LiveChat Software
Investor Presentation

August 2019
LiveChat history

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

* Only paying clients of LiveChat solution
Clients

28,000+ clients
150+ countries
25+ companies from ‘Fortune 500’ list
32B
website visits

2018
in numbers

25,896
paying clients
at end of year

334M
chats

17M
tickets

132
employees
Most important events in 2018/19 FY and beyond

- **Beginning of review of potential strategic options**
  - Summer 2018

- **Commercial launch of HelpDesk**
  - October 2018

- **20,000+ clients migrated seamlessly to LiveChat 3 - new innovative backend version**
  - July 2019

- **Purchase of helpdesk.com and chatbot.com domains**
  - August 2018

- **BotEngine rebranded as Chatbot**
  - May 2018

- **28k+ clients of LiveChat**
  - August 2019
150 employees

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

Chief Creative Officer

Chief Technology Officer
- Products
- Engineers

Investor Relations

At the end of 2018/19 FY, the company had 140 employees
Shareholders*:

- Agreement of Shareholders (founders and key managers) - 47.1%
- Aviva PTE Aviva Santander - 6.6%
- NN PTE - 5.8%
- Free Float

*August 2019
Live chat technology in 2019

Top 10 live chat providers across top 1 million sites

- Zendesk Chat 27%
- LiveChat 11%
- Hubspot 11%
- RocketChat 8%
- JivoSite 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
- India 28,543
- Vietnam 25,244
- Brazil 90,056
- Russia 232,730
- Australia 32,764

Source: thechatshop.com
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
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.
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)

**ChatBot**

**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
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.

Go to Apps

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

Go Explore

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
Q1 2019/20 FY
Number of clients

Perspectives:

- Good performance of Partner Program.
- Work on improving conversion rates
- Perspectives of ARPU growth
  - Upselling
  - Crossselling
  - Changes in pricing
  - New pricing model
  - Focus on enterprise sector
- Effect of shortened trial (from 30 to 14 days) visible in July and August.
# KPIs

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<thead>
<tr>
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<th>Q1 2019/20</th>
<th>2018/19</th>
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<tbody>
<tr>
<td>Gross profit margin</td>
<td>84.3%</td>
<td>84.3%</td>
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<tr>
<td>EBITDA margin</td>
<td>64.5%</td>
<td>72.0%</td>
</tr>
<tr>
<td>EBIT margin</td>
<td>60.3%</td>
<td>69.0%</td>
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<tr>
<td>Net margin</td>
<td>48.8%</td>
<td>55.8%</td>
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<td>ROE</td>
<td>82.8%</td>
<td>86.5%</td>
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<tr>
<td>ROA</td>
<td>76.1%</td>
<td>80.8%</td>
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<tr>
<td>Current ratio</td>
<td>9.2</td>
<td>12.2</td>
</tr>
<tr>
<td>Quick ratio</td>
<td>9.2</td>
<td>12.2</td>
</tr>
<tr>
<td>Cash ratio</td>
<td>7.3</td>
<td>10.3</td>
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The company maintains high margins despite an increase in employment.
Financial results (PLN mn)

- Net Sales: 25.5 (Q1 2018) vs. 30.2 (Q1 2019), +18%
- EBITDA: 18.4 (Q1 2018) vs. 19.5 (Q1 2019), +6%
- Net profit: 14.2 (Q1 2018) vs. 14.7 (Q1 2019), +3%
Cash Position (PLN thousands)

- **32,624** (Cash 01.04.2019)
- **+13,755**
- **-2,664** (Cash flow from investing activities)
- **0** (Cash flow from financing activities)
- **43,715** (Cash 30.06.2019)

Financial activities include 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 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
INVESTOR RELATIONS

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Find out more:
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