

LifeSpeak Completes Acquisition of U.S.-Based Wellbeats, Solidifying Its Lead Position in the SaaS Mental Health and Total Wellbeing Market

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Acquisition of Wellbeats is highly complementary to LifeSpeak's growing portfolio of digital wellbeing solutions and allows the Company to further enhance its offerings for existing and new enterprise and embedded solutions clients

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TORONTO--(BUSINESS WIRE)--LifeSpeak ("LifeSpeak" or the "Company") (TSX: LSPK), the leading mental health and total wellbeing platform for employers, health plans, and insurance companies, today announced that it has completed its previously disclosed acquisition of Minnesota-based Wellbeats Inc. ("Wellbeats"), a market-leading provider of an on-demand, software-as-a-service ("SaaS") physical wellbeing platform.

"We are very excited to welcome Wellbeats to the LifeSpeak family of companies."

With a combined 30 years of experience as respective leaders in digital health education and physical wellbeing, the acquisition of Wellbeats amplifies LifeSpeak's ability to meet rapidly growing demand from organizations for a comprehensive, single-vendor solution to meet mental and physical health support needs. Wellbeats' best-in-class physical wellbeing SaaS technology and 400+ U.S. and international enterprise clients expand and enrich LifeSpeak's mental health and wellness support

capabilities, while strengthening its position within the U.S. market and offering tremendous opportunity to cross-sell value-add solutions to new and existing clients and partners.

On a pro forma basis, LifeSpeak is expected to have 800+ enterprise and embedded solutions clients and approximately \$54.4 million of ARR as at December 31, 2021 (which is the mid-point of the ARR estimates as detailed in LifeSpeak's February 14, 2022 news release).

"We are very excited to welcome Wellbeats to the LifeSpeak family of companies," said Michael Held, CEO, LifeSpeak.

"The connection between mind and body is increasingly recognized as being critical to wellbeing, as better physical health and better mental health are highly correlated. This makes the addition of Wellbeats highly complementary to LifeSpeak's growing portfolio of digital health offerings and provides us with an extremely well recognized, market leading, on-demand physical wellness platform which broadens and deepens our core B2B offering."

The transaction is well aligned with LifeSpeak's core acquisition criteria, and offers the following key benefits to LifeSpeak:

- **A best-in-class and complementary B2B SaaS-based product offering:** Wellbeats' award-winning solution represents a strategic extension and enhancement of LifeSpeak's digital, B2B-focused wellbeing platform and enables LifeSpeak to further address the critical needs of its client base with additional on-demand access to large and scalable physical wellbeing, health, and nutrition virtual resources.
- **A large, sticky, and non-overlapping enterprise client base with a diverse geographic presence:** Wellbeats will significantly increase LifeSpeak's client count with the addition of 400+ net new global enterprise clients, bringing total LifeSpeak clients to 800+. Substantial cross-sell opportunities within LifeSpeak's existing and net new client base, as well as additional paths to market, including new channel partners, augment LifeSpeak's sales strategy while enhancing revenue opportunities across the client portfolio.
- **A strong team with complementary skillsets and long-term strategic alignment:** The Wellbeats team joins LifeSpeak with decades of experience and long-term strategic alignment in its core mission. Wellbeats'

international experience and presence accelerates LifeSpeak's global growth efforts through the addition of strong senior management and an experienced U.S. salesforce.

- **A similar financial profile:** Wellbeats maintains comparable fundamental financial metrics to LifeSpeak and is expected to accelerate LifeSpeak's overall growth strategy and enhance financial performance into 2022 and beyond.

Upon closing of the transition, LifeSpeak is pleased to welcome Jason Von Bank, President, and CEO of Wellbeats, to the Company's executive team in the role of Chief Operating Officer of LifeSpeak.

Concurrent with the completion of the transaction, LifeSpeak entered into a new \$97.5 million revolving credit facility with Scotiabank's Technology Innovation and Banking Group and Desjardins Capital Markets, with terms as previously announced, and completed the previously announced \$22 million private placement of 2,953,020 common shares at a price of \$7.45 per common share. At the closing of the transaction, net debt (i.e., all borrowings less cash on hand), including the net proceeds of the private placement, was approximately \$70 million.

For more information about LifeSpeak's acquisition of Wellbeats, including additional financial information and information on 2022 projected financial performance, please see LifeSpeak's news release dated February 14, 2022 [here](#).

In order to provide context to the transaction prior to the release of the Company's financial results for the year ended December 31, 2021, the Company has provided preliminary financial estimates with respect to its ARR. These figures are preliminary, have not been reviewed by the Company's or Wellbeats' auditors and are subject to change as the Company's and Wellbeats' financial results are finalized. Additional discussion around the Company's year-end results will be provided following the release of the financial results for the year ended December 31, 2021.

About Wellbeats

Wellbeats is the premier provider of on-demand, virtual wellness content, and programming for use in corporate wellbeing initiatives. With more than 1,000 fitness, nutrition, and mindfulness classes and programs available anytime and anywhere, Wellbeats allows employers to support employees with wellness resources that fit their needs, lifestyle, and schedule. Wellbeats provides best-in-class content that appeals to people of all ages, interests, and ability levels. Wellbeats content is easily accessible through apps for iOS, Android, Windows, and Apple TV, any modern web browser, Chromecast, Airplay, and Roku. To learn more, visit www.Wellbeats.com, follow on LinkedIn or check out a sampling of the company's fitness classes during a [Facebook](#) Live session.

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" or "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.

Key Performance Indicators

This press release makes reference to "Annual Recurring Revenue" or "ARR," and number of clients which are key performance indicators used in the Company's industry. The Company calculates "Annual Recurring Revenue" or "ARR" as being equal to the annualized value of contracted recurring revenue from all clients of its platform at the date being measured. The Company's calculation of ARR assumes that active clients will renew their contracts at the time of renewal. Based on the Company's 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 the Company's existing clients or distributed through its channel partners). ARR provides a consolidated measure by which the Company can monitor the longer-term trends in its business. The number of client is defined as the number of clients at the end of any particular period as the number of

enterprise clients and clients of the Company's embedded solutions for which the term of services has not ended, or with which the Company is negotiating contract renewal.

These key performance indicators are used to provide investors with supplemental measures of the Company's operating performance and liquidity and thus highlight trends in the Company's business. The Company also believes that securities analysts, investors, and other interested parties frequently use key performance indicators in the evaluation of issuers. The Company's management also uses key performance indicators in order to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and forecasts, and to determine components of management and executive compensation. The key performance indicators used by the Company may be calculated in a manner different than similar key performance indicators used by other companies.

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, ARR, performance, 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. 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.

Source LifeSpeak Inc

Contacts

For investor inquiries, please contact:

Michael McKenna
mikemckenna@lifespeak.com
Chief Financial Officer & Secretary
LifeSpeak Inc.

Or:

Adam Peeler, on behalf of:
LifeSpeak Inc.
416.427.1235
adam.peeler@loderockadvisors.com