Press release

Wrocław, February 23, 2017

LiveChat Software

Consolidated sales of LiveChat Software group rose by 21,4% to PLN 66,44 m in the three quarters of the fiscal year 2017/18, which begun on April 1. Over the same period, consolidated net profit rose by c. 15% to PLN 35,5 m.

„Recent months were very important for us. We are executing a strategy to build a platform and tools for text-based communications and around them we are creating a whole ecosystem of solutions and integrations. Our financial results show that we are still growing rapidly, maintaining very strong margins and generating cash, even when the results reported are negatively impacted by the US dollar exchange rate” – CEO Mariusz Ciepły said.

In 3Q alone, group sales totaled PLN 22,83 m, with a net profit of PLN 12,41 m.

Both in 3Q and in the nine months of this fiscal year, the company posted strong operating results. Gross profit margins reached 83,7% vs. 85% the year before. EBITDA margins were 71% and 72,3%, respectively. Net margins have reached 53,4% compared to 56,4% the year ago.

The rate at which the company is increasing its subscriber base remains the key to LiveChat Software’s results. As of February 1, 2018, a total of 23,370 clients, or c. 26% more than the year before, were using paid LiveChat solution.

The rate of customer acquisitions in individual months is often subject to seasonal fluctuations and depends on factors such as situation in the e-commerce segment.

„The first month of 2018 was, for us, the best January ever in terms of an increase in the customer base and we posted similar records in many months of last year. Of course we are working to grow even faster, Mariusz Ciepły said.

LiveChat Software’s business model lets the company finance its growth and effectively generate cash. In 1-3Q, net cash from operations totaled PLN 36,02 m. At the end of the period the company held cash worth PLN 30,64 m. Its official dividend policy states that the company will allocate its entire profit for dividend payments.

„As far as dividends, we are not just reiterating our policy, but we want to follow the US model in which companies distribute their profits to shareholders on a more regular basis. That is why we have decided to make an advance dividend payment representing profits expected in the current fiscal year,“ the head of LiveChat Software said.
LiveChat Software has paid the advance dividend at the beginning of January. The company has distributed a total of PLN 11.33 m, or PLN 0.44 per share to its shareholders.

The LiveChat solution is in use by clients from around 150 countries. These include Sony Mobile, Stripe, Hulu, BenQ, Orange, Adobe, Pizza Hut, Ryanair, Macy’s, PBS, NetApp and numerous others, public administration, including the US State Department, universities, such as Stanford University and even sports clubs, including Tottenham Hotspur and the Vancouver Canucks. The biggest geographical market for LiveChat Software is North America. Solutions developed by the Wrocław-based studio are used by clients from all sectors, but the biggest number of customers comes from industries such as IT, education, retailing, entertainment and marketing.

In recent months LiveChat brought to the market new solutions. One, BotEngine is a platform which lets users who lack specialized IT know-how, create their own chatbot. It is already integrated with Facebook Messenger, LiveChat, Slack and can also operate independently on a website using its own Chat Widget.

Another, Chat.io, is a live chat-type solution whose structure facilitates integration with very different platforms. At present, this instrument is integrated with Facebook Messenger and there are plans to integrate it with Twitter, e-mail and text messages. Chat.io is a paid solution, but it serves primarily to test solutions in a live environment and to collect user opinions.

Both of these products, as well as other projects under development by LiveChat Software, are designed to test the tools and infrastructure for a bigger communications platform. API documentation which is being developed, the marketplace and the community of clients and companies surrounding the product that has been built over time, will, in a longer timeframe, give LiveChat Software an opportunity to develop a wider range of communications products and services for business.

The reported number of clients refers solely to LiveChat solution.

About the company

LiveChat Software S.A. is a provider of software for direct, online communications between website users and its owner. The company is offering services in the SaaS model, making it possible for people with no programming experience to install the LiveChat service in just a few minutes. Services are offered via www.livechatinc.com website. LiveChat Software has over 23,000 clients in over 150 countries and generates most of its sales in the US and the UK. It serves clients such as Orange, Adobe, Tele2, NetApp, Kaspersky Lab, Macy’s, Pizza Hut, PBS, Ryanair and Air Asia. It is one of global leaders of live chat type software. On April 11, 2014, its shares were listed on the main board of the Warsaw Stock Exchange.
For more information please contact:

**Marcin Droba**
InnerValue Investor Relations  
m.droba@innervalue.pl  
+48 502 258 385

**Patrycja Bilińska**
LiveChat Software  
p.bilinska@livechatinc.com  
+48 501 249 109