

**REPORT OF THE SUPERVISORY BOARD
OF LIVECHAT SOFTWARE SPÓŁKA AKCYJNA**

**ON THE ACTIVITIES OF THE SUPERVISORY BOARD OF LIVECHAT
SOFTWARE S.A. IN THE PERIOD
FROM 1 APRIL 2021 TO 31 MARCH 2022**

WROCŁAW, 20 JULY 2022

I. Introduction

Acting pursuant to Article 382 § 3 of the Commercial Companies Code and § 13 section 1 of the Statute of LIVECHAT Software S.A. (hereinafter also referred to as the "**Company**"), the Supervisory Board of LIVECHAT Software S.A. (hereinafter also referred to as the "**Supervisory Board**" or "**Board**") hereby submits to the Annual General Meeting of LIVECHAT Software S.A. the Supervisory Board Report containing the following:

- 1) the results of the assessment of the financial statement of LIVECHAT Software S.A. for the 12-month period ended 31 March 2022,
- 2) the results of the assessment of the consolidated financial statements of the LIVECHAT Software Capital Group for the 12-month period ended 31 March 2022,
- 3) the results of the assessment of the Management Board report on the activities of LIVECHAT Software S.A. and its Capital Group in the financial year 2021/2022,
- 4) the results of the assessment of the request and recommendation of the Company Management Board regarding the method of distribution of the net profit of LIVECHAT Software S.A. for the financial year beginning on 1 April 2021 and ending on 31 March 2022,
- 5) a report on the activities of the Supervisory Board in the period from 1 April 2021 to 31 March 2022.

The above-listed financial statements of the Company and the Company Management Board report were audited by the auditing firm Grant Thornton Polska Spółka z ograniczoną odpowiedzialnością Sp.k. with its registered office in Poznań (hereinafter also referred to as "auditor", "auditing firm" or "statutory auditor"), which was appointed by the Supervisory Board to conduct a statutory audit of the financial statements of the Company and its Capital Group.

II. Assessment of the Individual Financial Statement of LIVECHAT Software S.A. for the 12-month period ended 31 March 2022 as compliant with the Accounting Act

In accordance with the recommendation of the Audit Committee of the Supervisory Board, expressed in Resolution No. 01/2021 of 22 June 2021, the Supervisory Board entrusted **Grant Thornton Polska Spółka z ograniczoną odpowiedzialnością Sp.k.** with its registered office in Poznań, auditing firm number 4055, with the statutory audit of the Company's financial statements for the financial year starting on 1 April 2021 and ending on 31 March 2022. On behalf of the authorized entity, the audit was conducted by Elżbieta Grześkowiak, Key Statutory Auditor No. 5014. The decision on the appointment of the auditor was expressed by Supervisory Board Resolution No. 05/2021 of 28 June 2021.

On 27 June 2022, the Key Auditor, along with the audit team, was invited by the Supervisory Board Audit Committee to a video conference meeting. During the meeting, the Key Auditor and her team presented to the Audit Committee the conclusions from the audit of the Company's financial statements and the Capital Group's consolidated financial statements for the financial year 2021/2022. The most significant disclosed risks and the expert's reaction after the risks had been identified were also discussed. The statutory auditor provided the Audit Committee members with a document entitled: "*Summary of the audit for LIVECHAT Software S.A. for 2022*" prepared for the Members of the Supervisory Board.

The Audit Committee adopted Resolution No. 01/2022 recommending the Supervisory Board to positively assess that the financial statements of the Company and the Capital Group as well as the Management Board's report for 2021/2022 are compliant with the documents and the factual state.

On 28 June 2022, the Supervisory Board, in a remote vote, adopted Resolution No. 01/2022 regarding the statements of the Supervisory Board regarding the operation of the Audit Committee and statements regarding the financial statements of the Company and its Capital Group for the financial year 2021/2022 and the Management Board's report for the same period. The Supervisory Board Chairman was authorised to sign declarations attached to the annual report of the Company, in accordance with applicable law.

On 18 July 2022, the Audit Committee held a video conference meeting and adopted Resolution No. 02/2022 on *information from the review audited by the auditor of financial statements of LIVECHAT Software S.A. for the period from 1 April 2021 to 31 March 2022, the consolidated financial statement of the LIVECHAT Software Capital Group for the 12-month ended on 31 March 2022, a report of the Management Board on the activities of LIVECHAT Software S.A. and its Capital Group in the financial year 2021/2022.*

The Audit Committee provided the Supervisory Board with the following information:

- 1) The Audit Committee reviewed the audited statements, i.e. *the financial statements of LIVECHAT Software S.A. for the 12-month period ended on 31 March 2022, the consolidated financial statements of the LIVECHAT Software Capital Group for the 12-month period ended on 31 March 2022, the Management Board Report on the activities of LIVECHAT Software S.A. and its Capital Group in the financial year 2021/2022* – and it has made no remarks or objections as to the contents of the above-listed documents.
- 2) The Audit Committee familiarised itself with the results of the statutory audit of the statements described in point 1) hereinabove, in particular with the following documents presented by the audit company:
 - a) *"Summary of the research for LIVECHAT Software S.A. for 2022";*
 - b) *"The report of the independent statutory auditor on the audit of the annual financial statements for the Shareholders of LIVECHAT Software S.A."*
 - c) *"The report of the independent statutory auditor on the audit of the consolidated financial statements for the Shareholders of LIVECHAT Software S.A."*

– and it states that it does not make any remarks as to the results of the audit of the statements described in point 1) hereinabove, gives a positive assessment of the manner and course of statutory audit of the Company's and Capital Group's financial statements and the Management Board's report on the Company's and Capital Group's activities performed by the auditing company;

- 3) The Audit Committee familiarised itself with the audit firm's statement of independence and did not find any facts that could challenge its truthfulness
- 4) The Audit Committee confirmed that the auditing firm did not provide the Company with any permitted services other than the auditing statements of LIVECHAT Software S.A. and its Capital Group.

The Audit Committee made recommendations to the Supervisory Board for the Supervisory Board to issue a positive opinion and assessment with regard to the following documents audited by the audit company:

- the Financial Statements of LIVECHAT Software S.A. for the 12-month period ended 31 March 2022,
- the Consolidated Financial Statements of the LIVECHAT Software Capital Group for the 12-month period ended 31 March 2022,
- Reports of the Management Board on the activities of the Company and its Capital Group in the financial year 2021/2022.

In the presented "Independent statutory auditor's report on the audit of annual financial statements for the Shareholders of LiveChat Software S.A." for the period from 1.04.2021 to 31.03.2022, the auditor, among other things, stated that:

"In our opinion, the attached annual financial statements:

- *present a true and fair view of the Company's affairs as at 31 March 2022 as well as its financial result and cash flows for the financial year ended on that day (31 March 2022) in accordance with the provisions of the Accounting Act of 29 September 1994 (Journal Of Laws of 2021, item 217) and the adopted accounting policies,*
- *have been prepared on the basis of duly kept accounting books,*
- *comply in form and content with the applicable provisions of law, including the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information provided by issuers of securities and the conditions for recognising required legal information from a non-Member State as equally valid (Journal of Laws of 2018, item 757) (Regulation on current and periodic information) and with the provisions of the Company's Articles of Association."*

After familiarising itself with the information and recommendations of the Audit Committee and after familiarising itself with the "Report of the independent statutory auditor on the audit of the annual financial statements for the Shareholders of LIVECHAT Software S.A." as well as on the basis of its own analyses of the financial statements, the Supervisory Board states that this report was prepared, in all material aspects, in accordance with the Accounting Act and the accounting policies adopted by the Company.

Therefore, the Supervisory Board recommends that the Annual General Meeting should approve the Company's financial statements for the 12-month period ended on 31 March 2022 as compliant with the provisions of the Accounting Act.

III. Assessment of the consolidated financial statements of the LIVECHAT Software Capital Group for the 12-month period ended on 31 March 2022 as compliant with the International Financial Reporting Standards

The statutory audit of the consolidated financial statements of the LIVECHAT Software Capital Group for the 12-month period ended on 31 March 2022 was performed by Grant Thornton Polska Spółka z ograniczoną odpowiedzialnością Sp.k. with its registered office in Poznań, i.e. auditing firm No. 4055. On behalf of the authorised entity, the audit was performed by Elżbieta Grześkowiak, Key Statutory

Auditor No. 5014. The decision on the appointment of the auditor was expressed by Supervisory Board Resolution No. 05/2021 of 28 June 2021.

The participation of members of the Audit Committee of the Supervisory Board in the audit of the consolidated financial statements of the Capital Group, the resolutions of the Audit Committee as well as the resulting information and recommendations of the Audit Committee are presented and discussed on pages 3–4 of this Report.

The Auditor prepared and submitted the following to the Company:

"Independent auditor's report on the audit of the consolidated annual financial statements for LIVECHAT Software S.A. Shareholders" for the period from 1 April 2021 to 31 March 2022.

In the presented report, the auditor stated the following:

"In our opinion, the accompanying annual consolidated financial statements

- *present a true and fair view of the Capital Group's affairs as at 31 March 2022 and its financial result and cash flows for the financial year ended on that day (31 March 2022) in accordance with the applicable International Accounting Standards, International Financial Reporting Standards and related interpretations announced in the form of regulations approved by the European Commission and the adopted accounting policies,*
- *comply, as to the form and contents, with the provisions of law applicable to the Capital Group and the parent company's Articles of Association."*

Having familiarised itself with the information and recommendations from the Audit Committee and the *"Independent auditor's report on the audit of the consolidated annual financial statements for the Shareholders of LIVECHAT Software S.A."* for the period from 1 April 2021 to 31 March 2022 and based on its own analysis of the consolidated financial statements of the LIVECHAT Software Capital Group, the Supervisory Board finds them to be compliant, in all material respects, with the International Accounting Standards and International Financial Reporting Standards approved by the European Union and with related interpretations announced in the form of regulations of the European Commission and adopted accounting policies.

Therefore, the Supervisory Board recommends that the Annual General Meeting of Shareholders should approve the consolidated annual financial statements of the LIVECHAT Software Capital Group for the 12-month period ended on 31 March 2022.

IV. Assessment of the report of the Management Board on the operations of the Company and its Capital Group in the financial year 2021/2022

Having familiarised itself with the information and recommendations from the Audit Committee (see pages 3–4 of this Report) and having considered and analysed the *"Report of the Management Board on the activities of the Company and its Capital Group in the financial year 2021/2022"*, the Supervisory Board gives a positive assessment of the contents of the report in terms of compliance with the books and documents, with the facts and with applicable provisions of law.

A positive assessment by the Supervisory Board is confirmed by the following opinions of the statutory auditor presented in their audit reports on the Company's and the Capital Group's financial statements:

Auditor's opinion on the Management Board's report on the Company's activities:

"In our opinion, the report on the activities has been prepared in accordance with applicable regulations, is in accordance with Section 49 of the Accounting Act and § 70 of the Regulation on current and periodic information, and it complies with the information contained in the accompanying financial statements. Furthermore, in the light of our knowledge about the Company and its environment obtained during our audit of the annual financial statements, we declare that we did not find any material misstatements in the report on the activities."

Auditor's opinion on the Management Board's report on the Capital Group's activities:

"In our opinion, the report on the Capital Group's activities has been prepared in accordance with applicable regulations – that is, pursuant to the provisions of Article 55 section 2a of the Accounting Act and § 71 of the Regulation on current and periodic information, and it is consistent with the information contained in the attached annual consolidated financial statements. Furthermore, we declare that, in the light of our knowledge about the Capital Group and its environment obtained during our audit, we did not identify any material misstatements in the report on the Group's activities."

Also, in the opinion of the Supervisory Board, the report of the Management Board complies with the requirements specified in Article 49, Article 55 section 2a of the Accounting Act and meets the requirements set out in § 70 and § 71 of the Regulation of the Minister of Finance on current and periodic information.

Therefore, the Supervisory Board recommends that the Annual General Meeting of Shareholders should approve the Management Board report on the activities of the Company and its Capital Group in the financial year 2021/2022.

V. Assessment of the Management Board's request and a recommendation to the Annual General Meeting of Shareholders relating to the distribution of the Company's net profit for the financial year starting on 1 April 2021 and ending on 31 March 2022

The Supervisory Board familiarised itself with the request and recommendation of the Management Board of the Company relating to the distribution of the net profit for the financial year starting on 1 April 2021 and ending on 31 March 2022 in the amount of **PLN 118,574,091.81** – contained in Management Board Resolution No. 01/ 06/2022 of 30 June 2022.

In accordance with the request and recommendation of the Management Board of the Company, the Company's net profit would be distributed as follows:

- 1) **PLN 5,274,091.81** to the Company's supplementary capital;
- 2) **PLN 113,300,000.00** for the payment of dividends to shareholders, which means that the dividend per share would be **PLN 4.40**;

- 3) with account taken of advances towards dividends for the financial year starting on 1 April 2021 and ending on 31 March 2022, i.e. an advance in the amount of PLN 29,355,000.00 paid by the Company under Resolution of the Management Board no. 01/11/2021 of 25 November 2021 and an advance in the amount of PLN 29,355,000.00, which will be paid on 5 August 2022 under the Resolution of the Management Board, the remaining dividends for the financial year starting on 1 April 2021 and ending on 31 March 2022 would be paid to shareholders in the amount of **PLN 54,590,000.00**, i.e. **PLN 2.12** per share,
- 4) dividends would be paid in respect of 25,750,000 shares in the Company,
- 5) planned record date: 25 August 2022,
- 6) planned payment date: 1 September 2022.

The Supervisory Board makes no objections as to the above-mentioned request and recommendation of the Management Board. In connection with a positive assessment of the Company's financial statements, the Supervisory Board recommends that the Annual General Meeting of Shareholders should distribute the net profit for the financial year starting on 1 April 2021 and ending on 31 March 2022 as specified in detail in the request and recommendation of the Management Board.

VI. SUMMARY

Taking into account the assessment results contained in this Report and the positive opinions of the statutory auditor contained in the above-cited independent auditor's reports, the Supervisory Board recommends that the Annual General Meeting of Shareholders should proceed as follows:

- **approve the Company's financial statements for the 12-month period ended 31 March 2022**
- **approve the consolidated annual financial statements of LIVECHAT Software Capital Group for the 12-month period ended 31 March 2022**
- **approve the report of the Management Board on activities of LIVECHAT Software S.A. and LIVECHAT Software Capital Group in the financial year 2021/2022.**

The financial statements of the Company and of the Group of Companies have been prepared in accordance with the provisions of the Polish Accounting Act, the International Accounting Standards, and the International Financial Reporting Standards approved by the European Union and with the adopted accounting policies.

Furthermore, in connection with a positive assessment, the Supervisory Board recommends that the Annual General Meeting of Shareholders should distribute net profit for the financial year starting on 1 April 2021 and ending on 31 March 2022 as specified in the request of the Management Board and described in item V of this Report of the Supervisory Board.

VII. REPORT ON THE ACTIVITIES OF THE SUPERVISORY BOARD OF LIVECHAT SOFTWARE S.A. IN THE PERIOD FROM 1 APRIL 2021 TO 31 MARCH 2022

1. Composition of the Supervisory Board during the period from 1 April 2021 to 31 March 2022

As at 31 March 2022, the Supervisory Board was composed of the following members:

- 1) Maciej Jarzębowski – Chairperson of the Supervisory Board
- 2) Jakub Sitarz – Vice-Chairperson of the Supervisory Board
- 3) Marta Ciepła – Member of the Supervisory Board
- 4) Marzena Czapaluk – Member of the Supervisory Board
- 5) Marcin Mańdziak – Member of the Supervisory Board.

On 18 August 2021, the Annual General Meeting of Shareholders appointed the above-listed members of the Supervisory Board to serve another three-year term of office, i.e. for the period 2021–2023.

In the period from 1 April 2021 to 31 March 2022, there was one change in the composition of the LIVECHAT Software S.A. Supervisory Board. After the end of the three-year term of office on 18 August 2022, the mandate of Mr. Michał Markowski, who was not reappointed to the Supervisory Board for another term, expired. As of 18 August 2021, Ms. Marzena Czapaluk became a new member of the Supervisory Board.

During the period from 1 April 2021 to 31 March 2022, Mr. Maciej Jarzębowski was the Chairperson of the Supervisory Board.

In accordance with the definition of “independence” set forth in Section 129(3) of the Act on Statutory Auditors, Auditing Firms and Public Oversight of 11 May 2017, Members of the Supervisory Board meeting the independence requirements were:

- Mr. Michał Markowski and Mr. Marcin Mańdziak – in the period from 1 April 2021 to 18 August 2021;
- Ms. Marzena Czapaluk and Mr. Marcin Mańdziak – in the period from 18 August 2021 to 31 March 2022.

The other members of the Supervisory Board do not meet the independence criteria because they are shareholders of the Company (Mr. Maciej Jarzębowski and Mr. Jakub Sitarz) or a spouse of a Member of the Management Board and shareholder (Ms. Marta Ciepła).

The principles governing the functioning of the Supervisory Board are set forth in the Code of Commercial Companies and Partnerships, the Articles of Association of the Company, and the Regulations of the Supervisory Board of LIVECHAT Software S.A.

The Regulations of the Supervisory Board are available on the Company’s website at the following address: <https://www.livechatsoftware.pl/spolka/dokumenty-korporacyjne/>.

2. Activities of the Supervisory Board during the period from 1 April 2021 to 31 March 2022

The Supervisory Board of the Company operated on the basis of the provisions of the Code of Commercial Companies and Partnerships, the Articles of Association of the Company and the Regulations of the Supervisory Board.

In accordance with the Articles of Association of the Company, the Supervisory Board is composed of five to nine members, appointed and dismissed by the Annual General Meeting of Shareholders. The Members of the Supervisory Board are appointed for a three-year term of office.

During the reporting period, the Supervisory Board exercised on-going supervision over the Company's operations in every area of its activity and advised the Management Board on important Company decisions.

During the period from 1 April 2021 to 31 March 2022, the Supervisory Board considered matters arising from the provisions of the Code of Commercial Companies and Partnerships and from the needs of the Company's on-going operations.

During the period from 1 April 2021 to 31 March 2022, the Supervisory Board held two plenary meetings by means of direct remote communication by Members of the Supervisory Board, i.e. using the video conferencing system provided by the Company's Management Board (e-meeting of the Supervisory Board) and four times adopted resolutions by votes cast by members of the Supervisory Board of the Company by means of direct remote communication, i.e. e-mail.

During the period from 01/04/2021 to 31/03/2022, the Supervisory Board adopted 24 resolutions in total:

1. on 2 June 2021 – Resolution on the adoption of the Supervisory Board Report on the remuneration of the Members of the Management Board and Supervisory Board;
2. on 23 June 2021 – Resolution on the adoption of the Supervisory Board's statements regarding the Audit Committee and the Company's financial statements for 2020/2021;
3. on 28 June 2021 – Resolution on the adoption of the Best Practice of WSE Listed Companies 2021 and on the adoption of the Diversity Policy for the Company's Management Board;
4. on 28 June 2021 – Resolution on the adoption of the Procedure for the periodic assessment of significant transactions concluded by the Company with related entities;
5. on 28 June 2021 – Resolution on the re-selection and extension of the contract with the auditing firm Grant Thornton Polska Sp. z o.o. Sp. k. to perform the statutory audit of the financial statements of the Company and the Capital Group for years 2021/2022 and 2022/2023, to perform a voluntary audit of the Company's interim financial statements in the period from 1 April 2021 to 31 March 2023 and to review the interim consolidated statements of the Capital Group in the period from 1 April 2021 to 31 March 2023;
6. on 28 June 2021 – Resolution on granting consent to the payment of the 2nd advance payment for dividends from the Company's net profit for 2020/2021;
7. on 11 August 2021 – Resolution on the adoption of the agenda of the Supervisory Board meeting;
8. on 11 August 2021 – Resolution on the assessment of the separate annual financial statements of the Company for the period from 1 April 2020 to 31 March 2021;
9. on 11 August 2021 – Resolution on the assessment of the consolidated annual financial statements of the LIVECHAT Software Capital Group for the period from 1 April 2020 to 31 March 2021;
10. on 11 August 2021 – Resolution on the assessment of the Management Board's report on the activities of LIVECHAT Software S.A. and the LIVECHAT Software Capital Group for the period from 1 April 2020 to 31 March 2021;

11. on 11 August 2021 – Resolution on the assessment of the Management Board's request relating to the net profit distribution of LIVECHAT Software S.A. for the period from 1 April 2020 to 31 March 2021;
12. on 11 August 2021 – Resolution on a motion to the General Meeting on granting a vote of approval to the President of the Management Board, Mr Mariusz Ciepty;
13. on 11 August 2021 – Resolution on a request to the General Meeting on granting a vote of approval to a Member of the Management Board, Ms Urszula Jarzębowska;
14. on 11 August 2021 – Resolution on the adoption of the Supervisory Board's Report on the activities of the Supervisory Board for the period from 1 April 2020 to 31 March 2021;
15. on 11 August 2021 – Resolution on the consent to the performance by the President of the Management Board, Mariusz Ciepty, of a function in the bodies of companies outside the Capital Group;
16. on 11 August 2021 – Resolution on the consent to the performance by a Member of the Management Board, Urszula Jarzębowska, of a function in the bodies of companies outside the Capital Group;
17. on 11 August 2021 – Resolution on the adoption of the Supervisory Board Report on the remuneration of the Members of the Management Board and the Supervisory Board;
18. on 11 August 2021 – Resolution on the approval of the report on the implementation of the anonymous reporting procedure for violations of law and ethical standards;
19. on 11 August 2021 – Resolution on considering and giving opinions on matters presented at the Company's Annual General Meeting;
20. on 28 September 2021 – Resolution on the adoption of the agenda of the Supervisory Board meeting;
21. on 28 September 2021 – Resolution on the appointment of the Chairman of the Supervisory Board;
22. on 28 September 2021 – Resolution on the appointment of the Vice-Chairman of the Supervisory Board;
23. on 28 September 2021 – Resolution on the appointment of the Audit Committee of the Supervisory Board;
24. on 25 November 2021 – Resolution on the consent to the payment of an advance on dividends from the Company's net profit for 2021/2022.

3. Assessment of the Company's activities in the period from 1 April 2021 to 31 March 2022

The Supervisory Board very positively assesses the activities and achievements of the Company in the period from 1 April 2021 to 31 March 2022, with a view that:

- LIVECHAT Software Capital Group revenues increased by 24.3% and amounted to PLN 222.515 million;
- The Company generated PLN 118.574 million of standalone net profit (an increase by 18.8%), at the Group level, the consolidated net profit also increased by 18.8% and amounted to PLN 119,023 million;
- the Company's EBITDA result amounted to PLN 139.987 million and is higher by 19.8% compared to the previous year;

- the number of the Company's clients has been growing steadily; at the end of the accounting period, the number of clients of the Company's main product was 35,559; the number of customers using the ChatBot product amounted to 2,404; the Company's customers come from 150 countries around the world;
- the Company has been developing and consolidating its business model, which allows it to record very high margins, which results from low acquisition and customer retention costs, combined with the scalability of the business, which allowed it to achieve a gross margin of 85.6%, an operating margin of 57.6% and a net margin of 53.5%;
- the Company paid shareholders an advance dividend from the net profit for the period from 1 April 2021 to 31 March 2022 in the total amount of PLN 58.8 million, and additionally provides for the payment in September 2022 of the remaining dividend from the current financial year in the amount of PLN 54.5 million;
- the value of the dividend per share of the Company has been growing systematically – in the period 2013/2014, the dividend paid per share was PLN 0.37, and in the period 2020/2021 the dividend paid per share was PLN 3.69; the dividend to be paid for the period 2021/2022 should amount to PLN 4.40 per share;
- at the end of the financial year, the Company had financial resources in the amount of PLN 55.7 million – that is, funds that fully ensure the Company's financial liquidity.

The Supervisory Board gives a positive opinion on the operations of the Management Board and its cooperation with the Management Board of the Company. The Supervisory Board received from the Management Board information on financial results as well as necessary explanations and comments.

The Company's financial results are an indication of the skillful management of the Company; therefore, the Supervisory Board gives a positive opinion on granting discharge to the Members of the Management Board for the period from 1 April 2018 to 31 March 2019:

- Mr. Mariusz Ciepły – President of the Management Board

- Ms. Urszula Jarzębowska – Member of the Management Board

4. The activities of the Supervisory Board Committees in the period from 1 April 2021 to 31 March 2022

There is only one committee in the Company's Supervisory Board – that is, the Audit Committee. Originally, the Audit Committee was formed on 19 December 2017 by a resolution of the Supervisory Board of the Company. On the same day, the Supervisory Board adopted a resolution on the establishment of the Regulations of the Audit Committee.

In the period from 1 April 2021 to 18 August 2021, the Audit Committee was composed of:

- Mr. Marcin Mańdziak – Chairman of the Audit
- Mr. Michał Markowski – Member of the Audit Committee
- Mr. Jakub Sitarz – Member of the Audit Committee.

On 18 August 2021, the three-year term of office of the Supervisory Board ended. The new Supervisory Board, which will function in the term of office in the period 2021/2023, has been appointed in a

changed composition. On 28 September 2021, the Supervisory Board appointed the Audit Committee of the Supervisory Board with a new composition:

- Mr. Marcin Mańdziak – Chairman of the Audit Committee
- Ms. Marzena Czapaluk – Vice-chairman of the Audit Committee
- Mr. Jakub Sitarz – Secretary of the Audit Committee.

In accordance with the applicable provisions of the Act of 11 May 2017 on Statutory Auditors, Auditing Firms and Public Oversight, the majority of members of the Audit Committee, including the Chairperson of the Audit Committee, are independent from the Company as a public interest entity (in the period from 01/04/2021 to 18/08/2021: Mr. Marcin Mańdziak and Mr. Michał Markowski; in the period from 28/09/2021 to 31/03/2022: Mr. Marcin Mańdziak and Ms. Marzena Czapaluk).

At least one member of the Audit Committee has expertise in the field of accounting or auditing of financial statements (in the period from 01/04/2021 to 18/08/2021: Mr. Michał Markowski; in the period from 28/09/2021 to 31/03/2022: Ms. Marzena Czapaluk).

At least one member of the Audit Committee has expertise in the field of the industry in which the Company operates (during the entire period: Mr. Jakub Sitarz).

During the period from 1 April 2021 to 31 March 2022, the Audit Committee of the Supervisory Board held two votes by written ballot by means of direct remote communication and adopted the following two resolutions:

- 1) on 22 June 2021 – a resolution on the recommendation to extend the contract with the auditing firm Grant Thornton Polska Sp. z o.o. Sp. k. to perform the statutory audit of the financial statements of the Company and the Capital Group in the period 2021/2022 and 2022/2023, to perform a voluntary audit of the Company's interim financial statements in the period from 01/04/2021 to 31/03/2023 and to review the interim consolidated statements of the Capital Group in the period 01/04/2021 to 31/03/2023;
- 2) On 10 August 2021 – Resolution on information from the review of: (i) financial statements of LIVECHAT Software S.A. for the period from 01/04/2020 to 31/03/2021, (ii) consolidated financial statements of the LIVECHAT Software Capital Group for the period from 01/04/2020 to 31/03/2021, (iii) reports of the Management Board on the activities of LIVECHAT Software S.A. and the LIVECHAT Software Capital Group for the twelve-month period ended 31 March 2021.

In the reporting period, the Audit Committee focused (primarily) on matters related to the participation in the audit of the financial statements of the Company and its Capital Group. The resolution described above was adopted, and on 25 June 2021, the Audit Committee analysed the letter received from the auditing company summarising the audit of the Company's annual financial statements and the annual consolidated financial statements of the Capital Group in relation to the following: (i) the scope of the audit; (ii) the audit schedule; (iii) the audit methodology and materiality adopted; (iv) key audit areas and significant audit risks; (v) characteristics of material items from financial statements and consolidated financial statements; (vi) audit results.

During the audit of the financial statements of the Company and the Capital Group, communication was maintained between the auditor and the members of the Committee, in particular with the Chairman of the Audit Committee, by means of electronic communication.

5. Assessment of the Company's standing for the period from 1 April 2021 to 31 March 2022, including an assessment of the internal inspection system, the risk management system, compliance and the internal audit function

In the opinion of the Supervisory Board, the Company's financial standing should be considered to be stable and secure due to the high level of the Company's net profit.

The Company does not have material liabilities and makes all payments as they fall due. As at the end of the period, i.e. 31 March 2022, LIVECHAT Software S.A. has substantial funds (over PLN 55.7 million) at its disposal, which ensures the financial stability of the Company.

After a discussion with the Management Board of the Company and an analysis of 17 relevant documents of the Company and taking into consideration the Company's business profile and its market environment, the Supervisory Board did not find any irregularities as regards risk management by the Management Board and believes that risk areas that are relevant for the Company have been properly identified.

In the opinion of the Supervisory Board, controlling functions were performed by the Supervisory Board and the Management Board of the Company, which constantly monitors the situation and takes preventive action where any risks are identified.

The solutions applied by the Company fulfil the task of ensuring the completeness of processing of the Company's financial data, maintaining their arithmetic correctness, ensuring that the operations included in the financial statements actually occurred and ensuring the proper authorisation of the registered operations.

It should be inferred that the auditor had a similar opinion; the auditor did not express in any paragraph a negative opinion, neither in the summary for the Audit Committee nor in the reports on the audit of the financial statements of the Company and its Capital Group or in relation to the internal inspection system of the Company, nor did it flag any weaknesses in the Company's internal inspection system in terms of financial reporting and the Company's accounting system.

Despite the formal lack of an internal inspection system and risk management system, the Supervisory Board finds that during the period from 1 April 2021 to 31 March 2022, actions were taken at the Company which could and should be regarded as falling within the scope of an internal inspection system and risk management system.

In the opinion of the Supervisory Board, in the period from 01/04/2021 to 31/03/2022, the Company complied with the applicable legal provisions and the provisions of the Company's Articles of Association in its activities.

No cases of anonymous reporting of violations of the law or ethical procedures in force in the Company have been reported.

6. Assessment of the Company's compliance with information duties relating to the application of the corporate governance principles set forth in the Stock Exchange Regulations and the provisions relating to current and periodical information to be provided by issuers of securities

In the period from 01/04/2021 to 31/03/2022, LIVECHAT Software S.A. submitted in a timely manner periodical reports which were prepared in accordance with the applicable provisions. In addition, the

Company duly submitted current reports, which provided information on material corporate and business events. In the opinion of the Supervisory Board, the Company duly provided information, in the form of current reports, which met the criteria of confidential information within the meaning of Section 17 of the Market Abuse Regulation (MAR).

From 01/04/2021 to 30/06/2021, the Company applied the corporate governance principles constituting an Appendix to the Resolution of the Stock Exchange Supervisory Board, entitled "*Best Practices of WSE Listed Companies 2016*" (DPSN 2016).

From 01/07/2021 to 31/03/2022, the Company applied the corporate governance principles constituting the Appendix to the Resolution of the Stock Exchange Council entitled "*Best Practices of WSE Listed Companies 2021*" (DPSN 2021).

On 28 June 2021, the Supervisory Board adopted a resolution on the adoption by the Company of the principles resulting from the "*Best Practices of WSE Listed Companies 2021*", taking into account the principles of proportionality and adequacy relating to the situation of the Company, the manner of its operation and the Company's shareholding structure.

On 18 August 2021, the Annual General Meeting adopted a resolution on the adoption by the Company of the principles resulting from the "*Best Practices of WSE Listed Companies 2021*", taking into account the principles of proportionality and adequacy relating to the Company's situation, the manner of its operation and the Company's shareholding structure.

In the reports on the statutory audit of the financial statements submitted to the Company, the auditing firm stated that "*in the statement on the application of corporate governance, the Company included the information specified in § 70 section 6 point 5 of the Regulation on current and periodic information. Information specified in § 70 section 6 point 5 letters c-f, h and i of this Regulation on current and periodic information contained in the statement on the application of corporate governance is consistent with the applicable regulations, and the information contained in the annual financial statements*".

In the opinion of the Supervisory Board, the Company is dedicated to ensuring maximum transparency of its activities, good quality of communication with investors and protection of shareholders' rights, also in areas not regulated by law – which also means that the Company took the necessary steps to fully comply with the principles contained in DPSN 2016 and DSPN 2011.

Extensive information on the scope of the application of DPSN 2016 and DSPN 2021 by the Company is included in the Management Board's Report on the activities of the Company and its Capital Group in the financial year 2021/2022, available on the Company's website. Each deviation by the Company from applying a given rule contained in DSPN 2016 or DSPN 2021, has been explained in detail and justified.

The Supervisory Board positively assesses and approves the Company's policy of compliance with corporate governance and applying the principles of Best Practice, contained in DSPN 2016 and DSPN 2021. In particular, the Supervisory Board agrees with the decisions of the Management Board relating to deviations in the application of certain principles of DSPN 2016 and DSPN 2021 in practice and the operation of the Company. The Supervisory Board fully approves the explanations and justifications presented by the Company's Management Board regarding derogations in the application of certain Best Practices. In the opinion of the Supervisory Board, the exceptions applied by the Company are

fully justified by the principles of proportionality and adequacy relating to the situation of the Company, the manner of its operation, and the shareholding structure of the Company.

In the opinion of the Supervisory Board, the Company correctly fulfills the disclosure obligations related to applying the corporate governance principles set out in the provisions of the law referred to above.

The Supervisory Board does not find any other, even incidental, violations of DSPN 2016 or DSPN 2021 by the Company in the period from 1 April 2021 to 31 March 2022.

7. Assessment of the reasonableness of the Company's charitable donations and sponsorship policy

To the best knowledge of the Supervisory Board, the Company does not have donations and sponsorship policy.

In the period from 1 April 2021 to 31 March 2022, the Company conducted charity activities in various areas. The company made 12 cash donations in the total amount of PLN 1,126,064.60. A detailed description of the Company's donations in the reporting period can be found in the Report of the Management Board on the activities of the Company and its Capital Group in the financial year 2021/2022. The Company's most significant activity and financial commitment are humanitarian activities related to the outbreak of war in Ukraine. A donation of PLN 1.0 million was transferred to the Polish Humanitarian Action, and a donation of PLN 20,000 was transferred to the Polish Red Cross. An important humanitarian activity of the Company is its involvement in the fight against neoplastic diseases. The Company donated PLN 23,844 to the Cancer Fighters Foundation as part of this activity. The subsidiary donated USD 1,000 to the Movember Foundation, which conducts educational and preventive campaigns against testicular cancer.

The Company and its subsidiary also participate in a program entitled "LiveChat for Nonprofits", which supports non-profit organizations worldwide by providing them with their products free of charge.

The Supervisory Board very positively assesses and fully approves the charity activities carried out by the Company in 2021/2022, both in terms of the directions of the Company's activities and the number of expenses allocated to the Company's charity activities.

8. Assessment of the implementation of the diversity policy in relation to the team, the Management Board, and the Supervisory Board in the period from 1 April 2021 to 31 March 2022

From 1 April 2021 to 1 July 2021, the Company did not have a formal diversity policy.

The Diversity Policy for the Company's Management Board was adopted by Resolution No. 03/2021 of the Company's Supervisory Board on 28 June 2021. The adopted rules were applied from 01 July 2021 not only by the Supervisory Board to the Members of the Management Board but also by the Management Board of the Company to the entire team of the Company, regardless of the form of employment.

The Diversity Policy for the Supervisory Board of LIVECHAT Software S.A. was adopted by the resolution of the Annual General Meeting No. 22/2021 of 18 August 2021 for use by the Company and its bodies.

"Diversity", in the definition used by the Company, is the recognition of the team's unique predispositions and competencies, regardless of the differences based on visible and invisible, innate and acquired features, such as, for example, gender, age, origin, disability, sexual orientation, family status and civil, professed values, political beliefs, personality traits, education, and interests.

DIVERSITY IN A TEAM

The Supervisory Board, having familiarised itself with the *"Assessment of the application of the Diversity Policy in relation to the team at LiveChat SOFTWARE S.A. for the period from 1 July 2021 to 31 March 2022"* prepared by the Management Board of the Company, positively assesses and gives opinions on the assessment presented by the Management Board of the Company and raises no objections to it.

DIVERSITY IN THE MANAGEMENT BOARD

When appointing members of the Management Board of the Company, the Supervisory Board applies all the principles of diversity set out in the Diversity Policy, while the Supervisory Board appoints to the Management Board of the Company only individuals with appropriate competencies, skills, and experience necessary to act in the interest of the Company and its shareholders, including individuals showing the characteristics of leadership and commitment as these features are required to ensure the Company's further dynamic development, effectiveness and safety of operation.

From 1 April 2021 to 31 March 2022, the Company's Management Board was composed of men and women in equal proportions.

DIVERSITY IN THE SUPERVISORY BOARD

In the Supervisory Board of the Company, in connection with the appointment of a new Supervisory Board for the next term of office, the share of women who are members of the Supervisory Board has increased over the last year.

As of the date of this report, the Supervisory Board is composed of two women, who currently constitute 40% of the Supervisory Board.

Two Members of the Supervisory Board, Ms. Marzena Czapaluk and Mr. Marcin Mańdziak, meet the criteria of independence in relation to the Company and its shareholders indicated by the Diversity Policy for the Supervisory Board and have no real and significant links with significant shareholders of the Company.

ADDITIONAL INFORMATION

The gender structure in administrative bodies exceeds the goals set by the Diversity Policy, which states that gender diversity should not be lower than 30% of the minority share among directors and key managers.

In the opinion of the Supervisory Board, the Company's Diversity Policy towards the team and the management and supervisory bodies of the Company is implemented correctly and in accordance with the applicable principles of Best Practice, and it supports the dynamic and sustainable development of the Company.

Chairman of the Supervisory Board