LiveChat Software
Investor Presentation

May 2020
LiveChat history

- **2002**: First customers
- **2007**: 63% of shares taken over by GG Network S.A.
- **2008**: LiveChat Sp. z o.o.
- **2009**: LiveChat Software S.A.
- **2010**: EBITDA+ Positive result for the first time in history
- **2011**: Debut on Warsaw Stock Exchange
- **2014**: Customers in 150 countries
- **2015**: Launch of ChatBot
- **2016**: 1K+ customers of ChatBot
- **2017**: 50% of shares acquired by Capital Partners
- **2018**: GG PRO: A business version of Gadu-Gadu communicator
- **2019**: Management buyout from GG Network S.A. (MBO)
- **2020**: Customers in 120 countries
- **2020**: Launch of Knowledge Base
- **2020**: Launch of HelpDesk
Annual Revenues (in PLN mn)

*revenues for fiscal year ended March 31
Clients

28 500+
Clients of LiveChat

1 000+
Clients of ChatBot

150+
countries

25+
Companies from 'Fortune 500' List
2019 in numbers

- 166 employees
- 30 industries
- 150 countries
- 28500+ Customers of LiveChat
- 1000+ Customers of ChatBot
Latest events

- **May 2019**: Shortening LiveChat trial to 14 days
- **June 2019**: Commercial launch of HelpDesk
- **July 2019**: Acquisition of livechat.com domain
- **January 2020**: 28k+ clients of LiveChat
- **April 2020**: 1K+ Clients of ChatBot

**Rebranding**
170+ employees

Meet our team at
www.livechatinc.com/team
Organization

LiveChat Software S.A. 100% → LiveChat Inc.

CEO

Chief Financial Officer
- Administration and finance

Chief Marketing Officer
- Marketing

Chief Operating Officer
- Operations (incl. customer support)
- Sales

Chief Creative Officer

Chief Technology Officer
- Products
- Engineers

Investor Relations

At the end of 2019 FY, the company had 169 employees
Shareholders*:

- Agreement of Shareholders (founders and key managers): 47.1%
- Aviva PTE Aviva Santander: 6.6%
- NN PTE: 6.2%
- Free Float: 40.5%

*February 2020
Live chat technology in 2019

Top 10 live chat providers across top 1 million sites

- Zendesk Chat 27%
- LiveChat 11%
- Hubspot 11%
- JivoSite 8%
- RocketChat 8%
- Olark 7%
- LivePerson 6%
- Drift 4%
- SmartSupp 3%
- tawk.to 15%

Source: thechatshop.com based on data from Build With and Similar Tech

Top 10 countries by number of websites using live chat

- Canada 32,938
- United States 1,112,073
- UK 87,950
- Netherlands 31,592
- Ukraine 41,071
- Russia 232,730
- Brazil 90,056
- India 28,543
- Vietnam 25,244
- Australia 32,764
Interactive 2020 Customer Service Report

The report shows the results for key LiveChat customer service metrics. The goal is to give you insight into the state of live chat customer service across different industries and locations around the world.

Learn more

REPORT BASED ON:

23,487 companies
30 industries
304,165,182 chats
ABOUT:

LiveChat product is a tool for quick contact between clients and the company using a chat application embedded on the company’s website. The solution is used mainly for customer service and online sales.

VISION:

Connects you with customers, no matter the situation.
ABOUT:
ChatBot is a product which allows the creation of conversational chatbots to handle various business scenarios. ChatBot is integrated with the LiveChat solution, but also with other tools, such as Facebook Messenger.

VISION:
ChatBot will be best and simplest self learning solution to automate business communication.
Knowledge Base

Smart Knowledge Base to support your customers and agents

ABOUT:

KnowledgeBase lets companies create their own knowledge bases, which can be accessed by both their employees and clients.
**HelpDesk**

**ABOUT:**
HelpDesk ticketing system helps solve all customer cases in an easy way. Launched in May 2019.

**VISION:**
- Customers solve problems on their own.
- Humans work only on issues that can’t be automated.
- Companies know about problems before customers do.
- Customers asking for help on any channel.
Platform for Developers

Hello, Marcin!
Welcome to your Developer Console. You’re all ready to go and build apps!

Build & Monetize Apps
Start creating your apps. We’ll guide you through this process and help you with promotion.

Explore Developer Tools
Dive into the sample apps, docs and app ideas to get inspired for your next project.

Complete your Profile!
Please let us know more about you, so we can provide tailored support.

Join the Developers Community
Join the LiveChat for Developers Community and stay informed about the updates, feature requests and Marketplace releases.

ABOUT:
LiveChat for Developers is a platform which developers can build powerful apps, distribute and earn real money.

VISION:
We will be the most innovator-friendly of all platforms.
January – April 2020
Key events

Company

✓ Rebranding of all products

✓ An advance toward an expected dividend paid (0.6 PLN per share) in January.

✓ The beginning of the process of building a sales department in the USA.

✓ New pricing model „pay per agent“ (PPA), which replaced „pay per seat“ (PPS) introduced in January, accepted by customers.

✓ More than 95% of customers migrated to new backend.

✓ Internal tests and closed beta of „continuous chat“ feature.

✓ Milestone of 1K customers reached in January.

✓ New pricing plans (team and business) successfully introduced in January.

✓ New plans (starter and enterprise).
LiveChat in times of pandemic

✓ From the week of March 9-15 we introduced a model based 100% on remote work.

✓ No negative effect on our work.

✓ New online recruitment system introduced.

✓ The increase in the Churn indicator (customer leaving rate) of LiveChat.

✓ Record number of new trials translates into a higher number of new customers recorded in April.

✓ A significant increase in the value of upselling to current customers of the Company, who increase the number of agents working using LiveChat.
Preliminary results

Est. revenues Q4 2019/2020

<table>
<thead>
<tr>
<th></th>
<th>Q4 2018 FY</th>
<th>Q4 2019 FY</th>
<th>Growth</th>
<th>Q3 2019 FY</th>
<th>Q4 2019 FY</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD</td>
<td>7 787 623</td>
<td>9 075 194</td>
<td>+16.5%</td>
<td>8 406 881</td>
<td>9 075 194</td>
<td>+7.9%</td>
</tr>
</tbody>
</table>

In March 2020 alone, the increase was 17.7% per annum and 9.7% compared to the previous month.

Revenues Q3 2019/2020

<table>
<thead>
<tr>
<th></th>
<th>Q3 2018 FY</th>
<th>Q3 2019 FY</th>
<th>Growth</th>
<th>Q2 2019 FY</th>
<th>Q3 2019 FY</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD</td>
<td>7 369 987</td>
<td>8 406 881</td>
<td>+14.1%</td>
<td>8 197 370</td>
<td>8 406 881</td>
<td>+2.6%</td>
</tr>
</tbody>
</table>
Changes in pricing model introduced in January 2020 and other initiatives are expected to have positive impact on ARPU in the coming quarters.
Financial results
Q3 2019/20 FY
Financial results (PLN mn)

- **Net Sales**: 79.9 (9M 2018), 94.9 (9M 2019), +18.8%
- **EBITDA**: 54.6 (9M 2018), 62.4 (9M 2019), +14.2%
- **Net profit**: 42.1 (9M 2018), 46.9 (9M 2019), +11.5%
Financial results (PLN mn)

- Net Sales: Q3 2018 - 27.8, Q3 2019 - 32.4, +16.5%
- EBITDA: Q3 2018 - 17.9, Q3 2019 - 21.2, +18.1%
- Net profit: Q3 2018 - 13.7, Q3 2019 - 15.8, +15.1%
# Margins

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<thead>
<tr>
<th></th>
<th>9M 2019/20</th>
<th>9M 2018/19</th>
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</thead>
<tbody>
<tr>
<td>Gross profit margin</td>
<td>85.3%</td>
<td>83.3%</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>65.7%</td>
<td>68.4%</td>
</tr>
<tr>
<td>EBIT margin</td>
<td>61.4%</td>
<td>65.1%</td>
</tr>
<tr>
<td>Net margin</td>
<td>49.4%</td>
<td>52.7%</td>
</tr>
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</table>

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<tr>
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<th>Q3 2019/20</th>
<th>Q3 2018/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross profit margin</td>
<td>84.5%</td>
<td>82.2</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>65.4%</td>
<td>64.5%</td>
</tr>
<tr>
<td>EBIT margin</td>
<td>60.9%</td>
<td>61.1%</td>
</tr>
<tr>
<td>Net margin</td>
<td>48.9%</td>
<td>49.5%</td>
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</table>

The company maintains high margins despite an increase in employment.
Changes in pricing model introduced in January 2020 and other initiatives are expected to have positive impact on ARPU in the coming quarters.
Cash Position (PLN thousands)

Cash 01.04.2019: 32,624
Cash flow from operating activities: +51,398
Cash flow from investing activities: -8,284
Cash flow from financing activities: -36,307

Financial activities include only dividends.
According to the current dividend policy described in the company’s issuing prospectus, the Managing Board of LiveChat Software S.A. will be recommending to the Annual General Meeting to pay out highest possible part of the profit for the specific fiscal year as dividend, unless the company sees investment opportunities that would give it, and the shareholders, a return higher than the dividend payment.

In January Company paid PLN 15.45 mn (0.60 PLN per share vs 0.54 PLN per share year earlier) as a advance toward planned dividend.
Revenues - geographical breakdown

% of sales

- USA + Canada: 47%
- United Kingdom: 31%
- Australia: 13%
- Poland: 7%
- Other: 2%

Map showing the geographical distribution of revenues.
DISCLAIMER

This document may include forward-looking statements. Because such statements deal with future events, they are subject to various risks and uncertainties.

The Company undertakes no obligation to revise or update forward-looking statements as a result of new information, since these statements may no longer be accurate or timely.

This presentation does not constitute an offer to sell or the solicitation of an offer to buy any security of the Company.