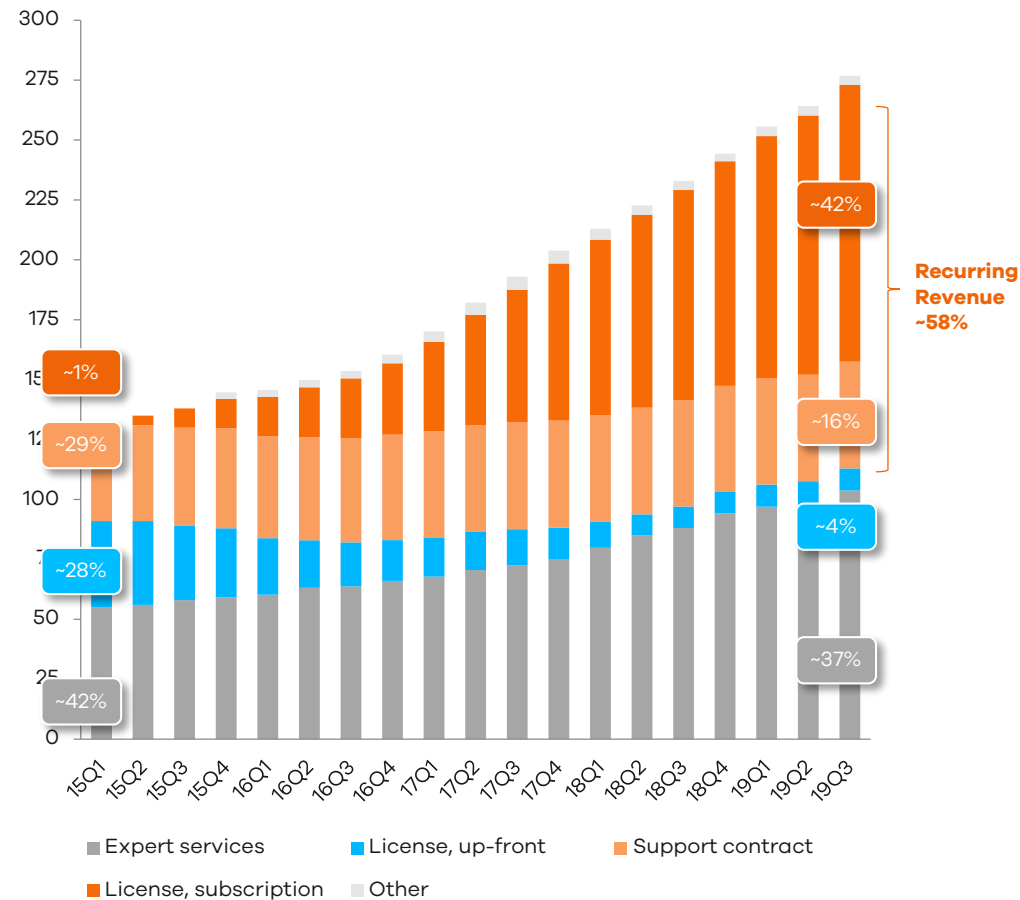
5. Netsales

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
- ✓ As almost no new sales in up-front, no new additions to support contracts
- ✓ Support contracts for existing up-front clients still generate revenue

License, up-front

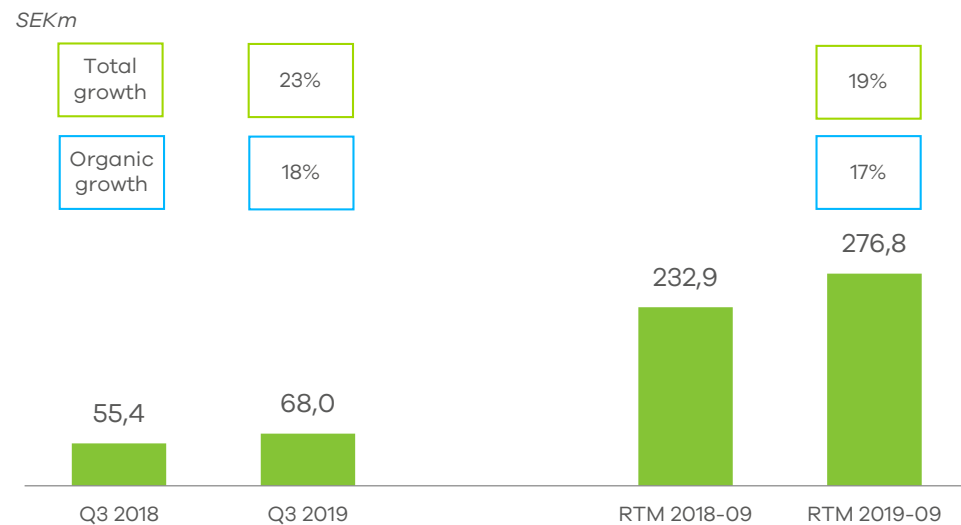
- ✓ Revenue stream in decline as product sold as SaaS
- ✓ Some existing clients still buy more licenses up-front

Expert services

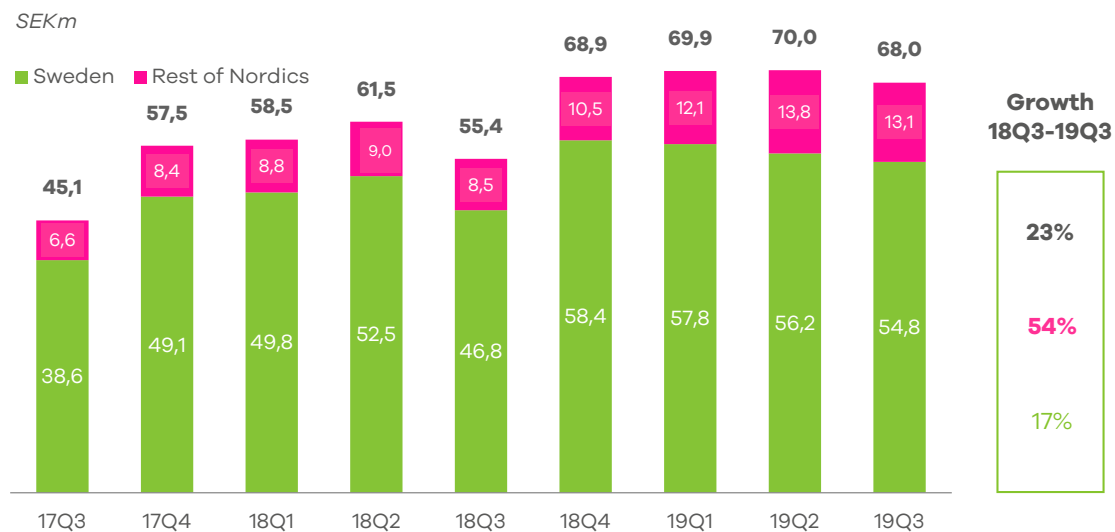
- ✓ Large part of sales derives from existing customers
- ✓ Customer base is growing, expected to drive expert services growth but lower than total net sales

Revenue

Net sales development



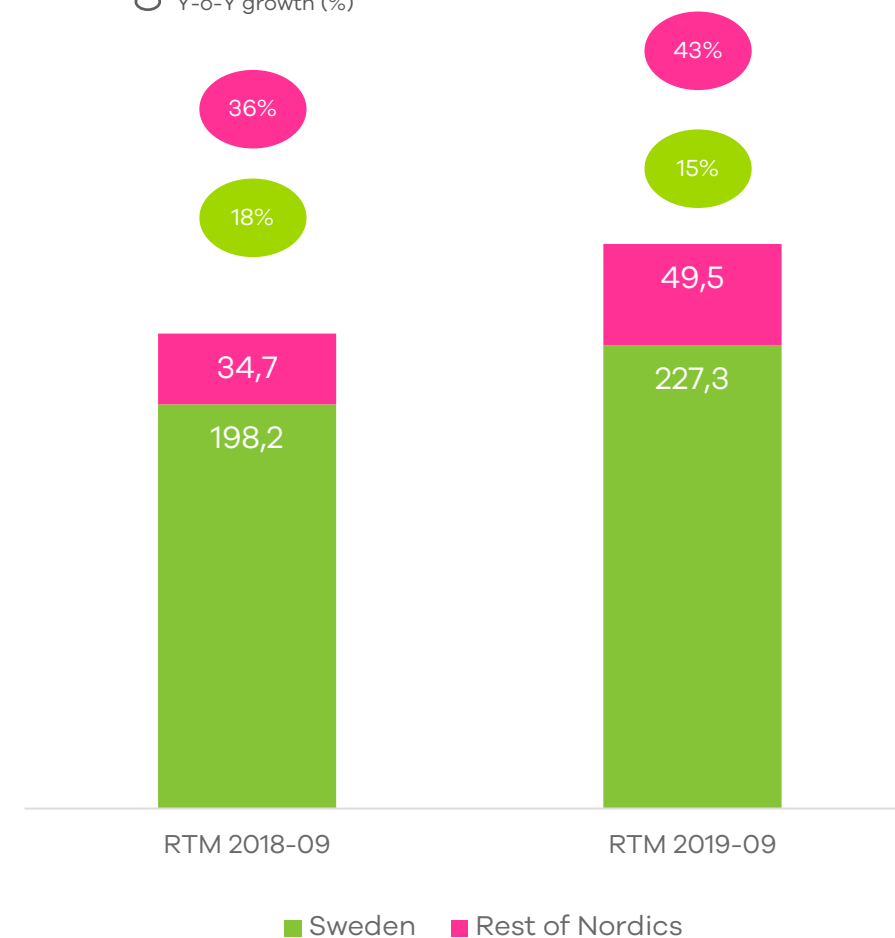
Split by geography



Traction across geographies

SEKm

○ Y-o-Y growth (%)





Q3 2019 highlights

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5. Netsales

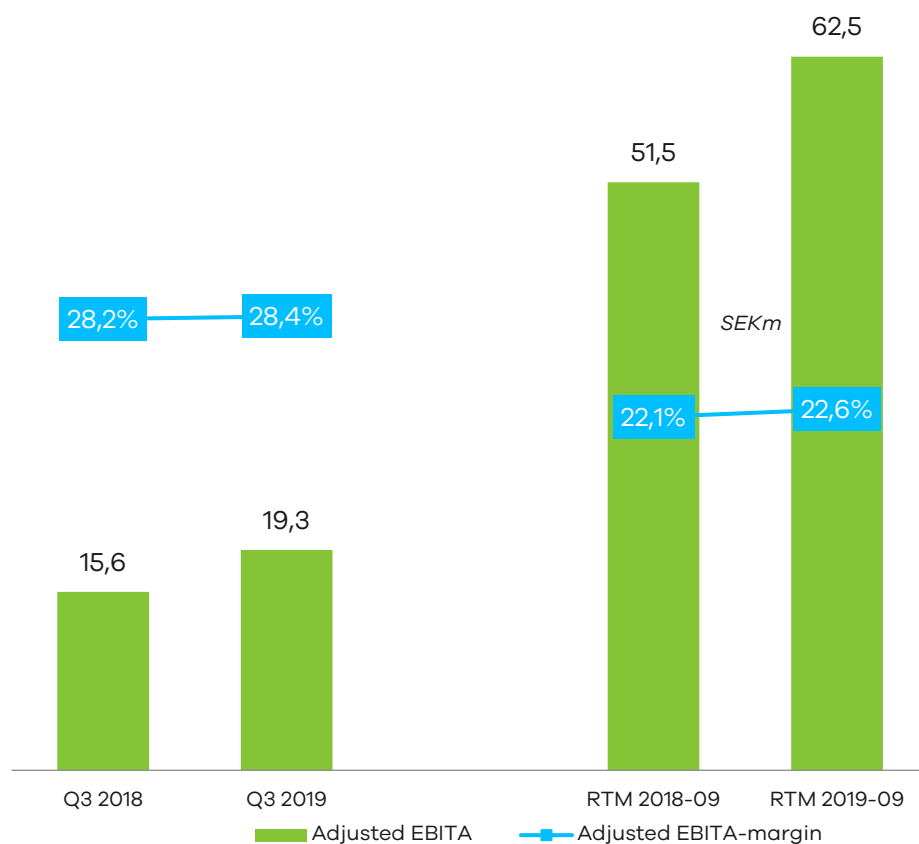
**6. Profit-
ability**

Profit

reaching an LTM adjusted EBITA margin of 23% in Q3 2019

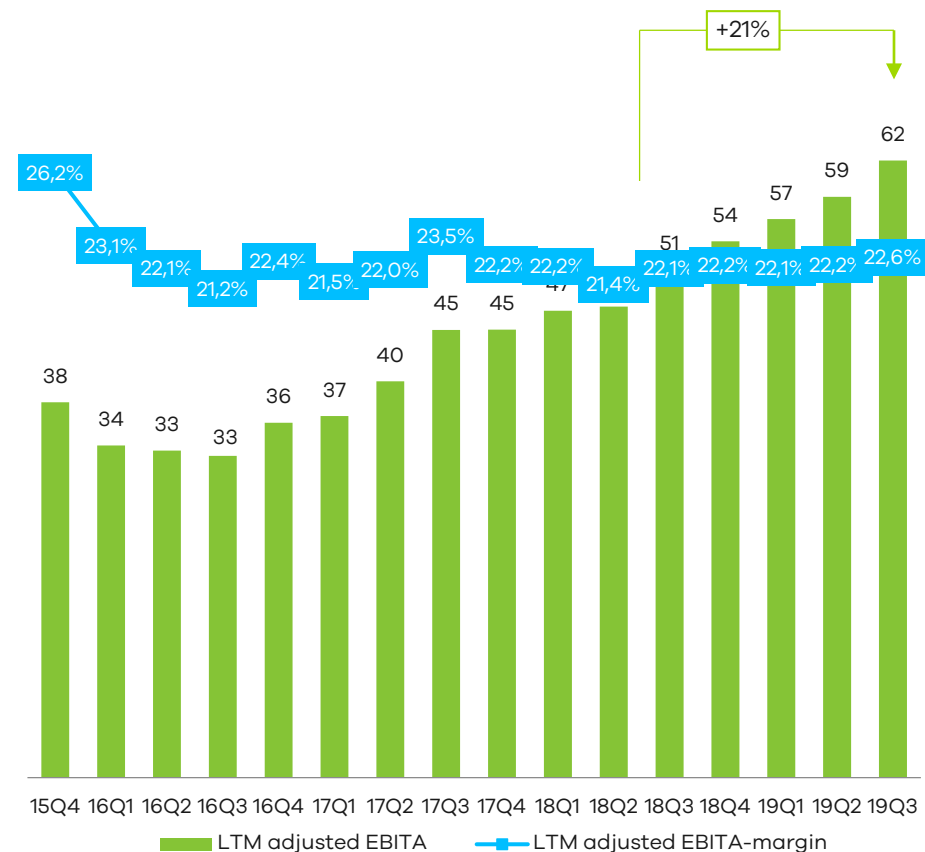
EBITA development¹⁾

SEKm



Rolling LTM EBITA and margin development¹⁾

SEKm



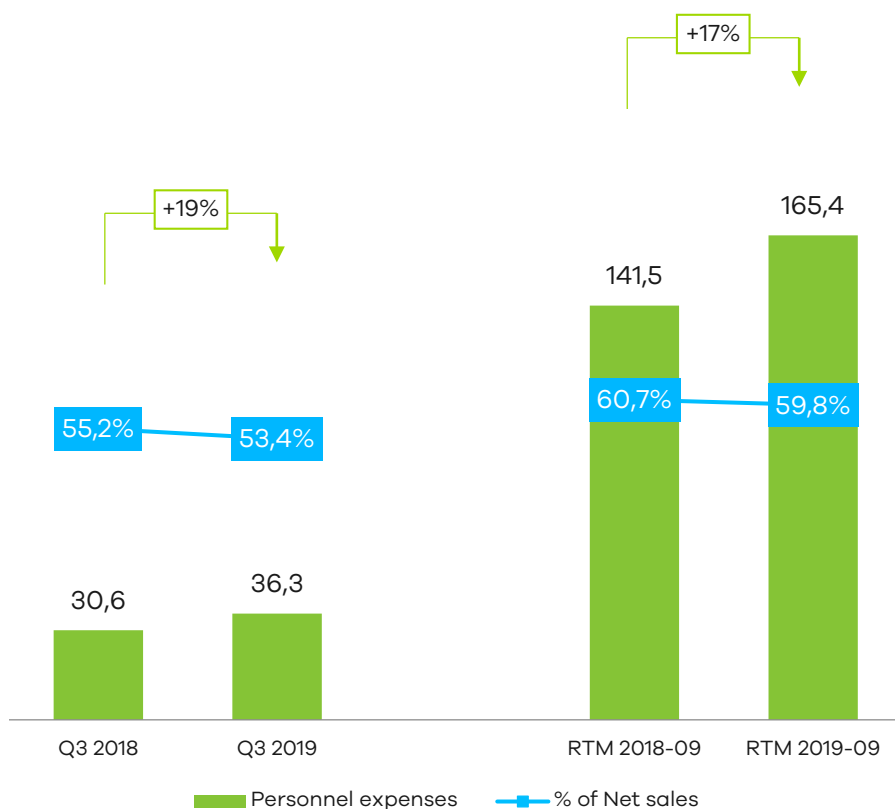
Note: 1) EBITA adjusted for IPO and acquisition related expenses.

OPEX development

Large majority of operating expenses related to growth in FTEs

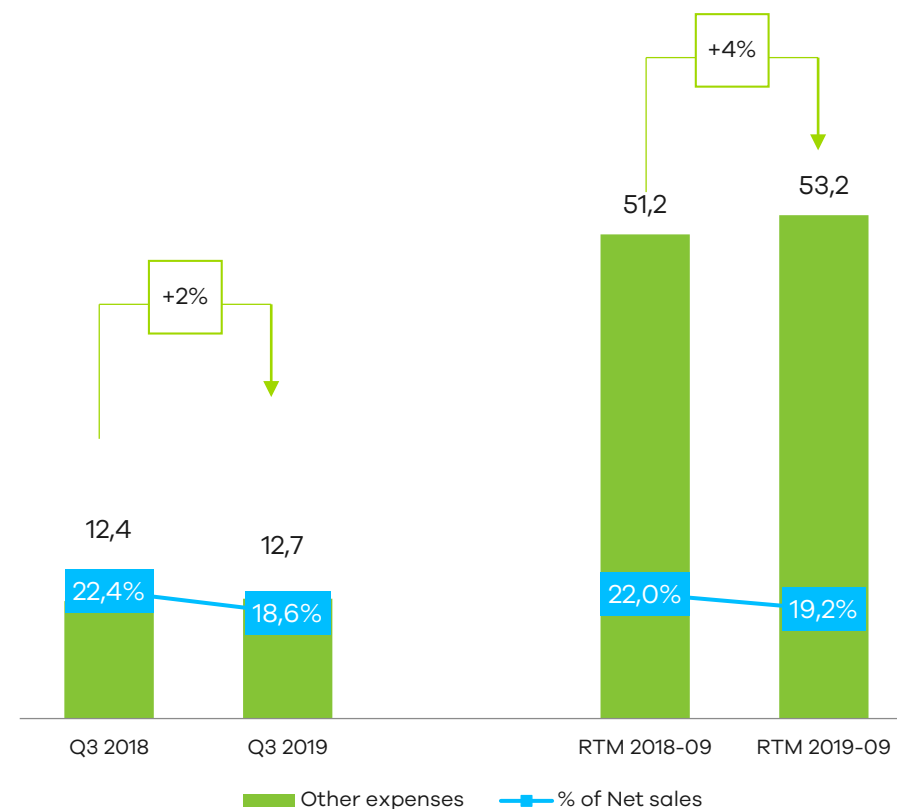
Personnel expenses development

SEKm



Other operating expenses development (adj.)¹⁾

SEKm



¹⁾ As a consequence of IFRS 16 other operating expenses are reduced by 2,3 MSEK in Q3 and 7,0 MSEK YTD compared to using the same accounting principals as in 2018.



Financial targets

RTM 2019-09

Sales growth

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

17%

EBITA margin

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

22,6%

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"

1,3

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."

55%
(1 SEK/share)



Q3 2019 summary

COO and a new market

Nils Olsson becomes COO and
we will open a new market during 2020

Development in ARR

ARR SEK 173m
+31 MSEK (22% growth) Y-on-Y

Growth

Net sales SEK 68m
+13 MSEK (23% total growth and
54% outside Sweden)

Profitability

Adjusted EBITA margin 28%
(28% same period last year)

Thank you for listening!

investors.lime-technologies.com

