

# LifeSpeak Inc. Announces Fourth Quarter and Fiscal 2021 Results

- Fiscal 2021 revenue of \$23.3 million, an increase of 131% compared to the same period in 2020
- Fiscal 2021 Adjusted EBITDA1 of \$6.6 million, an increase of 105% compared to 2020
- Total Clients increased to 422 as at December 31, 2021, compared to 213 as at December 31, 2020
- Completed the acquisition of LIFT session, ALAViDA and Torchlight to further enhance the LifeSpeak technology platform, diversify the service offering and expand the client base
- ARR as at December 31, 2021 reached \$35.5 million, a 98% increase over December 31, 2020 ARR
- Subsequent to quarter end, completed the acquisition of Wellbeats, Inc. ("Wellbeats"), a market-leading on-demand, B2B SaaS-based physical wellbeing platform
- Total Number of Clients now in excess of 800 and pro forma December 31, 2021 ARR of over \$54.7 million, 52% of which is generated from U.S. and international clients

March 22, 2022 07:00 AM Eastern Standard Time

**TORONTO--(BUSINESS WIRE)--**LifeSpeak Inc. ("LifeSpeak" or the "Company") (TSX: LSPK), the leading SaaS based mental health and total wellbeing platform for employers, health plans, and insurance companies, today announced its financial and operational results for the three-month period ended December 31, 2021, and the year ended December 31, 2021 ("Fiscal 2021"). All references to dollar values in this press release are in Canadian dollars, unless otherwise indicated.

**"2021 was an incredibly transformative period for LifeSpeak."**

"2021 was an incredibly transformative period for LifeSpeak," said Michael Held, CEO and Founder of LifeSpeak. "We increased our revenue by 131% year-over-year, completed our IPO and scaled and diversified our business materially through organic growth and M&A. We have continued this momentum into 2022 with the acquisition of Wellbeats, and, as we look ahead, we are highly confident that our growth will continue. We are poised to further leverage our leading position in an industry where organizations

are ascribing greater value than ever to the mental health and total wellbeing of their employees."

Mr. Held continued, "We strongly believe that the strategic growth undertaken over the past six months makes LifeSpeak an increasingly attractive partner for existing and new clients. Our scale and profitability represent a unique investment opportunity in the market. The cross-sell opportunity generated by our 800+ clients, as well as our geographic diversification, has dramatically increased the presence of our industry leading mental health and total wellbeing platform.

## Consolidated Business Highlights for the Three- Months Ended December 31, 2021, and Fiscal 2021

*(All capitalized terms not defined herein shall have the meaning ascribed to them in the Management's Discussion and Analysis for the three-months and fiscal year ended December 31, 2021, unless otherwise stated)*

- Fourth quarter 2021 revenue reached \$6.8 million, an increase of 115% compared to the same period in 2020, representing a continuing trend of growth in the adoption of the Company's platform.
- Fiscal 2021 revenue reached \$23.3 million, an increase of 131% compared to the same period in 2020.
- Annual Recurring Revenue (ARR)2 of \$35.5 million as at December 31, 2021, an increase of 98% over the same date in 2020.
- Fourth quarter 2021 Net Loss of \$6.8 million, an increase of \$7.9 million compared to the same period in 2020, largely due to the cost incurred in relation with our recent acquisitions.
- Fiscal 2021 Net Loss of \$26.3 million, an increase of \$26.4 million compared to the same period in 2020, largely due to the cost incurred in relation with our IPO, our recent acquisitions, and share-based compensation costs, incurred for one-time grants with the creation of an omnibus incentive plan at the time of the IPO.

- Fourth quarter 2021 Adjusted EBITDA<sup>3</sup> of \$0.9 million, a decrease of \$0.3 million compared to the same period in 2020. This includes approximately \$0.4 million of cost savings in Q4 identified by a comprehensive expense review as part of the fourth quarter acquisitions. Such cost synergies are expected to be approximately \$1.9 million on an annualized basis; further synergies expected through the integration of Wellbeats.
- Fiscal 2021 Adjusted EBITDA<sup>4</sup> of \$6.6 million, representing an Adjusted EBITDA margin of 28%, an increase of \$3.4 million or 105% over the same period in 2020.
- Fourth quarter 2021 Adjusted Net Income<sup>5</sup> of \$0.7 million, a decrease of \$0.6 million over the same period in 2020.
- Fiscal 2021 Adjusted Net Income<sup>6</sup> of \$5.7 million, an increase of \$2.7 million compared to the same period in 2020.
- Total Number of Clients of 422 as at December 31, 2021, a 98% increase when compared to 213 at the same date in 2020.
  - Notable enterprise client additions for the quarter included Banner Health, Bruce Power, Shopify, and the New York Presbyterian Healthcare System. In addition, with the acquisitions of LIFT session, ALAViDA and Torchlight, LifeSpeak added 100+ net new clients, primarily in the U.S. market, bringing the Company's total enterprise Number of Clients to 408 at the end of Q4 2021.
  - Embedded solution segment momentum continued through the fourth quarter as global growth accelerated with the addition of new embedded partnerships such as UNUM and Safe Harbor Health, bringing the Company's total embedded Number of Clients to 14 at the end of Q4 2021.
- Successfully completed its initial public offering on the Toronto Stock Exchange in July 2021, marking a new stage of growth and transformation for LifeSpeak.
- Furthered the transformation of the business with the completion of the acquisition of LIFT session, ALAViDA and Torchlight, cementing LifeSpeak as a global leader in enterprise wellbeing.

#### Highlights Subsequent to Quarter End

- In January 2022, launched LifeSpeak 5.0, making it even easier for employees, customers, and their family members to find and engage with the most relevant expert-led content to improve mental health and wellness outcomes. LifeSpeak 5.0 includes the new Learning Hub and Training Hub features, enhanced discovery functionality, a new, intuitive design for improved user experience and increased ease of use, and several other features.
- On February 28, 2022, LifeSpeak completed its previously announced acquisition of Minnesota-based Wellbeats, a market-leading provider of an on-demand, B2B SaaS-based physical wellbeing platform. The acquisition of Wellbeats accelerates LifeSpeak's geographic expansion and scale, resulting in 800+ pro forma clients and over \$54.7 million of pro forma ARR as at December 31, 2021, 52% of which is generated by U.S. and international clients.
- Concurrent with the acquisition of Wellbeats, the Company entered into a \$97.5 million revolving credit facility and completed a \$22 million private placement.
- New customer additions highlighted by the partnership announcement between LIFT session and the AARP.
- The Company continues to expect it will meet its 2022 forecasts, and as previously disclosed on February 14, 2022:
  - Revenue growth for the year ending December 31, 2022, expected to be in the range of 180% – 200%
  - ARR as at December 31, 2022 expected to be between \$75 million – \$85 million
  - Adjusted EBITDA Margin for the year ending December 31, 2022, expected to be in the range of 30% – 40%.

## Financial Results for the Three-Months Ended December 31, 2021, and Fiscal 2021

### Selected Consolidated Financial Information

<i>(In thousands of Canadian dollars)</i>	Three Months Ended Dec. 31,		Fiscal Years	
	2021	2020	2021	2020
Revenue	6,838	3,177	23,267	10,084
Less:				
Product Development and Content	888	365	2,343	1,014
Gross Profit	5,950	2,812	20,924	9,070
<b>Gross Profit Margin <sup>(1)</sup></b>				
Gross Profit Margin	87%	88%	90%	90%
<i>Deduct Expenses:</i>				
Sales and marketing	2,905	1,064	9,054	3,686
General and administrative	3,356	506	8,316	3,375
Share-based compensation	3,721	14	8,919	14
Foreign exchange loss (gain)	197	11	171	183
Depreciation	1,013	16	1,069	58
	11,190	1,610	27,529	7,316
Income (loss) before restructuring and other costs and finance expense	(5,240)	1,202	(6,605)	1,755
Restructuring and other costs <sup>(2)</sup>	2,353	92	19,855	1,420
Finance expense, net	171	25	782	237

Income (loss) before income taxes	(7,764)	1,084	(27,243)	98
Income taxes (recovery)	(918)	--	(918)	--
<b>Net income (loss)</b>	<b>(6,846)</b>	<b>1,084</b>	<b>(26,325)</b>	<b>98</b>

#### Non-IFRS Measures

EBITDA <sup>(3)</sup>	(6,581)	1,125	(25,391)	393
Adjusted EBITDA <sup>(4)</sup>	941	1,242	6,594	3,209
Adjusted Net Income (Loss) <sup>(5)</sup>	675	1,201	5,661	2,914

#### Notes:

- (1) Gross profit margin is calculated as gross profit divided by revenue for the relevant period.
- (2) Restructuring and other costs are costs related to the entry into of the Company's credit agreement and recapitalization distributions and expenses related to the investment by the Institutional Investors and costs and expenses in connection with the Company's IPO and related matters.
- (3) See "Non-IFRS Measures and Key Performance Indicators" for a definition of "EBITDA" and a reconciliation to the nearest comparable measurement under IFRS.
- (4) See "Non-IFRS Measures and Key Performance Indicators" for a definition of "Adjusted EBITDA" and a reconciliation to the nearest comparable measurement under IFRS.
- (5) See "Non-IFRS Measures and Key Performance Indicators" for a definition of "Adjusted Net Income (Loss)" and a reconciliation to the nearest comparable measurement under IFRS.

## Conference Call Notification

The Company will hold a conference call to provide a corporate update on Tuesday, March 22, 2022, at 8:00 am ET, hosted by:

- Nolan Bederman, Executive Chairman
- Michael Held, CEO
- Michael McKenna, CFO

A question-and-answer session will follow the corporate update.

### CONFERENCE CALL DETAILS

DATE: Tuesday, March 22, 2022

TIME: 8:00 a.m. ET

DIAL-IN NUMBERS: 1-226-828-7575 or toll free at 1-833-950-0062

REFERENCE NUMBER: 452313

This live call is also being webcast and can be accessed by going to: <https://event.on24.com/wcc/r/3574693/A78DBC93C00335188649B5DEC5E66D8B>

An archived replay of the webcast will be available for two weeks by clicking the link above.

### Non-IFRS Measures and Key Performance Indicators

LifeSpeak supplements its results of operations determined in accordance with IFRS with certain non-IFRS financial measures and key performance indicators that the Company believes are useful to investors, lenders and others in assessing its performance and which highlight trends its core business that may not otherwise be apparent when relying solely on IFRS measures. LifeSpeak management also uses non-IFRS measures and key performance indicators for purposes of comparison to prior periods, to prepare annual operating budgets, for the development of future projections and earnings growth prospects, to measure the profitability of ongoing operations and in analyzing our financial condition, business performance and trends. As such, these measures and indicators are provided as additional information to complement those IFRS measures by providing further understanding of the Company's results of operations from management's perspective, including how it evaluates its financial performance and how it manages its capital structure. LifeSpeak also believes that securities analysts, investors and other interested parties frequently use these non-IFRS measures and key performance indicators in the evaluation of issuers. These non-IFRS measures and key performance indicators are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS and may include or exclude certain items as compared to similar IFRS measures, and such measures may not be comparable to similarly-titled measures reported by other companies. Accordingly, these measures and indicators should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS.

### Non-IFRS Measures and Reconciliation of Non-IFRS Measures

#### EBITDA and Adjusted EBITDA

"EBITDA" is defined as net profit or loss before income tax expenses, finance costs and depreciation and amortization.

"Adjusted EBITDA" is defined as EBITDA before non-recurring restructuring and other costs related to the entry into of the Company's credit agreement and recapitalization distributions, expenses related to the investment by the Institutional Investors, costs and expenses in connection with the Company's IPO and related matters, share-based compensation, foreign exchange loss (gain) and shareholders distributions. These non-recurring costs are independent events which are non-recurring in nature and occurred over several financial periods.

## Selected Consolidated Financial Information

<i>(In thousands of Canadian dollars)</i>	Three Months Ended Dec. 31,		Fiscal Years	
	2021	2020	2021	2020
Net income (loss)	(6,846)	1,084	(26,325)	98
<i>Add:</i>				
Amortization and depreciation expense	1,013	16	1,069	58
Finance expense	171	25	782	237
Income tax expense (recovery)	(918)	--	(918)	--
<b>EBITDA</b>	<b>(6,581)</b>	<b>1,125</b>	<b>(25,391)</b>	<b>393</b>
<i>Add:</i>				
Restructuring and other costs <sup>(1)</sup>	2,353	92	19,855	1,420
Share-based compensation	3,721	14	8,919	14
Foreign exchange loss (gain)	197	11	171	183
Shareholders distributions <sup>(2)</sup>	--	--	600	1,200
Synergies realized <sup>(3)</sup>	365	--	365	--
Additional one-time costs <sup>(4)</sup>	886	--	2,075	--
<b>Adjusted EBITDA</b>	<b>941</b>	<b>1,242</b>	<b>6,594</b>	<b>3,209</b>
Adjusted EBITDA Margin <sup>(5)</sup>	14%	39%	28%	32%

(1) Restructuring and other costs are costs related to the entry into of the Company's credit agreement and recapitalization distributions and expenses related to the investment by the Institutional Investors and costs and expenses in connection with the Company's IPO and related matters.

(2) Shareholders distributions includes private company legacy profit sharing payment to shareholders.

(3) Synergies realized relates to the impact of the full period of cost synergies related to the reduction of employees and professional services in relation to acquisitions.

(4) One-time costs related to IPO specific adjustments related to salaries and benefits.

(5) Adjusted EBITDA Margin is calculated as Adjusted EBITDA divided by revenue for the relevant period.

## Adjusted Net Income (Loss)

“Adjusted Net Income (Loss)” is defined as net income (loss) before non-recurring restructuring and other costs related to the entry of the Company’s credit agreement and recapitalization distributions, expenses related to the investment by the Institutional Investors and costs and expenses in connection with the Company’s IPO and related matters, share-based compensation, foreign exchange loss (gain). These non-recurring costs are independent events which are non-recurring in nature and occurred over several financial periods.

### Selected Consolidated Financial Information

<i>(In thousands of Canadian dollars)</i>	Three Months Ended Dec. 31,		Fiscal Years	
	2021	2020	2021	2020
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<i>Add:</i>				
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Synergies realized <sup>(3)</sup>	365	--	365	--
Additional one-time costs <sup>(4)</sup>	886	--	2,075	--
<b>Adjusted Net Income (Loss)</b>	<b>675</b>	<b>1,201</b>	<b>5,661</b>	<b>2,914</b>

- (1) Restructuring and other costs are costs related to the entry into of the Company’s credit agreement and recapitalization distributions and expenses related to the investment by the Institutional Investors and costs and expenses in connection with the Company’s IPO.
- (2) Shareholders distributions includes private company legacy profit sharing payment to shareholders.
- (3) Synergies realized relates to the impact of the full period of cost synergies related to the reduction of employees and professional services in relation to acquisitions.
- (4) One-time costs related to IPO specific adjustments related to salaries and benefits.

### Financial Estimates

The Company expects revenue for the year-ended December 31, 2021, for Wellbeats to range from \$16.7 million to \$18.1 million, with a midpoint of \$17.4 million and the Company expects ARR as at December 31, 2021 for Wellbeats to range from \$18.4 million to \$20.0 million, with a midpoint of \$19.2 million. All of these figures are preliminary, have not been reviewed by the Company’s or Wellbeats’ auditors and are subject to change as the Company finalizes Wellbeats’ financial results.

## Key Performance Indicators

### Annual Recurring Revenue

"Annual Recurring Revenue" or "ARR" is equal to the annualized value of contracted recurring revenue from all clients of our platform at the date being measured. Contracted recurring revenue is revenue generated from clients who are, as of the date being measured, party to contracts with LifeSpeak. Such revenue is annualized by: (i) in the case where a contract was in existence for the entire month, multiplying recognized revenue in the calendar month of the date measured by 12; and (ii) in the case where a contract was entered into mid-month, extrapolating recognized revenue at the date measured for the entire calendar month, and then multiplying by 12. Contract lengths typically range from one to three years and, based on our past experience, the vast majority of clients renew their contracts upon expiry. ARR is mainly comprised of revenue from enterprise and embedded solutions and includes revenue from small business and ancillary services (comprised of portals, kits and events purchased by our existing clients or distributed through our channel partners). ARR provides a consolidated measure by which we can monitor the longer-term trends in our business.

### Number of Clients

"Number of Clients" is defined as the number of clients at the end of any particular period as the number of enterprise clients and clients of our embedded solutions for which the term of services has not ended, or with which we are negotiating contract renewal.

### About LifeSpeak Inc.

LifeSpeak is a leading software-as-a-service provider of a platform for mental health and total wellbeing education for organizations committed to taking care of their employees and customers. With 17+ years of experience creating and curating thousands of expert-led micro-learning videos and other digital content, LifeSpeak's proprietary library's depth and breadth of easily consumable content helps companies around the world support their people anytime and anywhere. LifeSpeak serves a diverse global client base across many industries and sectors, including Fortune 500 companies, government agencies, insurance providers, and other health technology firms. LifeSpeak is the parent company of Lift Digital Inc. ("LIFT session"), ALAViDA Health Ltd. ("ALAViDA"), EnCompass Education Solutions ("Torchlight") and Wellbeats Inc. ("Wellbeats"). To learn more, follow LifeSpeak on LinkedIn (<http://www.linkedin.com/company/lifespeak-inc>), or visit [www.LifeSpeak.com](http://www.LifeSpeak.com).

### Forward-Looking Information

This press release may contain "forward-looking information" within the meaning of applicable Canadian securities laws. Forward-looking information may relate to the Company's future business, financial outlook and anticipated events or results and may include information regarding the Company's financial position, business strategy, growth strategies, addressable markets, budgets, operations, financial results, taxes, and the Company's plans and objectives. In some cases, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "targets", "expects" or "does not expect", "is expected", "an opportunity exists", "budget", "scheduled", "estimates", "outlook", "forecasts", "projection", "prospects", "strategy", "intends", "anticipates", "does not anticipate", "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", "will", "will be taken", "occur" or "be achieved". In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Particularly, information regarding the Company's expectations of future results, revenue growth, ARR, adjusted EBITDA, performance, synergies, achievements, prospects, industry trends, or opportunities, including for cross-selling, or the markets in which the Company operates is forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management's expectations, estimates and projections regarding possible future events or circumstances.

This forward-looking information and other forward-looking information are based on opinions, estimates and assumptions in light of the Company's experience and perception of historical trends, current conditions and expected future developments, as well as other factors that the Company currently believes are appropriate and reasonable in the



circumstances. Despite a careful process to prepare and review the forward-looking information, there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct. These opinions, estimates and assumptions include, but are not limited to, the following: the Company's ability to build its market share and enter new geographies; the total available market for its products; the Company's ability to retain key personnel; the Company's ability to maintain and expand geographic scope; the Company's ability to execute on its expansion plans; the Company's ability to continue investing in infrastructure to support its growth and brand recognition; the Company's ability to continue maintaining and enhancing its technological infrastructure and functionality of its platform; the Company's ability to obtain financing on acceptable terms; the Company's ability to effectively integrate its recent acquisitions; the Company's ability to generate sufficient cash to deleverage, the impact of competition; the changes and trends in the Company's industry or the global economy; and changes in laws, rules, regulations, and global standards.

The risks and uncertainties that may affect forward-looking statements include, among others: performance of the market sectors that Wellbeats and the Company serve; that revenue, ARR, and cash flow expectations are not met for any number of reasons; and other risks detailed from time to time in the Company's filings with Canadian provincial securities regulators, including the risk factors which are described in greater detail under "Risk Factors" in the Company's (final) long form prospectus dated June 28, 2021, and risk factors described in the Company's annual information form which is to be filed. Although the Company has attempted to identify important risk factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other risk factors not currently known to the Company or that the Company currently believes are not material that could also cause actual results or future events to differ materially from those expressed in such forward-looking information. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information.

Accordingly, prospective investors should not place undue reliance on forward-looking information. The forward-looking information contained in this press release represents the Company's expectations as of the date of this press release (or as the date it is otherwise stated to be made) and is subject to change after such date. However, the Company disclaims any intention or obligation or undertaking to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable Canadian securities laws.

All of the forward-looking information contained in this press release is expressly qualified by the foregoing cautionary statements. Prospective investors should read this entire press release and consult their own professional advisors to ascertain and assess the income tax, legal, risk factors and other aspects of an investment in the Company.

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<sup>1</sup> See "Non-IFRS Measures and Key Performance Indicators" for a definition of "Adjusted EBITDA" and a reconciliation to the nearest comparable measurement under IFRS

<sup>2</sup> See "Non-IFRS Measures and Key Performance Indicators" for a definition of "ARR"

<sup>3</sup> See "Non-IFRS Measures and Key Performance Indicators" for a definition of "Adjusted EBITDA" and a reconciliation to the nearest comparable measurement under IFRS

<sup>4</sup> See "Non-IFRS Measures and Key Performance Indicators" for a definition of "Adjusted EBITDA" and a reconciliation to the nearest comparable measurement under IFRS

<sup>5</sup> See "Non-IFRS Measures and Key Performance Indicators" for a definition of "Adjusted Net Loss" and a reconciliation to the nearest comparable measurement under IFRS

<sup>6</sup> See "Non-IFRS Measures and Key Performance Indicators" for a definition of "Adjusted Net Income" and a reconciliation to the nearest comparable measurement under IFRS

## Contacts

### For investor inquiries:

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