LiveChat Software
Investor Presentation

December 2019
LiveChat history

- **2002**: First customers
- **2007**: 50% of shares acquired by Capital Partners
- **2008**: 63% of shares taken over by GG Network S.A.
- **2009**: GG PRO - A business version of Gadu-Gadu communicator
- **2010**: Management buyout from GG Network S.A. (MBO)
- **2011**: 1k* customers
- **2014**: EBITDA+ - Positive result for the first time in history
- **2015**: Debut on Warsaw Stock Exchange
- **2016**: Customers in 150 countries
- **2017**: Launch of ChatBot
- **2018**: Customers in 120 countries
- **2019**: Launch of Knowledge Base
- **2020**: 25k* customers
- **2021**: 28k* customers

* Only paying clients of LiveChat solution
Clients

28,000+ clients

150+ countries

25+ companies from ‘Fortune 500’ list
2018 in numbers

- 32B website visits
- 25,896 paying clients at end of year
- 334M chats
- 17M tickets
- 132 employees
Most important events in 2018/19 FY and beyond

October 2018
Commercial launch of HelpDesk

May 2019
BotEngine rebranded as Chatbot

June/July 2019
28k+ clients of LiveChat

July 2019
Shortening LiveChat trial to 14 days

Autumn 2019
~95% clients migrated seamlessly to LiveChat 3 - new innovative backend version

November 2019
Preparations to introduction of "pay per agent" pricing model
160 employees

Meet our team at
www.livechatinc.com/team
At the end of H1 2019/20 FY, the company had **160 employees**
Shareholders*:

- Agreement of Shareholders (founders and key managers)
- Aviva PTE Aviva Santander
- NN PTE
- Free Float

*November 2019
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%
SmartSupp 3%
Drift 4%
tawk.to 15%

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

Source: thechatshop.com
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.

ABOUT:

LiveChat Software Products

VISION:

Connects you with customers, no matter the situation
LiveChat 3 is new innovative Backend, which allows us to implement new features and options required by clients.
LiveChat 2  
2012

Chat only between 1 agent and 1 customer.

The customer can only run one chat with one company at a time.

The chat ends when the customer or agent leaves.

The customer gets a delayed invitation to the chat.

The client is not able to see the contents of previous chats.

The customer can only chat on one device.

The ability to write to chat only through our applications.

LiveChat 3  
2019

Any combination of agents and customers is possible.

The client can run multiple chats in parallel with one company.

The chat does not end, the client can write even when the agents are offline.

The customer gets an invitation to chat without any delay.

The client have access to history of previous chats.

The customer can transfer chats from one device to another.

The ability to write to the chat also via applications of external developers.
LiveChat 3 - Summary

The **new backend** is crucial to further increase the competitiveness of LiveChat.

LiveChat 3 allows smooth integrations with **new channels of communication** (e.g. SMS, Messenger, Twitter and more).

Thanks to the new code and documentation, LiveChat 3 makes it easy to **create add-ons** by external developers.

The simple code allows a quick search for errors and their improvement.

The **chat.io** project was **crucial** in the development and testing of new solutions.

Work on LiveChat 3 and the migration of customers involved the **vast majority of the company's team**.

As of the beginning of June, new backend is used by **50%+ LiveChat clients**.
Market overview – G2 Crowd

Source: https://www.g2.com/categories/live-chat
Market overview – Software Reviews
(customer service management)

Source:
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.
Market overview – G2 Crowd

Source: https://www.g2.com/categories/bot-platforms
Knowledge Base

ABOUT:

KnowledgeBase lets companies create their own knowledge bases, which can be accessed by both their employees and clients.
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.
Financial results
H1 2019/20 FY
Financial results (PLN mn)

- **Net Sales**: 52.1 (H1 2018) / 62.5 (H1 2019), +20%
- **EBITDA**: 36.7 (H1 2018) / 41.2 (H1 2019), +12.3%
- **Net profit**: 28.3 (H1 2018) / 31.1 (H1 2019), +9.7%
Financial results (PLN mn)

- **Net Sales**
  - Q2 2018: 26.6
  - Q2 2019: 32.3
  - Change: +21.6%

- **EBITDA**
  - Q2 2018: 18.3
  - Q2 2019: 21.7
  - Change: +18.7%

- **Net profit**
  - Q2 2018: 14.1
  - Q2 2019: 16.4
  - Change: +16.1%
# Margins

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<tr>
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<th>H1 2019/20</th>
<th>H1 2018/19</th>
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<tbody>
<tr>
<td>Gross profit margin</td>
<td>85,7%</td>
<td>83,8%</td>
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<tr>
<td>EBITDA margin</td>
<td>65,9%</td>
<td>70,4%</td>
</tr>
<tr>
<td>EBIT margin</td>
<td>61,7%</td>
<td>67,3%</td>
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<tr>
<td>Net margin</td>
<td>49,7%</td>
<td>54,4%</td>
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<td>ROE</td>
<td>122,0%</td>
<td>136,2%</td>
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<tr>
<td>ROA</td>
<td>111,0%</td>
<td>123,2%</td>
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<td>Current ratio</td>
<td>6,7</td>
<td>6,8</td>
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<tr>
<td>Quick ratio</td>
<td>6,7</td>
<td>6,8</td>
</tr>
<tr>
<td>Cash ratio</td>
<td>4,7</td>
<td>4,8</td>
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The company maintains high margins despite an increase in employment.
Number of clients

Net adds

Perspectives:

✓ Good performance of Partner Program.

✓ Work on improving conversion rates

✓ Perspectives of ARPU growth
  • Upselling
  • Crossselling
  • Changes in pricing
  • "pay per agent" pricing model
  • Focus on enterprise sector in future

✓ Effect of shortened trial (from 30 to 14 days) visible in July and August.

✓ September affected by changes in onboarding process.
Cash Position (PLN thousands)

- Cash 01.04.2019: 32,624
- Cash flow from operating activities: +31,712
- Cash flow from investing activities: -5,302
- Cash flow from financing activities: -36,310
- Cash 30.09.2019: 22,723

Financial activities include dividends.
Dividend

Dividend paid (PLN mn)

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<tbody>
<tr>
<td>Value</td>
<td>9.5</td>
<td>18.3</td>
<td>27.8</td>
<td>36.3</td>
<td>45.6</td>
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Dividend (PLN per share)

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<tbody>
<tr>
<td>Value</td>
<td>0.37</td>
<td>0.71</td>
<td>1.08</td>
<td>1.41</td>
<td>1.77</td>
<td>1.95</td>
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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 the entire 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 August AGM decided that PLN 50.2 mn will be allocated for dividend.
Marcin Droba
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Find out more:
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