# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
## WASHINGTON, D.C. 20549

# FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**

**For the quarterly period ended June 30, 2023**

**OR**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**

**For the transition period from _______ to _______**

**Commission file number 001-38825**

# LIVEVOX HOLDINGS, INC.

(Exact Name of Registrant as Specified in Its Charter)

| **Delaware** | **82-3447941** |
|---|---|
| (State or Other Jurisdiction of Incorporation or Organization) | (I.R.S. Employer Identification No.) |

**655 Montgomery Street, Suite 1000, San Francisco, CA 94111**
(Address of principal executive offices) (Zip Code)
**(415) 671-6000**
(Registrant's telephone number, including area code)
**Securities registered pursuant to Section 12(b) of the Act:**

| Title of each class | Trading symbol(s) | Name of each exchange on which registered |
|---|---|---|
| Class A common stock, par value $0.0001 per share | LVOX | The Nasdaq Stock Market LLC |
| Redeemable Warrants, each whole Warrant exercisable to purchase one share of Class A common stock at an exercise price of $11.50 | LVOXW | The Nasdaq Stock Market LLC |
| Units, each consisting of one share of Class A common stock and one-half of one redeemable Warrant | LVOXU | The Nasdaq Stock Market LLC |

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

| | | | |
|---|---|---|---|
| Large accelerated filer | ☐ | Accelerated filer | ☐ |
| Non-Accelerated filer | ☒ | Smaller reporting company | ☒ |
| Emerging growth company | ☒ | | |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Securities Exchange Act of 1934). Yes ☐ No ☒

As of August 4, 2023, the registrant had 94,203,022 shares of Class A common stock, par value $0.0001 per share, issued and outstanding (101,746,772 shares of common stock, less 7,543,750 shares held in escrow).

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## SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This quarterly report on Form 10-Q (this "Quarterly Report") includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements, other than statements of present or historical fact included in this Quarterly Report, regarding the future financial performance of LiveVox Holdings, Inc. ("LiveVox" or the "Company"), as well as LiveVox's strategy, future operations, future operating results, financial position, expectations regarding revenue, losses, and costs, prospects, plans and objectives of management are forward-looking statements. In addition, any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. The words "anticipate," "believe," "contemplate," "continue," "could," "estimate," "expect," "intends," "may," "might," "plan," "possible," "potential," "predict," "project," "should," "will," "would" and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. Forward-looking statements in this Quarterly Report are subject to risks and uncertainties that may include, for example:

- the business, operations and financial performance of the Company, including market conditions and global and economic factors beyond the Company's control, such as a tight labor market, inflationary pressures, rising interest rates, volatility in foreign exchange rates, supply chain constraints, recessionary fears, and impacts from the invasion of Ukraine by Russia;
- the high level of competition in the cloud contact center industry and the intense competition and competitive pressures from other companies in the industry in which the Company operates;
- the effect of legal, tax and regulatory changes;
- the Company's reliance on third-party telecommunications and internet service providers and aggregators to provide its products and for other aspects of its business;
- the Company's ability to raise financing or complete acquisitions in the future;
- the Company's success in retaining or recruiting, or changes required in, its officers, key employees or directors;
- the future financial performance of the Company;
- the outcome of any legal proceedings that may be instituted against the Company;
- reliance on information systems and the ability to properly maintain the confidentiality and integrity of data;
- the occurrence of cyber incidents or a deficiency in cybersecurity protocols;
- the Company's ability to maintain its listing on The Nasdaq Stock Market LLC ("Nasdaq"), including its ability to comply with the requirement that the bid price for the Class A common stock be above $1.00 for a period of 30 consecutive trading days; and
- the ability to obtain third-party software licenses for use in or with the Company's products.

The foregoing review of important factors should not be construed as exhaustive and should be read in conjunction with the other risk factors included in our filings with the SEC, including our Annual Report on Form 10-K filed with the SEC on March 2, 2023. Forward-looking statements reflect current views about LiveVox's plans, strategies and prospects, which are based on information available as of the date of this Quarterly Report. Except to the extent required by applicable law, LiveVox undertakes no obligation (and expressly disclaims any such obligation) to update or revise the forward-looking statements whether as a result of new information, future events or otherwise.

## PART I—FINANCIAL INFORMATION

## ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

### LIVEVOX HOLDINGS, INC.

**Consolidated Balance Sheets**
**(In thousands, except per share data)**

| | As of | |
|---|---|---|
| | June 30, 2023 (Unaudited) | December 31, 2022 |
| **ASSETS** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 17,671 | $ 20,742 |
| Marketable securities—available for sale debt securities, current (amortized cost of $44,563 and $49,593 as of June 30, 2023 and December 31, 2022, respectively) | 43,738 | 48,182 |
| Accounts receivable, net of allowance of credit losses of $2,362 and $1,459 as of June 30, 2023 and December 31, 2022, respectively | 21,429 | 21,447 |
| Deferred sales commissions, current | 3,507 | 3,171 |
| Prepaid expenses and other current assets | 4,790 | 5,211 |
| **Total current assets** | 91,135 | 98,753 |
| Property and equipment, net | 2,230 | 2,618 |
| Goodwill | 47,481 | 47,481 |
| Intangible assets, net | 15,054 | 16,655 |
| Operating lease right-of-use assets | 3,734 | 4,920 |
| Deposits and other | 363 | 371 |
| Deferred sales commissions, net of current | 7,769 | 7,356 |
| Deferred tax asset, net | 19 | 1 |
| **Total assets** | $ 167,785 | $ 178,155 |
| | | |
| **LIABILITIES & STOCKHOLDERS' EQUITY** | | |
| Current liabilities: | | |
| Accounts payable | $ 5,831 | $ 5,987 |
| Accrued expenses | 10,614 | 12,399 |
| Deferred revenue, current | 1,533 | 1,318 |
| Term loan, current | 1,332 | 982 |
| Operating lease liabilities, current | 1,342 | 1,655 |
| Finance lease liabilities, current | — | 11 |
| **Total current liabilities** | 20,652 | 22,352 |
| Deferred revenue, net of current | 382 | 338 |
| Term loan, net of current | 52,604 | 53,585 |
| Operating lease liabilities, net of current | 3,166 | 3,649 |
| Warrant liability | 450 | 633 |
| Other long-term liabilities | 363 | 363 |
| **Total liabilities** | 77,617 | 80,920 |
| | | |
| Commitments and contingencies (Note 9 and 21) | | |
| Stockholders' equity: | | |
| Preferred stock, $0.0001 par value per share; 25,000 shares authorized and none issued and outstanding as of June 30, 2023 and December 31, 2022. | — | — |

| | | June 30, 2023 | | December 31, 2022 |
|---|---|---|---|---|
| Common stock, $0.0001 par value per share; 500,000 shares authorized and 94,202 shares issued and outstanding as of June 30, 2023; 500,000 shares authorized and 92,729 shares issued and outstanding as of December 31, 2022. | | 9 | | 9 |
| Additional paid-in capital | | 269,918 | | 264,919 |
| Accumulated other comprehensive loss | | (1,404) | | (2,196) |
| Accumulated deficit | | (178,355) | | (165,497) |
| Total stockholders' equity | | 90,168 | | 97,235 |
| **Total liabilities & stockholders' equity** | $ | 167,785 | $ | 178,155 |

The accompanying notes are an integral part of these consolidated financial statements.

**LIVEVOX HOLDINGS, INC.**

**Consolidated Statements of Operations and Comprehensive Loss**
**(Unaudited) (In thousands, except per share data)**

| | For the three months ended June 30, | | For the six months ended June 30, | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Revenue | $ 35,375 | $ 32,987 | $ 72,241 | $ 65,080 |
| Cost of revenue | 11,140 | 12,548 | 24,402 | 26,180 |
| Gross profit | 24,235 | 20,439 | 47,839 | 38,900 |
| Operating expenses | | | | |
| Sales and marketing expense | 11,293 | 14,502 | 24,773 | 29,036 |
| General and administrative expense | 9,393 | 8,014 | 18,564 | 15,600 |
| Research and development expense | 6,859 | 8,167 | 14,842 | 16,657 |
| Total operating expenses | 27,545 | 30,683 | 58,179 | 61,293 |
| **Loss from operations** | (3,310) | (10,244) | (10,340) | (22,393) |
| Interest expense, net | 1,326 | 744 | 2,422 | 1,494 |
| Change in the fair value of warrant liability | (116) | (92) | (183) | (484) |
| Other expense (income), net | (42) | 113 | (112) | 49 |
| Total other expense, net | 1,168 | 765 | 2,127 | 1,059 |
| **Pre-tax loss** | (4,478) | (11,009) | (12,467) | (23,452) |
| Provision for (benefit from) income taxes | (89) | (229) | 391 | 315 |
| **Net loss** | $ (4,389) | $ (10,780) | $ (12,858) | $ (23,767) |
| **Comprehensive loss** | | | | |
| Net loss | $ (4,389) | $ (10,780) | $ (12,858) | $ (23,767) |
| Other comprehensive income (loss), net of tax | | | | |
| Foreign currency translation adjustment | 140 | (153) | 206 | (202) |
| Net unrealized gain (loss) on marketable securities | 159 | (288) | 586 | (1,176) |
| Total other comprehensive income (loss), net of tax | 299 | (441) | 792 | (1,378) |
| **Comprehensive loss** | $ (4,090) | $ (11,221) | $ (12,066) | $ (25,145) |
| **Net loss per share** | | | | |
| Net loss per share—basic and diluted | $ (0.05) | $ (0.12) | $ (0.14) | $ (0.26) |
| Weighted average shares outstanding—basic and diluted | 93,562 | 91,562 | 93,204 | 91,520 |

The accompanying notes are an integral part of these consolidated financial statements.

**LIVEVOX HOLDINGS, INC.**

**Consolidated Statements of Stockholders' Equity**
**(Unaudited) (In thousands)**

| | Common Stock | | Additional Paid-in Capital | Accumulated Other Comprehensive Loss | Accumulated Deficit | Total |
|---|---|---|---|---|---|---|
| | Shares | Amount | | | | |
| Balance at December 31, 2021 | 90,697 | $ 9 | $ 253,468 | $ (477) | $ (128,022) | $ 124,978 |
| Foreign currency translation adjustment | — | — | — | (49) | — | (49) |
| Net unrealized loss on marketable securities | — | — | — | (888) | — | (888) |
| Stock-based compensation | — | — | 2,479 | — | — | 2,479 |
| Net loss | — | — | — | — | (12,987) | (12,987) |
| Balance at March 31, 2022 | 90,697 | $ 9 | $ 255,947 | $ (1,414) | $ (141,009) | $ 113,533 |
| Gross issuance of shares upon vesting of stock-based awards | 1,055 | — | — | — | — | — |
| Shares withheld to cover employees' withholding taxes for stock-based awards | (205) | — | (317) | — | — | (317) |
| Foreign currency translation adjustment | — | — | — | (153) | — | (153) |
| Net unrealized loss on marketable securities | — | — | — | (288) | — | (288) |
| Stock-based compensation | — | — | 3,423 | — | — | 3,423 |
| Net loss | — | — | — | — | (10,780) | (10,780) |
| Balance at June 30, 2022 | 91,547 | $ 9 | $ 259,053 | $ (1,855) | $ (151,789) | $ 105,418 |

| | Common Stock | | Additional Paid-in Capital | Accumulated Other Comprehensive Loss | Accumulated Deficit | Total |
|---|---|---|---|---|---|---|
| | Shares | Amount | | | | |
| Balance at December 31, 2022 | 92,729 | $ 9 | $ 264,919 | $ (2,196) | $ (165,497) | $ 97,235 |
| Gross issuance of shares upon vesting of stock-based awards | 316 | — | — | — | — | — |
| Shares withheld to cover employees' withholding taxes for stock-based awards | (108) | — | (294) | — | — | (294) |
| Net transfer from LiveVox TopCo | — | — | 219 | — | — | 219 |
| Foreign currency translation adjustment | — | — | — | 66 | — | 66 |
| Net unrealized gain on marketable securities | — | — | — | 427 | — | 427 |
| Stock-based compensation | — | — | 2,649 | — | — | 2,649 |
| Net loss | — | — | — | — | (8,469) | (8,469) |
| Balance at March 31, 2023 | 92,937 | $ 9 | $ 267,493 | $ (1,703) | $ (173,966) | $ 91,833 |
| Gross issuance of shares upon vesting of stock-based awards | 1,570 | — | — | — | — | — |
| Shares withheld to cover employees' withholding taxes for stock-based awards | (305) | — | (835) | — | — | (835) |
| Net transfer from LiveVox TopCo | — | — | 18 | — | — | 18 |
| Foreign currency translation adjustment | — | — | — | 140 | — | 140 |
| Net unrealized gain on marketable securities | — | — | — | 159 | — | 159 |
| Stock-based compensation | — | — | 3,242 | — | — | 3,242 |
| Net loss | — | — | — | — | (4,389) | (4,389) |
| Balance at June 30, 2023 | 94,202 | $ 9 | $ 269,918 | $ (1,404) | $ (178,355) | $ 90,168 |

The accompanying notes are an integral part of these consolidated financial statements.

**LIVEVOX HOLDINGS, INC.**

**Consolidated Statements of Cash Flows**
**(Unaudited) (Dollars in thousands)**

| | For the six months ended June 30, | |
|---|---|---|
| | 2023 | 2022 |
| **Operating activities:** | | |
| **Net loss** | $ (12,858) | $ (23,767) |
| **Adjustments to reconcile net loss to net cash used in operating activities:** | | |
| Depreciation and amortization | 481 | 556 |
| Amortization of identified intangible assets | 1,601 | 1,875 |
| Amortization of deferred loan origination costs | 89 | 54 |
| Amortization of deferred sales commissions | 1,759 | 1,507 |
| Non-cash lease expense | 666 | 931 |
| Stock-based compensation expense | 5,891 | 5,902 |
| Credit loss expense | 907 | 402 |
| Loss on disposition or impairment of asset | 509 | — |
| Deferred income tax benefit | (18) | (91) |
| Net realized loss on sale of marketable securities | 75 | 42 |
| Amortization of premium paid on marketable securities | 181 | 246 |
| Change in the fair value of the warrant liability | (183) | (484) |
| **Changes in assets and liabilities** | | |
| Accounts receivable | (889) | 1,203 |
| Other assets | 431 | 2,340 |
| Deferred sales commissions | (2,507) | (1,919) |
| Accounts payable | (156) | (409) |
| Accrued expenses | (1,344) | (3,647) |
| Deferred revenue | 259 | (169) |
| Operating lease liabilities | (795) | (990) |
| **Net cash used in operating activities** | (5,901) | (16,418) |
| **Investing activities:** | | |
| Purchases of property and equipment | (48) | (772) |
| Purchases of marketable securities | (12,965) | (5,413) |
| Proceeds from sale of marketable securities | 10,097 | 3,451 |
| Proceeds from maturities and principal paydowns of marketable securities | 7,643 | 2,652 |
| **Net cash provided by (used in) investing activities** | 4,727 | (82) |
| **Financing activities:** | | |
| Repayments on loan payable | (421) | (280) |
| Proceeds from drawdown on line of credit | 320 | — |
| Repayments of drawdown on line of credit | (320) | — |
| Debt issuance costs | (299) | — |
| Repayments on finance lease obligations | (11) | (13) |
| Payments of employees' withholding taxes on net share settlement of stock-based awards | (1,133) | (317) |
| Principal payments under the structured payable arrangement | (441) | — |
| Net transfer from LiveVox TopCo | 237 | — |
| **Net cash used in financing activities** | (2,068) | (610) |
| Effect of foreign currency translation | 171 | (234) |
| **Net decrease in cash, cash equivalents and restricted cash** | (3,071) | (17,344) |

| | 2023 | 2022 |
|---|---|---|
| Cash, cash equivalents, and restricted cash beginning of period | 20,742 | 47,317 |
| Cash, cash equivalents, and restricted cash end of period | $ 17,671 | $ 29,973 |

| | For the six months ended June 30, | |
|---|---|---|
| | 2023 | 2022 |
| **Supplemental disclosure of cash flow information:** | | |
| Interest paid | $ 2,696 | $ 1,626 |
| Income taxes paid | 899 | 247 |
| **Supplemental schedule of non-cash investing activities:** | | |
| Net unrealized loss (gain) on marketable securities | $ (586) | $ 1,176 |
| Additional right-of-use assets | — | 617 |

Reconciliation of cash, cash equivalents and restricted cash to the consolidated balance sheets (dollars in thousands):

| | As of June 30, | |
|---|---|---|
| | 2023 | 2022 |
| Cash and cash equivalents | $ 17,671 | $ 29,873 |
| Restricted cash, current | — | 100 |
| Total cash, cash equivalents and restricted cash | $ 17,671 | $ 29,973 |

The accompanying notes are an integral part of these consolidated financial statements.

LIVEVOX HOLDINGS, INC.

Notes to the Consolidated Financial Statements (Unaudited)

## 1. Organization

LiveVox Holdings, Inc. (formerly known as Crescent Acquisition Corp("Crescent")), and its subsidiaries (collectively, the "Company," "LiveVox," "we," "us" or "our") is engaged in the business of developing and marketing a cloud-hosted Contact Center as a Service ("CCaaS") customer engagement platform that leverages microservice technology to rapidly innovate and scale digital engagement functionality that also incorporates the capabilities of fully integrated omnichannel customer connectivity, multichannel enabled Customer Relationship Management and Workforce Optimization applications. LiveVox's customers are located primarily in the United States. LiveVox's services are used to initiate and manage customer contact campaigns primarily for companies in the accounts receivable management, tele-sales and customer care industries.

On June 18, 2021 (the "Closing Date" or "Closing"), Crescent, a Delaware corporation, consummated the business combination pursuant to an Agreement and Plan of Merger, dated January 13, 2021 (the "Merger Agreement"), by and among Crescent, Function Acquisition I Corp, a Delaware corporation and direct, wholly owned subsidiary of Crescent ("First Merger Sub"), Function Acquisition II LLC, a Delaware limited liability company and a direct, wholly owned subsidiary of Crescent ("Second Merger Sub"), LiveVox Holdings, Inc., a Delaware corporation ("Old LiveVox"), and GGC Services Holdco, Inc., a Delaware corporation, solely in its capacity as the representative, agent and attorney-in-fact (in such capacity, the "Stockholder Representative") of LiveVox TopCo, LLC ("LiveVox TopCo"), a Delaware limited liability company and the sole stockholder of Old LiveVox as of immediately prior to Closing (the "LiveVox Stockholder"). Pursuant to the Merger Agreement, a business combination between Crescent and Old LiveVox was effected through (a) the merger of First Merger Sub with and into Old LiveVox, with Old LiveVox continuing as the surviving corporation (the "First Merger") and (b) immediately following the First Merger and as part of the same overall transaction as the First Merger, the merger of Old LiveVox with and into Second Merger Sub, with Second Merger Sub continuing as the surviving entity (the "Second Merger", and collectively with the other transactions described in the Merger Agreement, the "Merger"). On the Closing Date, Crescent changed its name to "LiveVox Holdings, Inc." and Second Merger Sub changed its name to "LiveVox Intermediate LLC".

On June 22, 2021, the Company's ticker symbols on The Nasdaq Stock Market LLC ("Nasdaq") for its Class A common stock, warrants to purchase Class A common stock and public units were changed to "LVOX", "LVOXW" and "LVOXU", respectively.

LiveVox, Inc. was a direct, wholly owned subsidiary of Old LiveVox prior to the Merger and is a wholly owned subsidiary of the Company after the Merger. LiveVox, Inc. was first incorporated in Delaware in 1998 under the name "Tools for Health" and in 2005 changed its name to "LiveVox, Inc." On March 21, 2014, LiveVox, Inc. and its subsidiaries were acquired by Old LiveVox. The principal United States operations of the Company are located in San Francisco, California. The Company has five main operating subsidiaries: LiveVox, Inc., which is wholly owned and incorporated in Delaware, LiveVox Colombia SAS which is wholly owned with an office located in Medellin, Colombia, LiveVox Solutions Private Ltd with an office located in Bangalore, India, Speech IQ, LLC which is wholly owned and organized in Ohio, and Engage Holdings, LLC (d/b/a BusinessPhone.com) ("BusinessPhone.com") which is wholly owned and organized in Ohio. Additionally, the Company has a wholly owned subsidiary, LiveVox International, Inc., that is incorporated in Delaware. LiveVox, Inc. and LiveVox International, Inc. own 99.99% and 0.01%, respectively, of LiveVox Solutions Private Ltd.

## 2. Summary of Significant Accounting Policies

### *a) Basis of Presentation and Principles of Consolidation*

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States ("U.S. GAAP") and applicable rules and regulations of the Securities and Exchange Commission ("SEC") regarding interim financial reporting. Certain information and note disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to such rules and regulations or if they substantially duplicate the disclosures contained in the Company's annual audited consolidated financial statements. Therefore, these unaudited interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and related notes as of and for the year ended December 31, 2022 included in the Company's Annual Report on Form 10-K ("Annual Report") filed with the SEC on March 2, 2023. The information as of December 31, 2022 included in the consolidated balance sheets was derived from those audited consolidated financial statements.

In the opinion of management, the unaudited consolidated financial statements reflect all adjustments, which are normal and recurring in nature, necessary for fair financial statement presentation. All intercompany transactions and balances have been

eliminated in consolidation. Results of operations for the three and six months ended June 30, 2023 and 2022 are not necessarily indicative of the results to be expected for the full annual periods.

Certain prior period amounts have been reclassified to conform to current period presentation. The reclassifications had no impact on the Company's net income, financial position, stockholders' equity or cash flows as previously reported.

***b) Use of Estimates***

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates, and such differences could be material to the Company's consolidated financial position and results of operations, requiring adjustment to these balances in future periods. Significant items subject to such estimates and assumptions include, but are not limited to, the determination of the useful lives of long-lived assets, period of benefit of deferred sales commissions, allowances for credit losses, fair value of marketable securities, fair value of goodwill and long-lived assets, fair value of incentive awards, fair value of warrants, establishing standalone selling price, valuation of deferred tax assets, income tax uncertainties and other contingencies, including the Company's ability to exercise its right to repurchase incentive options from terminated employees.

***c) Segment Information***

The Company has determined that its Chief Executive Officer ("CEO") is its chief operating decision maker. The Company's CEO reviews financial information presented on a consolidated basis for purposes of assessing performance and making decisions on how to allocate resources. Accordingly, the Company has determined that it operates in a single reportable segment.

***d) Foreign Currency Translation***

The financial position and results of operations of the Company's international subsidiaries are measured using the local currency as the functional currency. Revenue and expenses have been translated into U.S. dollars at average exchange rates prevailing during the periods presented. Assets and liabilities have been translated at the rates of exchange on the balance sheet date. The resulting translation gain and loss adjustments are recorded directly as a separate component of stockholders' equity (accumulated other comprehensive loss), unless there is a sale or complete liquidation of the underlying foreign investments, or the adjustment is inconsequential.

***e) Fair Value of Financial Instruments***

Fair value is defined as the price that would be received from the sale of an asset or the transfer of a liability in an orderly transaction between market participants at the measurement date. The Company utilizes a fair value hierarchy to classify fair value amounts of the Company's assets and liabilities recognized or disclosed in the Company's consolidated financial statements based on the lowest level of input that is significant to the fair value measurement. The levels of the hierarchy are described below:

- Level 1—Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2—Includes other inputs that are directly or indirectly observable in the marketplace.
- Level 3—Unobservable inputs that are supported by little or no market activity.

In determining fair value, the Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. Observable or market inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's assumptions based on the best information available. The Company recognizes transfers into and out of the levels as of the end of each reporting period. Refer to Note 19 for additional information regarding the fair value measurements.

***f) Liquidity and Capital Resources***

LiveVox's consolidated financial statements have been prepared assuming the Company will continue as a going concern for the 12-month period from the date of issuance of the consolidated financial statements, which contemplates the realization of assets

and the settlement of liabilities and commitments in the normal course of business.The Company's main sources of liquidity include:

- Available-for-sale ("AFS") debt securities, which are all classified as short-term securities to fund current operations and may be liquidated at the Company's discretion if the need arises. The Company held AFS debt securities of $43.7 million and $48.2 million as of June 30, 2023 and December 31, 2022, respectively. See Note 4 for more information;

- The term loan and revolving credit facility that the Company entered into with PNC Bank on November 7, 2016 (as amended, the "Credit Facility"), which has been amended several times, most recently as of May 31, 2023. As of June 30, 2023, the term loan commitment was $54.5 million, the revolver commitment was $5.0 million and the letter of credit sublimit was $1.5 million. See Notes 9 and 10 for more information.

The Company's primary use of cash is for operating and administrative activities including employee-related expenses, and general, operating and overhead expenses. Future capital requirements will depend on many factors, including the Company's customer growth rate, customer retention, timing and extent of development efforts, the expansion of sales and marketing activities, the introduction of new and enhanced services offerings, the continuing market acceptance of the Company's services, effective integration of acquisition activities, if any, and maintaining the Company's bank credit facility. Additionally, the duration and extent of the impact from the current macroeconomic and geopolitical conditions continues to depend on future developments that cannot be accurately predicted at this time, such as a tight labor market, inflationary pressures, rising interest rates, volatility in foreign exchange rates, supply chain constraints, recessionary fears and the specific impact of these and other factors on LiveVox's business, employees, customers and partners. While those factors have caused operational difficulties, and may continue to create challenges for the Company's performance, they have not, thus far, had a substantial net impact on the Company's liquidity position.

The Company believes it has sufficient financial resources for at least the next 12 months from the date these consolidated financial statements are issued.

***g) Debt Discount and Issuance Costs***

The Company's debt issuance costs and debt discount are recorded as a direct reduction of the carrying amount of the debt liability and are amortized to interest expense over the contractual term of the term loan.

***h) Cash, Cash Equivalents and Restricted Cash***

Cash and cash equivalents are stated at fair value. The Company considers all highly liquid investments with an original maturity of 90 days or less to be cash equivalents. The Company limits its credit risk associated with the cash and cash equivalents by placing investments with banks it believes are highly creditworthy. The Company has exposure to credit risk to the extent cash balances exceed amounts covered by Federal deposit insurance. At June 30, 2023 and December 31, 2022, the Company had no restricted cash. Cash and cash equivalents consist of bank deposits and money market funds.

***i) Marketable Securities***

The Company invests in various marketable securities. As of June 30, 2023 and December 31, 2022, the Company designated all of these marketable securities as debt securities and classified them as available-for-sale ("AFS"). No debt securities were classified as held-to-maturity ("HTM") or trading. Debt securities are classified as current or non-current, based on maturities and the Company's expectations of sales and redemptions in the next 12 months. The Company determines the appropriate classification of marketable securities at the time of purchase and re-evaluates such designation as of each balance sheet date.

Debt securities classified as AFS are reported at fair value with unrealized gains and losses, net of income taxes, as a separate component of stockholders' equity (accumulated other comprehensive loss) in the consolidated balance sheets until the securities are sold or the unrealized losses are related to credit losses. Gains and losses on sales of AFS debt securities are recorded on the trade date in other income (expense), net, in the consolidated statements of operations and comprehensive loss. The cost of AFS debt securities sold or the amount reclassified out of accumulated other comprehensive loss into earnings is determined using the specific identification method.

At each reporting date, the Company evaluates the amortized cost of AFS debt securities compared to their fair value to determine whether an AFS debt security is impaired. The Company first assesses whether it intends to sell the security or whether it is more likely than not that the Company will be required to sell the security before the recovery of its entire amortized cost basis. If either of these criteria is met, the security's amortized cost basis is written down to fair value through other income (expense),

net, in the consolidated statements of operations and comprehensive loss. If neither of these criteria is met, the Company evaluates whether the decline in fair value below amortized cost basis has resulted from credit losses or other factors. In making this assessment, the Company considers factors such as the extent to which fair value is less than amortized cost basis, any changes to the rating of the security by a rating agency, and any adverse conditions specifically related to the security. Credit related unrealized losses are recognized as an allowance for credit losses in the consolidated balance sheets with a corresponding charge in other income (expense), net, in the consolidated statements of operations and comprehensive loss. Non-credit related unrealized losses are recorded in other comprehensive income (loss), as applicable, net of applicable taxes.

On January 1, 2023, the Company adopted Accounting Standards Update ("ASU") No. 2016-13,*Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* and all subsequent updates (collectively, the "ASC 326") and applied to its AFS debt securities. Please refer to Note 2(aa) for more information about ASC 326. See Note 4 for additional information relating to the Company's marketable securities.

In connection with the adoption of new standards, the Company elected to exclude accrued interest from both the fair value and the amortized cost basis of AFS debt securities and present it within prepaid expenses and other current assets in the Company's consolidated balance sheets. The Company elected not to measure an allowance for credit losses for accrued interest receivable. As such, accrued interest receivable is written off in a timely manner when deemed uncollectible, by reversing previously recognized interest income.

### *j) Accounts Receivable*

Trade accounts receivable are stated net of any write-offs and the allowance for credit losses, at the amount the Company expects to collect. The Company performs ongoing credit evaluations of its customers and generally does not require collateral unless a customer has previously defaulted. The Company maintains an allowance for credit losses, which represents the best estimate of lifetime expected credit losses against the existing accounts receivable, inclusive of unbilled receivables, based on certain factors including the age of the receivable balance, historical write-off experience, past collection experience with the customer, credit quality of the customer, current economic conditions, and reasonable and supportable forecasts of future economic conditions. If the financial condition of the Company's customers were to deteriorate, adversely affecting their ability to make payments, additional allowances would be required. Accounts receivable are charged off against the allowance for credit losses after all means of collection have been exhausted and the potential for recovery is considered remote. Recoveries of accounts receivable previously written off are recorded as income when received.

The allowance for credit losses activities for the three and six months ended June 30, 2023 and 2022 are as follows (dollars in thousands):

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Balance, beginning of period | $ 1,868 | $ 1,385 | $ 1,459 | $ 1,282 |
| Credit loss expense | 494 | 369 | 907 | 402 |
| Accounts receivable write-offs | — | (386) | (4) | (403) |
| Accounts receivable recoveries | — | 86 | — | 173 |
| Balance, end of period | $ 2,362 | $ 1,454 | $ 2,362 | $ 1,454 |

On January 1, 2023, the Company applied ASC 326 to its trade accounts receivable. The Company determined that the allowance for credit losses as of December 31, 2022 recorded under the accounting standards in effect during that period is sufficient and that no additional allowance for credit losses on its trade accounts receivable is required upon adoption of ASC 326. Please refer to Note 2(aa) for more information about ASC 326.

### *k) Property and Equipment*

Property and equipment are stated at cost less accumulated depreciation. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs, including planned major maintenance activities, are charged to expense as incurred. When assets are retired or disposed, the asset's original cost and related accumulated depreciation are eliminated from the accounts and any gain or loss is reflected in the consolidated statements of operations and comprehensive loss. Amortization expense on capitalized software is included in depreciation expense.

Depreciation of leasehold improvements is recorded over the shorter of the estimated useful life of the leasehold improvement or lease terms that are reasonably assured.

Depreciation of property and equipment is provided using the straight-line method based on the following estimated useful lives:

| | Years |
|---|---|
| Computer equipment | 3 - 5 |
| Computer software | 3 |
| Furniture and fixtures | 5 - 10 |
| Leasehold improvements | 5 |
| Website development | 2 |

***l) Identified Intangible Assets***

On March 21, 2014, LiveVox, Inc. and subsidiaries were acquired by LiveVox Holdings, Inc. On October 16, 2019, the Company acquired the rights to certain assets of Teckst Inc. On December 16, 2019, the Company acquired the rights to Speech IQ, LLC. On February 5, 2021, the Company completed its asset acquisition of BusinessPhone. The acquisitions resulted in identified marketing-based, technology-based, customer-based, trademark-based, and workforce-based intangible assets. The fair value of the identified assets was determined as of the date of the acquisition by management with the assistance of an independent valuation firm. The identified intangible assets are being amortized using the straight-line method based on the following estimated useful lives:

| | Years |
|---|---|
| Marketing-based | 7 |
| Technology-based | 4 - 10 |
| Customer-based | 7 - 16 |
| Trademark-based | 4 |
| Workforce-based | 10 |

***m) Goodwill***

Goodwill represents the excess of the purchase price of acquired business over the fair value of the underlying net tangible and intangible assets. The Company performs its annual impairment review of goodwill on October 1 of each year, and when a triggering event occurs between annual impairment tests.

In testing for goodwill impairment, the Company has the option to first assess qualitative factors to determine if it is more likely than not that the fair value of the Company's single reporting unit is less than its carrying amount, including goodwill, or bypass the qualitative assessment and proceed directly to the quantitative impairment test in accordance with Accounting Standards Codification ("ASC") 350-20-35, as amended by ASU No. 2017-04, *Intangibles-Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment*, to determine if the fair value of the reporting unit exceeds its carrying amount. If the fair value is determined to be less than the carrying value, an impairment charge is recorded for the amount by which the reporting unit's carrying amount exceeds its fair value, limited to the total amount of goodwill allocated to that reporting unit.

During the three and six months ended June 30, 2023 and 2022, no triggering events have occurred that would require an impairment review of goodwill outside of the required annual impairment review, and therefore, no impairment charges were recorded during those periods. Refer to Note 6 for more information.

***n) Impairment of Long-Lived Assets***

Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the fair value of the asset and long-lived assets to be disposed of are reported at the lower of the carrying amount or fair value. On January 30, 2023, the Company announced the closure of certain underutilized physical offices within the United States as more of the Company's employees shift to a hybrid or remote work environment. During the six months ended June 30, 2023, the Company recognized an impairment charge of $0.5 million to reflect the write-down of the carrying amount excess over the

fair value of the right-of-use asset for the offices closed.No impairment losses were recognized during the three months ended June 30, 2023 or the three and six months ended June 30, 2022.

### *o) Amounts Due to Related Parties*

In the ordinary course of business, the Company has and expects to continue to have transactions with its stockholders and affiliates. Refer to Note 11 for more information.

### *p) Concentration of Risk*

Concentration of Credit and Customer Risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash and cash equivalents, marketable securities and accounts receivable. Risks associated with cash and cash equivalents and marketable securities are mitigated using what the Company considers creditworthy institutions. The Company performs ongoing credit evaluations of its customers' financial condition. Substantially all of the Company's assets are in the United States.

As of June 30, 2023 and December 31, 2022, no single issuer represented more than 10% of the Company's marketable securities.

The Company's customers are primarily in the receivables management, tele-sales and customer care industries. During the three and six months ended June 30, 2023 and 2022, substantially all the Company's revenue was generated in the United States. For the three and six months ended June 30, 2023 and 2022, no single customer represented more than 10% of the Company's revenue. As of June 30, 2023 and December 31, 2022, no single customer represented more than 10% of the Company's accounts receivable.

Concentration of Supplier Risk

The Company relies on third parties for telecommunication, bandwidth, and co-location services that are included in cost of revenue.

As of June 30, 2023, two vendors accounted for approximately33.4% of the Company's accounts payable. No other single vendor exceeded 10% of the Company's accounts payable at June 30, 2023. At December 31, 2022, one vendor accounted for approximately 37.7% of the Company's accounts payable. No other single vendor exceeded 10% of the Company's accounts payable at December 31, 2022. The Company believes there could be a material impact on future operating results should a relationship with an existing significant supplier cease.

### *q) Revenue Recognition*

The Company recognizes revenue in accordance with ASC 606,*Revenue from Contracts with Customers.*

The Company derives substantially all of its revenue by providing cloud-based contact center products under a usage-based model, with prices calculated on a per-call, per-seat, or, more typically, a per-minute basis and contracted minimum usage in accordance with the terms of the underlying agreements. Other immaterial ancillary revenue is derived from call recording, local caller identification packages, performance/speech analytics, text messaging services and professional services billed monthly on primarily usage-based fees and, to a lesser extent, fixed fees. Revenue is recognized when control of these services is transferred to the Company's customers, in an amount that reflects the consideration it expects to be entitled to in exchange for those services excluding amounts collected on behalf of third parties such as sales taxes, which are collected on behalf of and remitted to governmental authorities based on local tax law.

The Company determines revenue recognition through the following steps:

a. Identification of the contract, or contracts, with a customer;

b. Identification of the performance obligations in the contract;

c. Determination of the transaction price;

d. Allocation of the transaction price to the performance obligations in the contract; and

e. Recognition of revenue when, or as, the performance obligations are satisfied.

The Company enters into contracts that can include various combinations of services, each of which are distinct and accounted for as separate performance obligations. The Company's cloud-based contact center solutions typically include a promise to provide continuous access to its hosted technology platform solutions through its data centers. Arrangements with customers do not provide the customer with the right to take possession of the Company's software platform at any time. LiveVox's performance obligations are satisfied over time as the customer simultaneously receives and consumes the benefits and the Company performs its services. The Company's contract terms typically range from one to three years with payment terms of net 10-60 days. As the services provided by the Company are generally billed monthly there is not a significant financing component in the Company's arrangements.

The Company's arrangements typically include monthly minimum usage commitments and specify the rate at which the customer must pay for actual usage above the monthly minimum. Additional usage in excess of contractual minimum commitments is deemed to be specific to the month that the usage occurs, since the minimum usage commitments reset at the beginning of each month. The Company has determined these arrangements meet the variable consideration allocation exception and therefore, it recognizes contractual monthly commitments and any overages as revenue in the month they are earned.

The Company has service-level agreements with customers warranting defined levels of uptime reliability and performance. Customers may receive credits or refunds if the Company fails to meet such levels. If the services do not meet certain criteria, fees are subject to adjustment or refund representing a form of variable consideration. The Company records reductions to revenue for these estimated customer credits at the time the related revenue is recognized. These customer credits are estimated based on current and historical customer trends, and communications with its customers. Such customer credits have not been significant to date.

For contracts with multiple performance obligations, the Company allocates the contract price to each performance obligation based on its relative standalone selling price ("SSP"). The Company generally determines SSP based on the prices charged to customers. In instances where SSP is not directly observable, such as when the Company does not sell the service separately, the SSP is determined using information that generally includes market conditions or other observable inputs.

Professional services for configuration, system integration, optimization or education are billed on a fixed-price or time and material basis and are performed by the Company directly or, alternatively, customers may also choose to perform these services themselves or engage their own third-party service providers. Professional services revenue, which represents approximately 2.0% of revenue, is recognized over time as the services are rendered.

Deferred revenue represents billings or payments received in advance of revenue recognition and is recognized upon transfer of control. Balances consist primarily of annual or multi-year minimum usage agreements not yet provided as of the balance sheet date. Deferred revenue that will be recognized during the succeeding twelve-month period is recorded as deferred revenue, current in the consolidated balance sheets, with the remainder recorded as deferred revenue, net of current in the Company's consolidated balance sheets.

***r) Costs to Obtain Customer Contracts (Deferred Sales Commissions)***

Sales commissions are paid for initial contracts and expansions of existing customer contracts. Sales commissions and related expenses are considered incremental and recoverable costs of acquiring customer contracts. These costs are capitalized and amortized on a straight-line basis over the anticipated period of benefit, which the Company has estimated to be five years. The Company determined the period of benefit by taking into consideration the length of the Company's customer contracts, the customer attrition rate, the life of the technology provided and other factors. Amortization expense is recorded in sales and marketing expense within the Company's consolidated statements of operations and comprehensive loss. Amortization expense for the three months ended June 30, 2023 and 2022 was $0.9 million and $0.8 million, respectively, and for the six months ended June 30, 2023 and 2022 was $1.8 million and $1.5 million, respectively. No impairment losses were recognized during the three and six months ended June 30, 2023 and 2022.

***s) Advertising***

The Company expenses non-direct response advertising costs as they are incurred. There were no advertising costs capitalized during the three and six months ended June 30, 2023 and 2022. Advertising expense for the three months ended June 30, 2023 and 2022 was $0.7 million and $1.1 million, respectively, and for the six months ended June 30, 2023 and 2022 was $1.2 million and $1.7 million, respectively. Advertising expense is included under sales and marketing expense in the accompanying consolidated statements of operations and comprehensive loss.

***t) Research and Development Costs***

Research and development costs not related to the development of internal use software are charged to operations as incurred. Research and development expenses primarily include payroll and employee benefits, consulting services, travel, and software and support costs.

***u) Software Development Costs***

The Company capitalizes costs of materials, consultants, payroll, and payroll-related costs of employees incurred in developing internal-use software after certain capitalization criteria are met and includes these costs in the computer software. Refer to Note 5 for additional information. Software development costs are expensed as incurred until preliminary development efforts are successfully completed, management has authorized and committed project funding, it is probable that the project will be completed, and the software will be used as intended. To date, all software development costs have been charged to research and development expense in the accompanying consolidated statements of operations and comprehensive loss. There were no capitalized software development costs related to internal-use software during the three and six months ended June 30, 2023 and 2022.

***v) Income Taxes***

Deferred Taxes

The Company accounts for income taxes using the asset and liability approach. Deferred tax assets and liabilities are recognized for the future tax consequences arising from the temporary differences between the tax basis of an asset or liability and its reported amount in the consolidated financial statements, as well as from net operating loss and tax credit carryforwards. Deferred tax amounts are determined by using the tax rates expected to be in effect when the taxes will be paid or refunds received, as provided for under currently enacted tax law. A valuation allowance is provided for deferred tax assets that, based on available evidence, are not expected to be realized.

Enactment of the Tax Cuts and Jobs Act in 2017 subjects a U.S. shareholder to current tax on global intangible low-taxed income (“GILTI”) earned by certain foreign subsidiaries. Under U.S. GAAP, an entity can make an accounting policy election to either recognize deferred taxes for temporary differences expected to reverse as GILTI in future years or provide for the tax expense related to GILTI resulting from those items in the year of the GILTI inclusion (i.e., as a period expense). The Company has elected to recognize the tax on GILTI as a period expense in the period of inclusion. As such, no deferred taxes are recorded on the Company’s temporary differences that might reverse as GILTI in future years.

Uncertain Tax Positions

The Company recognizes the effect of income tax positions only if those positions are more likely than not to be sustained in a court of last resort. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Company does not believe its consolidated financial statements include any uncertain tax positions. It is the Company’s policy to recognize interest and penalties accrued on any unrecognized tax benefit as a component of income tax expense.

***w) Stock-Based Compensation***

The Company measures compensation expense for stock awards granted to employees and non-employees in accordance with ASC 718, *Compensation—Stock Compensation*. Stock-based compensation is measured at fair value on grant date. The Company classified all stock awards as equity awards at the grant date, and reassesses the liability versus equity treatment on a quarterly basis for any changes that have occurred during the period presented that may result in a reclassification. Equity-classified awards are recognized as stock-based compensation expense over an employee’s requisite service period or a non-employee’s vesting

period on the basis of the grant date fair value. The Company elects to account for forfeitures as they occur, rather than making estimates of future forfeitures.

Management Incentive Units

During 2019, LiveVox TopCo established a Management Incentive Unit program whereby the LiveVox TopCo board of directors has the power and discretion to approve the issuance of Class B Units that represent management incentive units ("MIUs") to any manager, director, employee, officer or consultant of the Company or its subsidiaries. Vesting begins on the date of issuance, and the MIUs vest ratably over five years with 20% of the MIUs vesting on each anniversary of a specified vesting commencement date, subject to the grantee's continued employment with the Company on the applicable vesting date. Vesting of the MIUs will accelerate upon consummation of a "sale of the company", which is defined by the LiveVox TopCo limited liability company agreement.

The Company measures stock-based compensation expense for MIUs based on the grant date fair value of the award estimated by using a Monte Carlo simulation. Monte Carlo simulation is a widely accepted approach for financial instruments with path dependencies. The Company records stock-based compensation expense for the issued and outstanding MIUs based on the service condition on a straight-line basis over the requisite service period of five years, reduced for actual forfeited MIUs.

Please see Note 15 for further detail about stock-based compensation expenses related to MIUs under the Management Incentive Unit program.

2021 Equity Incentive Plan

On June 16, 2021, the stockholders of the Company approved the 2021 Equity Incentive Plan (as amended, the "2021 Plan"), which became effective upon the closing of the Merger on June 18, 2021. On June 13, 2023, the Compensation Committee approved an amendment to the 2021 Plan to clarify that the limitation on the maximum grant date fair value for awards shall apply only to the Company's non-employee directors. As of June 30, 2023, the number of shares reserved for issuance is 19,695,679. The Company grants Restricted Stock Units ("RSUs") and Performance-based Restricted Stock Units ("PSUs") awards to employees, executives, directors, and eligible consultants of the Company.

RSUs are subject to service conditions only. The Company estimates the grant date fair value of RSUs using the closing price of the Company's Class A common stock on Nasdaq on the measurement date. Stock-based compensation expense for RSUs issued to employees is recognized on a straight-line basis over the vesting period for the entire award, reduced for actual forfeited RSUs. Stock-based compensation expense for RSUs issued to non-employees is recognized as the goods are received or services are performed. The requisite service period typically ranges from one to six years based on the grantee's role in the Company. The amount of cumulative compensation cost recognized at any date must at least equal the portion of the grant date value of the award that is vested at that date.

PSUs, which are granted to certain key employees, vest either based on the achievement of predetermined market conditions or based on both service and market conditions. The Company estimates the grant date fair value of PSUs using a Monte Carlo simulation. The Company recognizes stock-based compensation expense for PSUs on a tranche-by-tranche basis (i.e., the accelerated attribution method) over an employee's requisite service period, which is the longer of the time-vesting period or the derived service period inferred from the valuation model. Stock-based compensation expense of equity-classified PSUs is recognized provided that the good is delivered or the service is rendered, regardless of when, if ever, the market conditions are satisfied.

Payment of the underlying shares in connection with the vesting of employee RSUs and PSUs generally triggers a tax obligation for the employee, which is required to be remitted to the relevant tax authorities. The Company withholds otherwise deliverable RSU or PSU shares having a fair value at the vest date equal to the maximum statutory withholding tax amount and remits the remaining RSU or PSU shares to the employee recipients. Any cash received and paid to meet an employees' statutory withholding tax requirement is reflected as a financing activity within the consolidated statements of cash flows. During the six months ended June 30, 2023, the Company withheld 412,692 shares to cover employee recipients' withholding tax obligations.

Non-employee directors acting in their role as members of a board of directors are treated as employees for purpose of ASC 718 if (a) those directors were elected by the Company's stockholders and (b) the awards granted to non-employee directors are for their services as directors but not for other services. While a non-employee director may be considered an employee under ASC

718, he or she is not considered an employee under the IRS statutory withholding requirements. As a result, no shares are withheld to cover withholding taxes for an award issued to a non-employee director. Independent consultants are non-employees under the IRS statutory withholding requirements. As a result, no shares are withheld to cover withholding taxes for an award issued to an independent consultant.

Please see Note 15 for further detail about stock-based compensation expenses related to RSUs and PSUs under the 2021 Plan.

***x) Acquisitions***

The Company evaluates acquisitions of assets and other similar transactions to assess whether or not the transaction should be accounted for as a business combination or asset acquisition by first applying a screen test to determine if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. If the screen is met, the transaction is accounted for as an asset acquisition. If the screen is not met, further determination is required as to whether or not the Company has acquired inputs and processes that have the ability to create outputs which would meet the definition of a business. Significant judgment is required in the application of the screen test to determine whether an acquisition is a business combination or an acquisition of assets.

***y) Public and Forward Purchase Warrants***

Prior to the Merger, Crescent issued 7,000,000 private placement warrants ("Private Warrants") and 12,499,995 public warrants ("Public Warrants") at the close of Crescent's initial public offering ("IPO") on March 7, 2019. As an incentive for LiveVox to enter into the Merger Agreement, pursuant to the Sponsor Support Agreement dated January 13, 2021, Crescent's sponsor agreed to the cancellation of all of the Private Warrants prior to the Closing Date. In addition, 833,333 Forward Purchase Warrants ("Forward Purchase Warrants") were issued pursuant to the Forward Purchase Agreement dated January 13, 2021 between Crescent and Old LiveVox. The 12,499,995 Public Warrants and the 833,333 Forward Purchase Warrants (collectively, the "Warrants") remain outstanding after the Merger. Each whole Warrant entitles the holder to purchase one share of the Company's Class A common stock at a price of $11.50 per share, subject to adjustments. The Warrants are exercisable at any time prior to June 18, 2026. See Note 12 for further information on stock warrants.

Upon consummation of the Merger, the Company concluded that (a) the Public Warrants meet the derivative scope exception for contracts in the Company's own stock and are recorded in stockholders' equity and (b) the Forward Purchase Warrants do not meet the derivative scope exception and are accounted for as derivative liabilities. Specifically, the Forward Purchase Warrants contain provisions that cause the settlement amounts to be dependent upon the characteristics of the holder of the Warrant which is not an input into the pricing of a fixed-for-fixed option on equity shares. Therefore, the Forward Purchase Warrants are not considered indexed to the Company's stock and should be classified as a liability. Since the Forward Purchase Warrants meet the definition of a derivative, the Company recorded the Forward Purchase Warrants as liabilities on the consolidated balance sheets at fair value upon the Merger, with an offsetting entry to additional paid-in capital. The gain or loss resulting from decrease or increase in the fair value of the Forward Purchase Warrants in the subsequent periods is recognized in the consolidated statements of operations and comprehensive loss. The fair value of the Forward Purchase Warrants was measured using the Black-Scholes option-pricing model at each measurement date. See Note 19 for further information on fair value.

***z) Restructuring Charges***

Restructuring charges associated with management-approved restructuring plans may include employee severance and termination benefits, lease and non-lease contract termination costs, impairment of long-lived assets, and other related costs associated with restructuring activities.

The Company accounts for employee severance and termination benefits that represent a one-time benefit in accordance with ASC 420, *Exit or Disposal Cost Obligations.* The Company accrues employee severance and termination benefits associated with a one-time benefit arrangement when employees are notified of their termination benefits.

The Company records employee severance and termination benefits in accordance with ASC 712, *Compensation - Nonretirement and Postemployment Benefits*, if it pays the benefits as part of an ongoing benefit arrangement, which includes benefits provided as part of its established severance policies, a consistent past practice or in accordance with statutory requirements. The Company accrues employee severance and termination benefits associated with an ongoing benefit arrangement when the payment is probable and the amount is reasonably estimable.

Non-lease contract termination costs and other costs associated with restructuring activities are recorded in accordance with ASC 420.

Please see Note 22 for a full description of the Company’s restructuring actions.

***aa) Recently Adopted Accounting Pronouncements***

As an emerging growth company (“EGC”), the Jumpstart Our Business Startups Act (“JOBS Act”) allows the Company to delay adoption of new or revised accounting pronouncements applicable to public companies until such pronouncements are applicable to private companies. The Company has elected to use this extended transition period under the JOBS Act until such time the Company is no longer considered to be an EGC. The Company adopted the following new accounting pronouncements during the six months ended June 30, 2023:

*ASU No. 2016-13, Financial Instruments—Credit Losses (Topic 326) and Codification Improvement Amendments*

In June 2016, the Financial Accounting Standards Board (“FASB”) issued ASU No. 2016-13, which changes the impairment model for most financial assets, which includes the Company’s accounts receivable and other financial instruments. The new standard replaces the existing incurred loss impairment model with a current expected credit loss impairment model. It also eliminates the concept of other-than-temporary impairment and requires credit losses related to AFS debt securities to be recorded through an allowance for credit losses rather than as a reduction in the amortized cost basis of the securities. In November 2018, the FASB issued ASU No. 2018-19, *Codification Improvements to Topic 326, Financial Instruments—Credit Losses*, which clarifies that receivables arising from operating leases are not within the scope of Topic 326, *Financial Instruments—Credit Losses*. Instead, impairment of receivables arising from operating leases should be accounted for in accordance with Topic 842, *Leases*. In April 2019, the FASB issued ASU No. 2019-04, *Codification Improvements to Topic 326, Financial Instruments—Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments*, which clarifies treatment of certain credit losses. In May 2019, the FASB issued ASU No. 2019-05, *Financial Instruments—Credit Losses (Topic 326): Targeted Transition Relief*, which permits an entity, upon adoption of ASU No. 2016-13, to irrevocably elect the fair value option (on an instrument-by-instrument basis) for eligible financial assets measured at amortized cost basis. In November 2019, FASB issued ASU No. 2019-10, *Financial Instruments—Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842)*, which changes the effective dates for Topic 326 to give implementation relief to certain types of entities. In November 2019, the FASB issued ASU No. 2019-11, *Codification Improvements to Topic 326, Financial Instruments—Credit Losses*, which includes various narrow-scope improvements and clarifications. In March 2020, the FASB issued ASU No. 2020-03, *Codification Improvements to Financial Instruments*, which clarifies and improves certain financial instruments guidance. In March 2022, the FASB issued ASU No. 2022-02, *Financial Instruments—Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures*, which eliminates the recognition and measurement guidance for a troubled debt restructuring for creditors that have adopted ASU No. 2016-13 and also requires public business entities to present current-period gross write-offs (on a current year-to-date basis for interim-period disclosures) by year of origination in their vintage disclosures. ASU 2016-13 and all subsequent updates are effective for public business entities for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. For all other entities, for annual reporting periods beginning after December 15, 2022 and interim periods within those fiscal years. The Company adopted these new standards effective January 1, 2023 on a modified retrospective basis, and the adoption did not result in a material cumulative-effect adjustment in its consolidated financial statements. Please refer to Note 2(i) and Note 2(j) for additional information relating to the Company’s application of new standards to its marketable securities and accounts receivable, respectively.

*ASU No. 2022-04, Liabilities—Supplier Finance Programs (Subtopic 405-50)*

In September 2022, the FASB issued ASU No. 2022-04, *Liabilities—Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations*, which requires entities that use supplier finance programs in connection with the purchase of goods and services to disclose the key terms of the programs and information about their obligations outstanding at the end of the reporting period, including a rollforward of those obligations. The guidance is effective for all entities for fiscal years beginning after December 15, 2022, including interim periods in those fiscal years, except for the rollforward requirement, which is effective for fiscal years beginning after December 15, 2023. The Company adopted this standard effective January 1, 2023 utilizing a retrospective method of transition, except for the rollforward requirement which the Company applied prospectively. The adoption did not have a material impact on the Company’s consolidated financial statements and related disclosures. See Note 7 for further information on the Company's supplier finance program.

***bb) Recently Issued Accounting Pronouncements***

*ASU No. 2020-06, Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40)*

In August 2020, the FASB issued ASU No. 2020-06,*Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity*, which simplifies the accounting for convertible instruments and contracts on an entity's own equity, including removing certain conditions for equity classification, and amending certain guidance on the computation of EPS for contracts on an entity's own equity. The guidance is effective for public business entities for fiscal years beginning after December 15, 2021, and interim periods within those fiscal years. For all other entities, the guidance is effective for annual reporting periods beginning after December 15, 2023, and interim periods within fiscal years. Early adoption is permitted, but no earlier than fiscal years beginning after December 15, 2020, and interim periods within those fiscal years. Entities can elect to adopt the guidance through either a modified retrospective method of transition or a fully retrospective method of transition. The Company is currently evaluating the impact this pronouncement will have on its consolidated financial statements and plans to adopt this standard effective January 1, 2024.

## 3. Revenue

### Contract Balance

The following table provides information about accounts receivable, net, and contract liabilities from contracts with customers. The Company did not have any contract assets as of June 30, 2023 and December 31, 2022 (dollars in thousands):

| | June 30, 2023 | December 31, 2022 |
|---|---|---|
| Accounts receivable, net | $ 21,429 | $ 21,447 |
| Contract liabilities, current (deferred revenue) | 1,533 | 1,318 |
| Contract liabilities, non-current (deferred revenue) | 382 | 338 |

Changes in the contract liabilities balances are as follows (dollars in thousands):

| | June 30, 2023 | December 31, 2022 | $ Change |
|---|---|---|---|
| Contract liabilities (deferred revenue) | $ 1,915 | $ 1,656 | $ 259 |

The increase in deferred revenue was due to billings in advance of performance obligations being satisfied, net of revenue recognized for services rendered during the period presented. Revenue of $0.3 million and $1.1 million was recognized during the three and six months ended June 30, 2023, respectively, which was included in the deferred revenue balance at the beginning of the period. Revenue of $0.4 million and $0.9 million was recognized during the three and six months ended June 30, 2022, respectively, which was included in the deferred revenue balance at the beginning of the period.

### Remaining Performance Obligations

Remaining performance obligations represent the contracted minimum usage commitments and do not include an estimate of additional usage in excess of contractual minimum commitments. The Company's contract terms typically range from one to three years. Revenue as of June 30, 2023 that has not yet been recognized was approximately $176.5 million, of which $95.8 million and $80.7 million is expected to be recognized as revenue withinone year and beyond one year, respectively. As of June 30, 2023, the Company expects to recognize revenue on the remaining performance obligations over the next 50 months.

## 4. Marketable Securities

As of June 30, 2023 and December 31, 2022, the Company designated all marketable securities as debt securities and classified them as AFS. There were no transfers of debt securities among AFS, HTM and trading categories during the three and six months ended June 30, 2023 and 2022.

The following table presents the amortized cost, gross unrealized gains and losses, and fair value of the Company's AFS debt securities at June 30, 2023 aggregated by major security type (dollars in thousands):

| | Amortized Cost | Gross Unrealized Gain | Gross Unrealized Loss | Fair Value |
|---|---|---|---|---|
| U.S. corporate securities | $ 33,220 | $ 1 | $ (665) | $ 32,556 |
| U.S. government securities | 2,450 | — | (16) | 2,434 |
| Asset-backed securities | 8,144 | 103 | (228) | 8,019 |
| Other debt securities | 749 | — | (20) | 729 |
| Total available for sale securities | 44,563 | 104 | (929) | 43,738 |
| Total debt securities | $ 44,563 | $ 104 | $ (929) | $ 43,738 |

The following table presents the amortized cost, gross unrealized gains and losses, and fair value of the Company's AFS debt securities at December 31, 2022 aggregated by major security type (dollars in thousands):

| | Amortized Cost | Gross Unrealized Gain | Gross Unrealized Loss | Fair Value |
|---|---|---|---|---|
| U.S. corporate securities | $ 40,186 | $ 4 | $ (1,112) | $ 39,078 |
| U.S. government securities | 1,479 | — | (2) | 1,477 |
| Asset-backed securities | 7,181 | 8 | (277) | 6,912 |
| Other debt securities | 747 | — | (32) | 715 |
| Total available for sale securities | 49,593 | 12 | (1,423) | 48,182 |
| Total debt securities | $ 49,593 | $ 12 | $ (1,423) | $ 48,182 |

Refer to Note 19 for additional information regarding the fair value measurements of the Company's marketable securities.

**Maturity Analysis**

The following table presents the amortized cost and fair value of the Company's AFS debt securities by contractual maturities at June 30, 2023 (dollars in thousands):

| As of June 30, 2023 | Amortized Cost | Fair Value |
|---|---|---|
| Due in one year or less | $ 20,701 | $ 20,277 |
| Due after one year through five years | 23,862 | 23,461 |
| Total available for sale securities | 44,563 | 43,738 |
| Total debt securities | $ 44,563 | $ 43,738 |

**Sales of Marketable Securities**

Proceeds from sale of AFS debt securities and the associated gains and losses realized in earnings during the three and six months ended June 30, 2023 and 2022 are listed below (dollars in thousands):

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Proceeds from sale of available for sale debt securities | $ 2,493 | $ 1,936 | $ 10,097 | $ 3,451 |
| | | | | |
| Gross realized gain | $ — | $ — | $ — | $ — |
| Gross realized loss | (24) | (33) | (75) | (42) |
| Net realized loss on sale of available for sale debt securities | $ (24) | $ (33) | $ (75) | $ (42) |

**Allowance for Credit Losses**

At June 30, 2023, the Company reviewed 79 individual AFS debt securities in unrealized loss positions and determined that it does not intend to sell these securities and it is not more likely than not that it will be required to sell these securities before recovery of their amortized cost bases. The Company concluded that the unrealized losses identified as of June 30, 2023 are due to short-term interest rate fluctuations, and not credit losses. Further, the Company noted that the present value of future cash flows discounted using the effective interest rate at the date the security was acquired was equal to or greater than the book value of the security, which further supports the conclusion that there is no credit loss. As such, the Company determined no credit loss existed and did not record an allowance for credit losses for its AFS debt securities at June 30, 2023. The Company will continue to monitor its AFS debt securities on a quarterly basis to assess whether there have been any additional indicators of credit losses.

The following table presents the fair value and unrealized losses of the Company's AFS debt securities that are in unrealized loss positions and for which an allowance for credit losses has not been recorded at June 30, 2023 (dollars in thousands):

| | In Unrealized Loss Position For Less Than 12 Months | | In Unrealized Loss Position For 12 Months Or Longer | |
|---|---|---|---|---|
| | Fair Value | Gross Unrealized Loss | Fair Value | Gross Unrealized Loss |
| U.S. corporate securities | $ 21,133 | $ (450) | $ 11,423 | $ (215) |
| U.S. government securities | 486 | (3) | 1,948 | (13) |
| Asset-backed securities | 3,361 | (120) | 4,658 | (108) |
| Other debt securities | 729 | (20) | — | — |
| Total available for sale securities | 25,709 | (593) | 18,029 | (336) |
| Total debt securities | $ 25,709 | $ (593) | $ 18,029 | $ (336) |

At December 31, 2022, the Company reviewed 83 individual AFS debt securities in unrealized loss positions and determined that it did not intend to sell these securities and it is not more likely than not that it would be required to sell these securities before recovery of their amortized cost bases. The Company concluded that the unrealized losses identified as of December 31, 2022 were due to short-term interest rate fluctuations, and did not result from credit losses. Further, the Company noted that the present value of future cash flows discounted using the effective interest rate at the date the security was acquired was equal to or greater than the book value of the security, which further supports the conclusion that there was no credit loss. As such, the unrealized loss remains appropriately recorded in other comprehensive income (loss) as of December 31, 2022 and is not adjusted at adoption of ASC 326.

The following table presents the fair value and unrealized losses of the Company's AFS debt securities that are in an unrealized loss position at December 31, 2022 (dollars in thousands):

| | In Unrealized Loss Position For Less Than 12 Months | | In Unrealized Loss Position For 12 Months Or Longer | |
|---|---|---|---|---|
| | Fair Value | Gross Unrealized Loss | Fair Value | Gross Unrealized Loss |
| U.S. corporate securities | $ 23,625 | $ (464) | $ 15,453 | $ (648) |
| U.S. government securities | 995 | (2) | 482 | — |
| Asset-backed securities | 1,034 | (13) | 5,878 | (264) |
| Other debt securities | — | — | 715 | (32) |
| Total available for sale securities | 25,654 | (479) | 22,528 | (944) |
| Total debt securities | $ 25,654 | $ (479) | $ 22,528 | $ (944) |

**Accrued Interest**

Accrued interest receivable on AFS debt securities at June 30, 2023 and December 31, 2022 was $0.2 million and $0.2 million, respectively, and was excluded from both the fair value and the amortized cost basis of AFS debt securities and was recorded within prepaid expenses and other current assets in the Company's consolidated balance sheets. There was no interest reversed during the three and six months ended June 30, 2023 and 2022.

## 5. Property and Equipment

Property and equipment consisted of the following at June 30, 2023 and December 31, 2022 (dollars in thousands):

| | June 30, 2023 | December 31, 2022 |
|---|---|---|
| Computer software | $ 426 | $ 426 |
| Computer equipment | 3,566 | 3,408 |
| Furniture and fixtures | 1,734 | 1,736 |
| Leasehold improvements | 1,537 | 1,525 |
| Total | 7,263 | 7,095 |
| Less: accumulated depreciation and amortization | (5,033) | (4,477) |
| Property and equipment, net | $ 2,230 | $ 2,618 |

Depreciation and amortization expense for property and equipment totaled $0.2 million and $0.3 million for the three months ended June 30, 2023 and 2022, respectively, and totaled $0.5 million and $0.6 million for the six months ended June 30, 2023 and 2022, respectively. Amortization of computer software charged to operations for the three months ended June 30, 2023 and 2022 was immaterial for both periods, and is included in depreciation expense. Amortization of computer software charged to operations for the six months ended June 30, 2023 and 2022 was immaterial and $0.1 million, respectively.

## 6. Goodwill and Identified Intangible Assets

**Goodwill**

Goodwill was recorded as a result of the acquisition of the Company in 2014 by funds affiliated with Golden Gate Capital and the acquisitions made by the Company in 2019 of Teckst Inc. and SpeechIQ LLC.

Subsequent to the annual impairment test completed during the fourth quarter of 2022, the Company believes there have been no triggering events that would require an impairment review of goodwill outside of the required annual impairment review. For the three and six months ended June 30, 2023 and 2022, there was no impairment to the carrying value of the Company's goodwill.

There were no changes in the carrying amount of goodwill during the six months ended June 30, 2023 or the year ended December 31, 2022.

**Identified Intangible Assets**

Intangible assets were acquired in connection with the acquisition of the Company in March 2014 by Golden Gate Capital, and the Company's acquisition of Teckst Inc., SpeechIQ LLC and BusinessPhone in October 2019, December 2019, and February 2021, respectively.

Amortization expense related to the Company's identified intangible assets was $0.8 million and $0.8 million for the three months ended June 30, 2023 and 2022, respectively, and $1.6 million and $1.9 million for the six months ended June 30, 2023 and 2022, respectively. On the face of the consolidated statements of operations and comprehensive loss the amortization of technology-based intangible assets is included within cost of revenue, the amortization of marketing-based and customer-based intangible assets are included within sales and marketing expense, and the amortization of the acquired workforce is included within cost of revenue and research and development expense.

Identified intangible assets consisted of the following at June 30, 2023 (dollars in thousands):

| | Cost | Accumulated Amortization | Carrying Amount | Weighted Average Remaining Life (In Years) |
|---|---|---|---|---|
| Marketing-based | $ 1,400 | $ (1,366) | $ 34 | 0.46 |
| Technology-based | 18,300 | (17,592) | 708 | 0.80 |
| Customer-based | 27,700 | (13,619) | 14,081 | 6.89 |
| Workforce-based | 380 | (149) | 231 | 7.60 |
| | $ 47,780 | $ (32,726) | $ 15,054 | |

Identified intangible assets consisted of the following at December 31, 2022 (dollars in thousands):

| | Cost | Accumulated Amortization | Carrying Amount | Weighted Average Remaining Life (In Years) |
|---|---|---|---|---|
| Marketing-based | $ 1,400 | $ (1,328) | $ 72 | 0.96 |
| Technology-based | 18,300 | (17,082) | 1,218 | 1.25 |
| Customer-based | 27,700 | (12,581) | 15,119 | 7.38 |
| Workforce-based | 380 | (134) | 246 | 6.48 |
| | $ 47,780 | $ (31,125) | $ 16,655 | |

Future amortization of identified intangible assets at June 30, 2023 is shown below (dollars in thousands):

| As of June 30, 2023 | Amount |
|---|---|
| Remaining 2023 | $ 1,581 |
| 2024 | 2,321 |
| 2025 | 2,106 |
| 2026 | 2,088 |
| 2027 | 2,020 |
| 2028 and beyond | 4,938 |
| Total future identified intangible asset amortization | $ 15,054 |

## 7. Accrued Expenses

Accrued expenses consisted of the following at June 30, 2023 and December 31, 2022 (dollars in thousands):

| | June 30, 2023 | December 31, 2022 |
|---|---|---|
| Accrued bonuses | $ 2,774 | $ 4,078 |
| Accrued paid time off | 2,414 | 2,743 |
| Accrued commissions | 1,487 | 1,726 |
| Principal and interest payable under the structured payable arrangement | — | 444 |
| Other accrued expenses | 3,939 | 3,408 |
| Total accrued expenses | $ 10,614 | $ 12,399 |

In July 2022, the Company entered into a financing arrangement with a third-party intermediary to establish a structured payable arrangement related to the Company's commercial insurance policy on directors and officers. The structured payable arrangement was paid through three quarterly installment payments on August 22, 2022, November 22, 2022 and February 22, 2023. The following table summarizes the changes in the principal and interest payable under the structured payable arrangement during the six months ended June 30, 2023 (dollars in thousands):

| | Structured payable arrangement |
|---|---|
| Liability as of December 31, 2022 | $ 444 |
| Cash payments | (444) |
| Liability as of June 30, 2023 | $ — |

## 8. Leases

The Company accounts for operating leases and finance leases in accordance with ASC 842, *Leases*.

The Company has leases for offices, data centers and other computer and networking equipment that expire at various dates through 2027. The Company's leases have remaining terms of one to four years, and some of the leases include a Company option to extend the leases. As the Company's leases do not provide an implicit rate, the Company uses an incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments. The Company has elected the practical expedient on not separating lease components from non-lease components for right-of-use assets.

There were no finance leases as of June 30, 2023 and the balance of finance leases was immaterial as of December 31, 2022.

The operating lease cost was as follows (dollars in thousands):

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Operating lease cost | $ 412 | $ 555 | $ 1,343 | $ 1,075 |

On January 30, 2023, the Company announced the closure of certain underutilized physical offices within the United States as more of the Company's employees shift to a hybrid or remote work environment. During the six months ended June 30, 2023, the Company recognized an impairment charge of $0.5 million to reflect the write-down of the carrying amount excess over the

fair value of the right-of-use asset for the offices closed, which is included in the operating lease cost discussed aboveNo impairment charge was recorded during the three months ended June 30, 2023 or the three and six months ended June 30, 2022.

Supplemental cash flow information related to operating leases was as follows (dollars in thousands):

| | Six Months Ended June 30, | |
|---|---|---|
| | 2023 | 2022 |
| Cash paid for amounts included in the measurement of lease liabilities: | | |
| Operating cash used in operating leases | $ 987 | $ 1,168 |
| Right-of-use assets obtained in exchange for lease obligations: | | |
| Operating leases | $ — | $ 617 |

Supplemental balance sheet information related to operating leases was as follows (dollars in thousands):

| | June 30, 2023 | December 31, 2022 |
|---|---|---|
| Operating lease right-of-use assets | $ 3,734 | $ 4,920 |
| Operating lease liabilities: | | |
| Operating lease liabilities—current | $ 1,342 | $ 1,655 |
| Operating lease liabilities—less current portion | 3,166 | 3,649 |
| Total operating lease liabilities | $ 4,508 | $ 5,304 |

Weighted average remaining terms were as follows:

| | June 30, 2023 | December 31, 2022 |
|---|---|---|
| **Weighted average remaining lease term** | | |
| Operating leases | 3.50 years | 3.77 years |

Weighted average discount rates were as follows:

| | June 30, 2023 | December 31, 2022 |
|---|---|---|
| **Weighted average discount rate** | | |
| Operating leases | 9.2 % | 8.9 % |

Maturities of lease liabilities were as follows (dollars in thousands):

| As of June 30, 2023 | | Operating leases |
|---|---|---|
| Remaining 2023 | $ | 956 |
| 2024 | | 1,245 |
| 2025 | | 1,085 |
| 2026 | | 1,031 |
| 2027 | | 517 |
| Total lease payments | | 4,834 |
| Less: imputed interest | | (326) |
| Total | $ | 4,508 |

As of June 30, 2023, the Company had no operating leases which had been executed but not yet commenced.

## 9. Borrowings Under Term Loan and Line of Credit

At June 30, 2023 and December 31, 2022, term loan borrowings were as follows (dollars in thousands):

| | | June 30, 2023 | | December 31, 2022 |
|---|---|---|---|---|
| Total term loan obligations | $ | 53,936 | $ | 54,567 |
| Less: current portion of term loan | | (1,332) | | (982) |
| Long-term term loan obligations | $ | 52,604 | $ | 53,585 |

The Company entered into a term loan and revolving credit facility with PNC Bank on November 7, 2016 (as amended, the "Credit Facility"), which has been amended several times. The term loan is due December 31, 2025. On March 31, 2023, the Company entered into the Eighth Amendment to the Credit Facility (the "Eighth Amendment"). The Eighth Amendment, among other changes, (a) resets the existing annual recurring revenue financial covenant beginning with the testing period ending March 31, 2023, and (b) amends the interest rate provisions, including to replace the LIBOR benchmark interest rate with an adjusted SOFR benchmark interest rate (as defined in the agreement governing the Credit Facility). As amended, borrowings under the Credit Facility will accrue interest at a per annum rate, at the Company's option, based on either (a) a base rate (as defined in the agreement governing the Credit Facility) plus a margin of 4.0% or (b) an adjusted term SOFR (based on one- or three-month interest periods) plus a margin of 5.0%. On May 31, 2023, the Company entered into the Ninth Amendment to the Credit Facility, which provides clarification related to the letter of credit fees. All other terms and conditions remain the same. The Company elected an adjusted SOFR rate at June 30, 2023 and the interest rate for the term loan portion of the Credit Facility was 10.2%.

As of June 30, 2023, the term loan commitment was $54.5 million, the revolver commitment was $5.0 million and the letter of credit sublimit was $1.5 million. Term loan repayments made by the Company totaled $0.3 million and $0.1 million during the three months ended June 30, 2023 and 2022, respectively, and $0.4 million and $0.3 million during the six months ended June 30, 2023 and 2022, respectively.

The Company incurred original issue discount of $0.3 million related to the Eighth Amendment, which, along with the remaining balance of the previously deferred original issue discount and loan fees in the amount of $0.3 million related to the original Credit Facility and all previous amendments, is amortized and recorded to interest expense over the remaining term of the amended Credit Facility using the effective interest method. Third party loan fees associated with the Eighth Amendment were $0.1 million and expensed upon close of the loan. Total unamortized loan costs associated with the term loan totaled $0.5 million and $0.3 million at June 30, 2023 and December 31, 2022, respectively and are recorded within term loan, net of current.

The Company was in compliance with all debt covenants at June 30, 2023 and December 31, 2022 and was in compliance with all debt covenants as of the date of issuance of these consolidated financial statements. There was no unused borrowing capacity under the term loan portion of the Credit Facility at June 30, 2023 and December 31, 2022. On March 31, 2023, the Company drew down approximately $0.3 million under the revolving portion of the Credit Facility to pay for the original issue discount related to the Eighth Amendment, which was repaid in full by the Company as of June 30, 2023. The interest rate for the

revolving portion of the Credit Facility on June 30, 2023 was zero. There were no amounts outstanding under the revolving portion of the Credit Facility as of December 31, 2022.

Aggregate principal maturities of the term loan as of June 30, 2023 were as follows (dollars in thousands):

| As of June 30, 2023 | Amount to Mature |
|---|---|
| Remaining 2023 | $ 561 |
| 2024 | 1,753 |
| 2025 | 52,158 |
| Total | $ 54,472 |

The net carrying amount of the liability component of the term loan was as follows (dollars in thousands):

| | June 30, 2023 | December 31, 2022 |
|---|---|---|
| Principal | $ 54,472 | $ 54,893 |
| Less: Unamortized issuance costs | (536) | (326) |
| Net carrying amount | $ 53,936 | $ 54,567 |

## 10. Letters of Credit

On November 8, 2016, the Company established an irrevocable standby letter of credit using a sub-facility under the Credit Facility, to serve as a security deposit for the Company's San Francisco office. The letter of credit automatically extends for one-year periods from the original expiration date, September 10, 2017, unless written notice is presented to the beneficiary at least 60 days prior to the current expiration date. The irrevocable standby letter of credit has been amended several times, and the latest amendment on July 20, 2022 decreased the total amount to $0.2 million. All other terms and conditions remained unchanged.

## 11. Related Party Transactions

The Company pays monthly board of director fees plus reimbursement of expenses incurred on behalf of the Company to members of the Company's board of directors. During the three and six months ended June 30, 2023, board of director fees totaled $0.3 million and $0.6 million, respectively, and expense reimbursements were immaterial during both periods. The Company also granted RSUs to directors on August 18, 2021, August 5, 2022 and June 16, 2023 under the 2021 Plan. Stock-based compensation expense relating to the RSU awards granted to the board of directors totaled $0.5 million and $1.0 million during the three and six months ended June 30, 2023, respectively. During the three and six months ended June 30, 2022, board of director fees totaled $0.2 million and $0.4 million, respectively, and expense reimbursements were immaterial during both periods. Stock-based compensation expense relating to the RSU awards granted to the board of directors totaled $0.2 million and $0.3 million during the three and six months ended June 30, 2022, respectively. The unpaid balance of board of director fees due to related parties was immaterial as of June 30, 2023 and December 31, 2022.

There were no related party accounts receivable as of June 30, 2023 and December 31, 2022.

The related party transactions with affiliate companies were immaterial during the three and six months ended June 30, 2023 and 2022.

## 12. Stock Warrants

### Public and Forward Purchase Warrants

Immediately following the Merger, LiveVox assumed 833,333 Forward Purchase Warrants and 12,499,995 Public Warrants that had been previously issued by Crescent. Each whole Warrant entitles the holder to purchase one share of the Company's Class A common stock at a price of $11.50 per share, subject to adjustments.

The Company may redeem the outstanding Public Warrants, in whole and not in part, upon a minimum of30 days' prior written notice of redemption ("Redemption Period"). For purposes of the redemption, "Redemption Price" shall mean the last reported sales price of the Company's common stock for any twenty trading days within the thirty trading-day period ending on the third trading day prior to the date on which notice of the redemption is given. The Company may redeem the outstanding Public Warrants for cash at a price of $0.01 per Warrant if the Reference Value equals or exceeds $18.00 per share. The warrant holders have the right to exercise their outstanding Warrants prior to the scheduled redemption date during the Redemption Period at $11.50 per share. If the Company calls the Public Warrants for redemption, the Company will have the option to require all holders that wish to exercise the Public Warrants to do so on a "cashless basis", as described in the warrant agreement.

The Forward Purchase Warrants and the shares of Class A common stock issuable upon the exercise of the Forward Purchase Warrants are transferable, assignable and salable, subject to certain limited exceptions. Additionally, the Forward Purchase Warrants are exercisable for cash or on a cashless basis, at the holder's option, and are non-redeemable so long as they are held by the initial purchasers or their permitted transferees. If the Forward Purchase Warrants are held by someone other than the initial purchasers or their permitted transferees then such Warrants will be redeemable by the Company and exercisable by the warrant holders on the same basis as the Public Warrants.

As of June 30, 2023, there were13,333,328 Warrants outstanding, and no Warrants have been exercised.

## 13. Stockholders' Equity

### Common Stock

On June 22, 2021, the Company's Class A common stock, publicly traded warrants and publicly traded units began trading on Nasdaq under the ticker symbols "LVOX", "LVOXW" and "LVOXU," respectively. Pursuant to the Company's certificate of incorporation, the Company is authorized to issue 500,000,000 shares of Class A common stock with a par value of $0.0001 per share. As of June 30, 2023, the Company had94,201,711 shares of Class A common stock issued and outstanding (101,745,461 shares of common stock, less7,543,750 of which are held in an escrow account to be released only if the price of Class A common stock trading on Nasdaq exceeds certain thresholds during the seven-year period beginning June 18, 2021 (the "Escrowed Shares")). As of December 31, 2022, 500,000,000 shares of Class A common stock were authorized, and 92,729,127 shares were issued and outstanding (100,272,877 shares of common stock, less7,543,750 Escrowed Shares).

The accumulated other comprehensive loss and accumulated deficit are included in stockholders' equity. At June 30, 2023 and December 31, 2022, the accumulated other comprehensive loss totaled $1.4 million and $2.2 million, respectively. The Company's accumulated deficit totaled $178.4 million and $165.5 million at June 30, 2023 and December 31, 2022, respectively.

### Preferred Stock

Pursuant to the Company's certificate of incorporation, the Company is authorized to issue25,000,000 shares of preferred stock having a par value of $0.0001 per share. As of June 30, 2023, no shares of LiveVox preferred stock were issued and outstanding. As of December 31, 2022,25,000,000 shares of preferred stock were authorized, and no shares of preferred stock were issued and outstanding.

### Net Transfer from LiveVox TopCo

During the six months ended June 30, 2023, the Company received $0.2 million from LiveVox TopCo to pay for the bonuses to the Company's Chief Financial Officer in connection with the consummation of the Merger, and recorded it as additional paid-in-capital in the consolidated balance sheets.

## 14. Analysis of the Changes in Accumulated Other Comprehensive Income (Loss)

Accumulated other comprehensive income (loss) in the Company's consolidated balance sheets includes foreign currency translation items associated with the Company's foreign operations, and unrealized gain (loss) on the Company's AFS debt

securities. Following is an analysis of the changes in accumulated other comprehensive loss, net of applicable taxes, at June 30, 2023 and 2022 (dollars in thousands):

| | June 30, 2022 | | |
|---|---|---|---|
| | Foreign currency translation adjustment | Net unrealized gain (loss) on marketable securities | Total accumulated other comprehensive loss |
| Balance, beginning of period | $ (300) | $ (177) | $ (477) |
| Other comprehensive loss | (202) | (1,176) | (1,378) |
| Balance, end of period | $ (502) | $ (1,353) | $ (1,855) |

| | June 30, 2023 | | |
|---|---|---|---|
| | Foreign currency translation adjustment | Net unrealized gain (loss) on marketable securities | Total accumulated other comprehensive loss |
| Balance, beginning of period | $ (784) | $ (1,412) | $ (2,196) |
| Other comprehensive income | 206 | 586 | 792 |
| Balance, end of period | $ (578) | $ (826) | $ (1,404) |

Components of other comprehensive income (loss) and related taxes for the three and six months ended June 30, 2023 and 2022 are as follows (dollars in thousands):

| | Three Months Ended June 30, | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | | 2022 | | |
| | Before tax | Tax effect | Net of tax | Before tax | Tax effect | Net of tax |
| Foreign currency translation adjustment | $ 143 | $ 3 | $ 140 | $ (156) | $ (3) | $ (153) |
| Net unrealized gain (loss) on marketable securities | 162 | 3 | 159 | (295) | (7) | (288) |
| Total other comprehensive income (loss) | $ 305 | $ 6 | $ 299 | $ (451) | $ (10) | $ (441) |

| | Six Months Ended June 30, | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | | 2022 | | |
| | Before tax | Tax effect | Net of tax | Before tax | Tax effect | Net of tax |
| Foreign currency translation adjustment | $ 200 | $ (6) | $ 206 | $ (199) | $ 3 | $ (202) |
| Net unrealized gain (loss) on marketable securities | 568 | (18) | 586 | (1,160) | 16 | (1,176) |
| Total other comprehensive income (loss) | $ 768 | $ (24) | $ 792 | $ (1,359) | $ 19 | $ (1,378) |

The amount of net realized loss on sale of marketable securities that has been previously included as net unrealized loss in other comprehensive income (loss) and then reclassified out of other comprehensive income (loss) into earnings is $0.1 million during the six months ended June 30, 2023 and immaterial during the three months ended June 30, 2023 and the three and six months ended June 30, 2022.

## 15. Stock-Based Compensation

### Management Incentive Units

As of June 30, 2023, all MIUs are classified as equity.MIU activities for the six months ended June 30, 2023 are summarized as follows (in thousands, except for per share data):

| | Number of Shares | Weighted-average Grant Date Fair Value (per share) | Weighted-average Remaining Contractual Term (1) |
|---|---|---|---|
| Outstanding at December 31, 2022 | 1,896 | $ 0.79 | |
| Granted | — | — | |
| Vested | (632) | 0.79 | |
| Forfeited | (215) | 0.79 | |
| Outstanding at June 30, 2023 | 1,049 | $ 0.79 | 1.00 year |

(1) The weighted-average remaining contractual term is calculated as the sum of the weighted amount of time between the reporting period end and the vest date divided by the sum of the shares that are outstanding by the end of the reporting period.

**2021 Equity Incentive Plan**

***Restricted Stock Units***

As of June 30, 2023, all RSUs granted to employees and non-employees are classified as equity.

Employee RSU activities for the six months ended June 30, 2023 are summarized as follows (in thousands, except for per share data):

| | Equity-classified RSUs - employee (1) | | |
|---|---|---|---|
| | Number of Shares | Weighted-average Grant Date Fair Value (per share) | Weighted-average Remaining Contractual Term (2) |
| Outstanding at December 31, 2022 | 8,110 | $ 4.00 | |
| Granted | 3,992 | 2.62 | |
| Vested | (1,881) | 3.51 | |
| Forfeited | (981) | 4.47 | |
| Outstanding at June 30, 2023 | 9,240 | $ 3.45 | 1.65 years |

(1) Represents awards granted to employees, executives and directors of the Company.

(2) The weighted-average remaining contractual term is calculated as the sum of the weighted amount of time between the reporting period end and the vest date divided by the sum of the shares that are outstanding by the end of the reporting period.

The aggregate fair value of employee RSUs outstanding as of June 30, 2023, based on the fair value at the reporting period end, was $25.4 million. The aggregate fair value of employee RSUs vested during the six months ended June 30, 2023, based on the fair value on the vest date, was $5.1 million.

Non-employee RSU activities for the six months ended June 30, 2023 are summarized as follows (in thousands, except for per share data):

| | Equity-classified RSUs - non-employee (1) | | |
|---|---|---|---|
| | Number of Shares | Weighted-average Grant Date Fair Value (per share) | Weighted-average Remaining Contractual Term (2) |
| Outstanding at December 31, 2022 | 19 | $ 2.91 | |
| Granted | — | — | |
| Vested | (4) | 2.77 | |
| Forfeited | — | — | |
| Outstanding at June 30, 2023 | 15 | $ 2.96 | 1.39 years |

(1) Represents awards granted to eligible consultants of the Company.

(2) The weighted-average remaining contractual term is calculated as the sum of the weighted amount of time between the reporting period end and the vest date divided by the sum of the shares that are outstanding by the end of the reporting period.

The aggregate fair value of non-employee RSUs outstanding as of June 30, 2023, based on the fair value at the reporting period end, was immaterial. The aggregate fair value of non-employee RSUs vested during the six months ended June 30, 2023, based on the fair value on the vest date, was immaterial.

***Performance-Based Restricted Stock Units***

As of June 30, 2023, all PSUs granted to employees are classified as equity.

As discussed in Note 2(w), the Company estimates the fair value of the PSUs at each measurement date by using a Monte Carlo simulation. The key inputs used in the Monte Carlo simulation are stock price, expected share price volatility, expected life, risk-free interest rate, and vesting hurdles. The stock price is based on the closing price of the Company's Class A common stock on Nasdaq as of the valuation date. The volatility input is estimated using the volatility of the Company's peer companies as well as the Company's own implied volatility. The expected life of the PSUs is 30 years and all PSUs are assumed to be fully vested at the end of year30. The risk-free interest rate is based on the Thirty-year Constant Maturity Treasury Rate. The vesting hurdles are set forth in the PSU agreement. The weighted average assumptions (weighted by relative grant date fair value) used in the Monte Carlo simulation to value PSUs granted during the periods presented are as follows:

| | June 30, 2023 | December 31, 2022 |
|---|---|---|
| Stock price | $ 2.59 | $ 4.94 |
| Measurement period | 30.00 years | 30.00 years |
| Expected volatility | 52.50 % | 47.50 % |
| Risk-free rate | 3.73 % | 2.24 % |
| Vesting hurdle 1 | $ 4.42 | $ 12.50 |
| Vesting hurdle 2 | $ — | $ 15.00 |
| Vesting hurdle 3 | $ — | $ 17.50 |

PSU activities for the six months ended June 30, 2023 are summarized as follows (in thousands, except for per share data):

| | Equity-classified PSUs - employee (1) | | |
|---|---|---|---|
| | Number of Shares | Weighted-average Grant Date Fair Value (per share) | Weighted-average Remaining Contractual Term (2) |
| Outstanding at December 31, 2022 | 1,707 | $ 6.39 | |
| Granted | 211 | 2.59 | |
| Vested | — | — | |
| Forfeited | (170) | 6.28 | |
| Outstanding at June 30, 2023 | 1,748 | $ 5.94 | 8.91 years |

(1) Represents awards granted to employees and executives of the Company.

(2) The weighted-average remaining contractual term is calculated as the sum of the weighted amount of time between the reporting period end and the vest date divided by the sum of the shares that are outstanding by the end of the reporting period.

The aggregate fair value of PSUs outstanding as of June 30, 2023, based on the fair value at the reporting period end, was $4.8 million. None of the PSUs vested during the six months ended June 30, 2023.

**Stock-Based Compensation Expense**

The following tables present the Company’s stock-based compensation expense by financial statement line item and by award type for the three and six months ended June 30, 2023 and 2022 (dollars in thousands):

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Cost of revenue | $ 257 | $ 403 | $ 365 | $ 715 |
| Sales and marketing expense | 557 | 870 | 876 | 1,477 |
| General and administrative expense | 1,512 | 941 | 2,889 | 1,601 |
| Research and development expense | 916 | 1,209 | 1,761 | 2,109 |
| Total stock-based compensation | $ 3,242 | $ 3,423 | $ 5,891 | $ 5,902 |

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Equity-classified awards: | | | | |
| MIUs | $ 104 | $ 139 | $ 207 | $ 278 |
| RSUs - employee | 2,879 | 2,997 | 5,330 | 5,064 |
| RSUs - non-employee | 5 | 15 | 10 | 23 |
| PSUs - employee | 254 | 272 | 344 | 537 |
| Total equity-classified awards | 3,242 | 3,423 | 5,891 | 5,902 |
| Total stock-based compensation | $ 3,242 | $ 3,423 | $ 5,891 | $ 5,902 |

There were no income tax benefits recognized for the six months ended June 30, 2023 and 2022, related to tax deductions from RSU awards vesting during that period. Due to the Company’s net operating loss, the related tax deductions result in deferred tax assets that are fully offset with a valuation allowance.

As of June 30, 2023, unrecognized stock-based compensation expense related to unvested awards by award type and their expected weighted-average recognition periods are summarized in the following table (dollars in thousands):

| | Unrecognized Stock-based Compensation Expense | Weighted-average Recognition Period (1) |
|---|---|---|
| Equity-classified awards: | | |
| MIUs | $ 622 | 1.50 years |
| RSUs - employee | 30,062 | 3.03 years |
| RSUs - non-employee | 42 | 2.64 years |
| PSUs - employee | 8,597 | 8.91 years |
| Total equity-classified awards | 39,323 | |
| Total unrecognized stock-based compensation | $ 39,323 | |

(1) The weighted-average recognition period is calculated as the sum of the weighted remaining period to recognize expense for unvested awards divided by the sum of the shares that are expected to vest for all awards that have not vested or expired by the end of the reporting period. For awards for which the straight-line method is used for expense recognition, the remaining recognition period is the amount of time between the end of the reporting period and the end of the entire award. For awards for which the accelerated attribution method is used for expense recognition, the remaining recognition period is the amount of time between the end of the reporting period and the end of each separately vesting portion of the award.

## 16. Geographic Information

### Disaggregation of Revenue

The following table disaggregates the Company's revenue by geographic area for the three and six months ended June 30, 2023 and 2022 (dollars in thousands):

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| United States | $ 32,940 | $ 30,756 | $ 67,411 | $ 60,305 |
| Americas (excluding United States) | 794 | 936 | 1,704 | 1,988 |
| Asia | 1,618 | 1,256 | 3,080 | 2,715 |
| Europe | 23 | 39 | 46 | 72 |
| Total revenue | $ 35,375 | $ 32,987 | $ 72,241 | $ 65,080 |

In addition, 99.5% of the Company's revenue is denominated in U.S. dollars and0.5% is denominated in foreign currencies.

### Property and Equipment

The following table summarizes total property and equipment, net in the respective locations at June 30, 2023 and December 31, 2022 (dollars in thousands):

| | June 30, 2023 | December 31, 2022 |
|---|---|---|
| United States | $ 1,043 | $ 1,291 |
| Americas (excluding United States) | 291 | 309 |
| Asia | 896 | 1,018 |
| Property and equipment, net | $ 2,230 | $ 2,618 |

The geographical location of the Company's customers affects the nature, amount, timing and uncertainty of revenue and cash flows due to the potential for unfavorable and uncertain regulatory, political, economic and tax conditions. These uncertainties can impact the amount of revenue recognized through price adjustments and uncertainty of cash flows that may arise due to local regulations.

## 17. Income Taxes

The effective tax rate used for interim periods is the estimated annual effective consolidated tax rate, based on the current estimate of full year results, except that taxes related to specific discrete events, if any, are recorded in the interim period in which they occur. The annual effective tax rate is based upon several significant estimates and judgments, including the estimated annual pre-tax income of the Company in each tax jurisdiction in which it operates, and the development of tax planning strategies during the year. A valuation allowance is provided when it is more likely than not that some portion or all of a deferred tax asset will not be realized. In addition, the Company's tax expense can be impacted by changes in tax rates or laws and other factors that cannot be predicted with certainty. As such, there can be significant volatility in interim tax provisions.

The provision for (benefit from) income taxes was $(0.1) million and $(0.2) million for the three months ended June 30, 2023 and 2022, respectively, and $0.4 million and $0.3 million for the six months ended June 30, 2023 and 2022, respectively. The benefit from or provision for income taxes for the three and six months ended June 30, 2023 and 2022 consisted primarily of foreign and state income taxes.

The effective tax rates were 2.00% and 2.21% for the three months ended June 30, 2023 and 2022, respectively, and (3.15)% and (1.38)% for the six months ended June 30, 2023 and 2022, respectively. The change in the effective tax rate for the six

months ended June 30, 2023, relative to 2022, was primarily attributable to the change in valuation allowance, an increase in state taxes and certain non-deductible expenses.

The Company files income tax returns in the U.S. federal jurisdiction, various state jurisdictions, India and Colombia. The tax returns are subject to statutes of limitations that vary by jurisdiction. At June 30, 2023, the Company remains subject to U.S. and certain state income tax examinations for tax years 2019 through 2022, and in certain other states for tax years 2018 through 2022. However, due to the Company's net operating loss carryforwards in various jurisdictions, tax authorities have the ability to adjust carryforwards related to closed years.

## 18. Retirement Benefit Plan

The Company amended its existing 401(k) plan (the "Plan") effective on July 1, 2018. The amended Plan covers eligible employees immediately upon employment with the Company. Participants may contribute up to a maximum percentage of their annual compensation to the Plan as determined by the Company limited to the maximum annual amount set by the Internal Revenue Service. The Plan provides for traditional tax-deferred and Roth 401(k) contribution options. Prior to the Plan amendment, the Company did not provide a matching contribution. The Company began matching fifty percent of the employee contribution up to a maximum of $200 per pay period, limited to $4,800 annually, upon adoption of the Plan. One hundred percent of the employer match vests immediately. Effective January 1, 2022, the Company removed the maximum $200 per pay period matching contribution limitation, and began matching fifty percent of the employee contribution up to a maximum of $4,800 per plan year. The Company made matching contributions totaling $0.2 million and $0.3 million during the three months ended June 30, 2023 and 2022, respectively, and $0.5 million and $0.7 million during the six months ended June 30, 2023 and 2022, respectively.

## 19. Fair Value Measurement

The following table sets forth the fair value of the Company's assets and liabilities at June 30, 2023 (dollars in thousands):

| | Level 1 | Level 2 | Level 3 | Totals |
|---|---|---|---|---|
| Cash and cash equivalents | $ 17,671 | $ — | $ — | $ 17,671 |
| Marketable securities—available for sale debt securities | — | 43,738 | — | 43,738 |
| Total assets | $ 17,671 | $ 43,738 | $ — | $ 61,409 |
| | | | | |
| Term loan | $ — | $ 53,936 | $ — | $ 53,936 |
| Warrant liability—Forward Purchase Warrants | — | — | 450 | 450 |
| Total liabilities | $ — | $ 53,936 | $ 450 | $ 54,386 |

The following table sets forth the fair value of the Company's assets and liabilities at December 31, 2022 (dollars in thousands):

| | Level 1 | Level 2 | Level 3 | Totals |
|---|---|---|---|---|
| Cash and cash equivalents | $ 20,742 | $ — | $ — | $ 20,742 |
| Marketable securities—available for sale debt securities | — | 48,182 | — | 48,182 |
| Total assets | $ 20,742 | $ 48,182 | $ — | $ 68,924 |
| | | | | |
| Term loan | $ — | $ 54,567 | $ — | $ 54,567 |
| Finance lease obligations | — | 11 | — | 11 |
| Warrant liability—Forward Purchase Warrants | — | — | 633 | 633 |
| Total liabilities | $ — | $ 54,578 | $ 633 | $ 55,211 |

### Level 1 and Level 2 of the Fair Value Hierarchy

As of June 30, 2023 and December 31, 2022, the carrying amounts of the Company's cash, cash equivalents and restricted cash approximate their fair values due to their short maturities and have been classified as Level 1 of the fair value hierarchy. The fair value of the term loan and finance lease obligations approximates their carrying value. The fair value is determined based on observable inputs on the price of the term loan in the market and has been classified as Level 2 of the fair value hierarchy. The fair value of the Company's AFS debt securities is determined based on valuations provided by external investment managers who obtain them from a variety of industry standard data providers and has been classified as Level 2 of the fair value hierarchy. Refer to Note 4 for additional information regarding the fair value of the Company's marketable securities.

**Level 3 of the Fair Value Hierarchy**

The Company's liability related to the Forward Purchase Warrants is measured at fair value on a recurring basis and is classified as Level 3 within the fair value hierarchy. There were no other assets or liabilities measured at fair value on a recurring basis at June 30, 2023 and December 31, 2022.

***Warrant liability—Forward Purchase Warrants***

As discussed in Note 2(y), 833,333 Forward Purchase Warrants were issued pursuant to the Forward Purchase Agreement dated January 13, 2021 between Crescent and Old LiveVox. Upon consummation of the Merger, the Company concluded that the Forward Purchase Warrants do not meet the derivative scope exception and are accounted for as derivative liabilities. The Forward Purchase Warrants are classified as Level 3 fair value measurement. The Company employed a Black-Scholes option pricing model specific to the contractual terms of the Forward Purchase Warrants to determine their fair value at each reporting period, with changes in fair value recognized in the consolidated statements of operations and comprehensive loss. Inherent in the options pricing model are assumptions related to current stock price, exercise price, expected share price volatility, expected life, risk-free interest rate and dividend yield. The stock price is based on the closing price of the Company's Class A common stock on Nasdaq as of the valuation date. The exercise price is based on the terms of the warrant agreement. The volatility input is estimated using the implied volatility of the Public Warrants and the volatility of the Company's peer companies. The expected life of the Forward Purchase Warrants is based on the time from valuation date to the contractual expiration date. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of issuance for zero-coupon U.S. Treasury notes with maturities corresponding to the expected five-year term. The dividend rate is based on the historical rate, which the Company anticipates to remain at zero. Future change in these assumptions could result in a material change to the fair value of the Forward Purchase Warrants, and such changes will be recorded in the consolidated statements of operations and comprehensive loss.

The following table provides quantitative information regarding assumptions used in the Black Scholes option-pricing model to determine the fair value of the Forward Purchase Warrants:

| | June 30, 2023 | December 31, 2022 |
|---|---|---|
| Stock price | $ 2.75 | $ 2.97 |
| Exercise price | $ 11.50 | $ 11.50 |
| Contractual term | 3.00 years | 3.50 years |
| Expected volatility | 77.50% | 77.50% |
| Risk-free rate | 4.50% | 4.20% |
| Dividend yield | 0.00% | 0.00% |

***Changes in the Level 3 Fair Value Measurement***

The changes in fair value of the Level 3 liabilities are as follows (dollars in thousands):

| | June 30, 2023 | December 31, 2022 |
|---|---|---|
| Balance, beginning of period | $ 633 | $ 767 |
| Changes in fair value of warrant liability | (183) | (134) |
| Balance, end of period | $ 450 | $ 633 |

During the three and six months ended June 30, 2023, the gain recognized due to decrease in the fair value of warrant liability was $0.1 million and $0.2 million respectively, and was recorded within other income (expense), net in the consolidated statements of operations and comprehensive loss. During the three and six months ended June 30, 2022, the gain recognized due to decrease in the fair value of warrant liability was $0.1 million and $0.5 million, respectively.

## 20. Basic and Diluted Loss Per Share

Basic net loss per share is calculated by dividing net loss by the weighted average number of shares of Class A common stock outstanding during the period presented, including net issuance of shares upon vesting stock-based payment awards and excluding unvested stock-based payment awards and shares withheld to cover employees' withholding taxes upon vesting of stock-based payment awards. Diluted net loss per share is computed giving effect to all potentially dilutive shares of Class A common stock, including Class A common stock issuable upon vesting of stock-based payment awards and contingent earnout shares. Basic and diluted loss per share was the same for each period presented as the inclusion of all potential Class A common stock outstanding would have been antidilutive.

The computation of loss per share and weighted average shares of the Company's common stock outstanding for the three and six months ended June 30, 2023 and 2022 are as follows (in thousands, except per share data):

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| **Numerator:** | | | | |
| Loss attributable to common stockholders—basic and diluted | $ (4,389) | $ (10,780) | $ (12,858) | $ (23,767) |
| **Denominator:** | | | | |
| Weighted average shares outstanding—basic and diluted | 93,562 | 91,562 | 93,204 | 91,520 |
| **Loss per share:** | | | | |
| Basic and diluted | $ (0.05) | $ (0.12) | $ (0.14) | $ (0.26) |

The following outstanding common stock equivalents were either considered antidilutive or were contingently issuable upon the resolution of their contingencies, and therefore, excluded from the computation of diluted net loss per share attributable to common stockholders for the periods presented (in thousands):

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Earn-Out Shares (1) | 5,000 | 5,000 | 5,000 | 5,000 |
| Lock-Up Shares (2) | 2,544 | 2,544 | 2,544 | 2,544 |
| Finders Agreement Shares (3) | 1,644 | 1,644 | 1,644 | 1,644 |
| Warrants to purchase common stock | 13,333 | 13,333 | 13,333 | 13,333 |
| Shares withheld to cover employees' withholding taxes upon vesting of RSUs | 305 | 205 | 413 | 205 |
| Unvested RSUs | 9,255 | 5,749 | 9,255 | 5,749 |
| Unvested PSUs | 1,748 | 1,737 | 1,748 | 1,737 |
| Total | 33,829 | 30,212 | 33,937 | 30,212 |

(1) As additional consideration payable to the LiveVox Stockholder, the Company issued 5,000,000 shares of Class A common stock (the "Earn-Out Shares") held in an escrow account to be released only if the price of Class A common stock trading on Nasdaq exceeds certain thresholds during the seven-year period beginning June 18, 2021. No contingent consideration shares were issued or released during the three and six months ended June 30, 2023 and 2022.

(2) Represents 2,543,750 shares of converted Class A common stock held by the SPAC sponsor and certain independent directors (the "Lock-Up Shares") immediately following the closing, which were placed in an escrow

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account to be subject to release only if the price of Class A common stock trading on Nasdaq exceeds certain thresholds during the seven-year period beginning June 18, 2021. No contingent consideration shares were issued or released during the three and six months ended June 30, 2023 and 2022.

(3) Represents 1,643,750 shares of Class A common stock (the "Finders Agreement Shares") to be issued only if the price of Class A common stock trading on Nasdaq exceeds certain thresholds during the seven-year period beginning June 18, 2021, pursuant to the terms of the Finders Agreement.No contingent consideration shares were issued during the three and six months ended June 30, 2023 and 2022.

## 21. Commitments and Contingencies

### Commitments

As of June 30, 2023 and December 31, 2022, $54.5 million and $54.9 million of the term loan principal was outstanding, respectively. The term loan is due December 31, 2025. See Note 9 for more information.

On June 29, 2023, the Company renewed an agreement for cloud services under which the Company has a non-cancelable minimum spend commitment in exchange for negotiated discounts on fees for use of eligible services. The total non-cancelable spend commitment is approximately $40.3 million for the period from July 1, 2023 to June 30, 2026.

### Contingencies

The Company is subject to the possibility of various gain or loss contingencies arising in the ordinary course of business that will ultimately be resolved depending on future events. The Company considers the likelihood of loss or impairment of an asset, or the incurrence of a liability, as well as the ability to reasonably estimate the amount of loss, in determining loss contingencies. An estimated loss contingency is accrued when information available prior to issuance of the consolidated financial statements indicates that it is probable that an asset has been impaired or a liability has been incurred at the date of the consolidated financial statements, and the amount or range of loss can be reasonably estimated. Legal costs are expensed as incurred. Gain contingencies are not recognized until they are realized or realizable.

### Indemnification Agreements

The Company has entered into indemnification agreements with its directors, officers and certain employees that will require us, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service as directors, officers or employees. As of June 30, 2023 and December 31, 2022, there were no claims that the Company is aware of that could have a material effect on its consolidated balance sheets, consolidated statements of operations and comprehensive loss, or consolidated statements of cash flows.

### Litigation and Claims

From time to time and in the ordinary course of business, the Company may be subject to various claims, charges, investigations, and litigation. As of the date of issuance of these consolidated financial statements, the Company is not a party to any claims that would have a material adverse effect on its business operations or financial position.

## 22. Restructuring

### 2022 Restructuring Plan

On August 1, 2022, the Company initiated a restructuring plan (the "2022 Restructuring Plan"), following a review of the Company's business, operating expenses and the macroeconomic environment. The purpose of the 2022 Restructuring Plan was to reduce the Company's cost structure and improve its operational efficiency.

The 2022 Restructuring Plan included a reduction of approximately 3% of the Company's global workforce. Restructuring charges incurred as a result of the 2022 Restructuring Plan totaled $0.9 million, and consist primarily of employee severance and termination benefits. The unpaid balance of restructuring charges was $0.1 million as of June 30, 2023, which the Company expects to pay off by the end of 2023.

**2023 Restructuring Plan**

On January 13, 2023, the Company authorized a new restructuring plan (the "2023 Restructuring Plan"). Management, with the oversight and guidance of the Company's board of directors, determined to implement the 2023 Restructuring Plan following a review of the Company's business, operating expenses and the macroeconomic environment. The 2023 Restructuring Plan was intended to reduce the Company's cost structure and improve its operational efficiency.

The 2023 Restructuring Plan included a reduction of approximately 98 employees, comprising approximately 16% of the Company's global workforce. Restructuring charges incurred as a result of the 2023 Restructuring Plan totaled $3.2 million, and consist primarily of employee severance and termination benefits. The 2023 Restructuring Plan charges were fully paid off in the second quarter of 2023.

**Restructuring Charges**

The following table summarizes (a) restructuring charges incurred as a result of the 2022 Restructuring Plan and the 2023 Restructuring Plan, by major type of cost and by financial statement line item, and (b) the changes in the liability for restructuring charges, included within accrued expenses on the consolidated balance sheets (dollars in thousands):

| | 2022 Restructuring Plan | | 2023 Restructuring Plan | | | | |
|---|---|---|---|---|---|---|---|
| | Employee severance and termination benefits | Subtotal | Employee severance and termination benefits | Non-lease contract termination costs | Other costs | Subtotal | Aggregate Total |
| Liability as of December 31, 2021 | $ — | $ — | $ — | $ — | $ — | $ — | $ — |
| Restructuring charges | | | | | | | |
| Cost of revenue | 400 | 400 | — | — | — | — | 400 |
| Sales and marketing expense | 147 | 147 | — | — | — | — | 147 |
| General and administrative expense | — | — | — | — | — | — | — |
| Research and development expense | 5 | 5 | — | — | — | — | 5 |
| Total restructuring charges | 552 | 552 | — | — | — | — | 552 |
| Cash payments | (552) | (552) | — | — | — | — | (552) |
| Liability as of December 31, 2022 | $ — | $ — | $ — | $ — | $ — | $ — | $ — |
| Restructuring charges | | | | | | | |
| Cost of revenue | — | — | 1,110 | 63 | 2 | 1,175 | 1,175 |
| Sales and marketing expense | 242 | 242 | 1,350 | — | — | 1,350 | 1,592 |
| General and administrative expense | — | — | 43 | — | — | 43 | 43 |
| Research and development expense | 101 | 101 | 658 | — | — | 658 | 759 |
| Total restructuring charges | 343 | 343 | 3,161 | 63 | 2 | 3,226 | 3,569 |
| Cash payments | — | — | (2,991) | (37) | (2) | (3,030) | (3,030) |
| Liability as of March 31, 2023 | $ 343 | $ 343 | $ 170 | $ 26 | $ — | $ 196 | $ 539 |
| Restructuring charges | | | | | | | |
| Cost of revenue | — | — | (20) | — | — | (20) | (20) |
| Sales and marketing expense | 4 | 4 | (21) | — | — | (21) | (17) |
| General and administrative expense | — | — | — | — | — | — | — |
| Research and development expense | — | — | (6) | — | — | (6) | (6) |
| Total restructuring charges | 4 | 4 | (47) | — | — | (47) | (43) |
| Cash payments | (224) | (224) | (123) | (26) | — | (149) | (373) |
| Liability as of June 30, 2023 | $ 123 | $ 123 | $ — | $ — | $ — | $ — | $ 123 |

## 23. Subsequent Events

The Company evaluated subsequent events and transactions that occurred after the balance sheet date up to the date that the consolidated financial statements were issued. Other than as described below, the Company did not identify any other subsequent events that would have required adjustment or disclosure in the consolidated financial statements.

**RSU Grants**

On July 1, 2023, the Company granted 2,463,452 annual refresh RSU grants to non-executive employees and eligible consultants, pursuant to the Company's 2021 Plan. Each RSU had a grant date fair value of $2.75. The total stock-based compensation expense for RSUs of $6.8 million shall be amortized over the vesting period of 46 months and recorded to cost of revenue and operating expenses within the consolidated statements of operations and comprehensive loss.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*Throughout this section, unless otherwise noted, the "Company," "LiveVox," "we," "us," and "our" refers to LiveVox Holdings, Inc., and its subsidiaries, collectively. You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our unaudited interim consolidated financial statements and related notes thereto included in Part I, Item 1 of this Quarterly Report on Form 10-Q (this "Quarterly Report"). In addition to historical information, the following discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, including, but not limited to, those set forth in the section entitled "Item 1A. Risk Factors" in our Annual Report on Form 10-K ("Annual Report") filed with the SEC on March 2, 2023.*

### Overview

We enable next-generation cloud contact center functionality through a cloud contact-center-as-a-service ("CCaaS") platform that we provide for enterprises, business process outsourcers ("BPOs") and collections agencies. Our CCaaS platform provides customers with a scalable, cloud-based architecture and pre-integrated artificial intelligence ("AI") capabilities to support enterprise-grade deployments of our solutions including omnichannel customer connectivity, customer relationship management ("CRM") and workforce engagement management ("WEM"). Our omnichannel product offerings enable our customers to connect with their customers via their channel of choice, including human voice, virtual agents powered by AI, email, text or web chat. Our platform features a native CRM which unifies disparate, department-level systems of record to present contact center agents with a single view of its customers without displacing or replacing existing CRMs or other systems of record. Our WEM offerings include a lightweight yet fully-featured product that meets the needs of smaller or less mature contact center operations as well as seamless integration with WEM products from other providers.

We typically sell our products to customers under one- to three-year subscription contracts that stipulate a minimum amount of monthly usage and associated revenue with the ability for the customer to consume excess usage above the minimum contract amount, all recognized on a monthly basis following deployment to the customer. Excess usage revenue is deemed to be specific to the month in which the usage occurs, since the minimum usage commitments reset at the beginning of each month. Subscription revenue accounted for 99.2% and 98.0% for the three and six months ended June 30, 2023, respectively, and 98.0% and 98.0% for the three and six months ended June 30, 2022, respectively, of our total revenue with the remainder consisting of professional services and other non-recurring revenue derived from the implementation of our products.

### Restructuring Events

On August 1, 2022, the Company initiated a restructuring plan (the "2022 Restructuring Plan") to reduce the Company's cost structure and improve its operational efficiency. The 2022 Restructuring Plan included a reduction of approximately 3% of the Company's global workforce. Restructuring charges incurred as a result of the 2022 Restructuring Plan totaled $0.9 million, and consist primarily of employee severance and termination benefits. The unpaid balance of restructuring charges was $0.1 million as of June 30, 2023, which the Company expects to pay off by the end of fiscal 2023.

On January 13, 2023, the Company authorized a restructuring plan (the "2023 Restructuring Plan"). Management, with the oversight and guidance of the Company's board of directors, determined to implement the 2023 Restructuring Plan following a review of the Company's business, operating expenses and the macroeconomic environment. The 2023 Restructuring Plan was intended to reduce the Company's cost structure and improve its operational efficiency. The 2023 Restructuring Plan included a reduction of approximately 98 employees, comprising approximately 16% of the Company's global workforce. Restructuring charges incurred as a result of the 2023 Restructuring Plan totaled $3.2 million, and consist primarily of employee severance and termination benefits. The 2023 Restructuring Plan charges were fully paid off in the second quarter of fiscal 2023.

Please see Note 22 to the consolidated financial statements included in Part I, Item 1 of this Quarterly Report for additional information about this plan.

### LiveVox's Segments

The Company has determined that its Chief Executive Officer ("CEO") is its chief operating decision maker. The Company's CEO reviews financial information presented on a consolidated basis for purposes of assessing performance and making decisions on how to allocate resources. Accordingly, the Company has determined that it operates in a single reportable segment.

### Key Operating and Non-GAAP Financial Performance Metrics

In addition to measures of financial performance presented in our consolidated financial statements, we monitor the key metrics set forth below to help us evaluate growth trends, establish budgets, measure the effectiveness of our sales and marketing efforts and assess operational efficiencies.

***Annualized Recurring Revenue***

Annualized Recurring Revenue ("ARR") is calculated as the sum of the most recent quarter of (a) recurring subscription amounts and (b) recurring platform usage charges for all customers, multiplied by four. Professional services and revenue of a one-time nature are excluded.

ARR in the three months ended June 30, 2023 was $140.3 million, which is $10.7 million or 8.3% higher than the $129.6 million of ARR in the three months ended June 30, 2022.

***LTM Net Revenue Retention Rate***

We believe that our Last Twelve Months ("LTM") Net Revenue Retention Rate provides us and investors with insight into our ability to retain and grow revenue from our customers and is a meaningful measure of the long-term value of our customer relationships. We calculate LTM Net Revenue Retention Rate by dividing the recurring revenue recognized during the most recent LTM period by the recurring revenue recognized during the LTM period immediately preceding the most recent LTM period, provided, however, that recurring revenue from a customer in the most recent LTM period is excluded from the calculation if recurring revenue was not recognized from that customer in the preceding LTM period. Customers who cease using our products during the most recent LTM period are included in the calculation. For example, LTM Net Revenue Retention for the 12-month period ending June 2023 includes recurring revenue from all customers for whom revenue was recognized from July 2021 to June 2022 regardless of whether such customers increased, decreased, or stopped their use of our products during that period (i.e., old customers), but excludes recurring revenue from all customers who began using our services from July 2022 to June 2023 (i.e., new customers). We define monthly recurring revenue as recurring monthly contract and excess usage revenue, which we calculate separately from one-time, non-recurring revenue by month by customer. We consider all contract and excess usage revenue, which represents 98.0% of our revenue, to be recurring revenue as all of our contracts provide for a minimum commitment amount. We consider professional services revenue and one-time adjustments, which are booked on a one-time, non-recurring basis, to be non-recurring revenue. Professional services and other one-time adjustments are generally not material to the result of the calculation. However, one-time non-recurring revenue is important with respect to timing as we bill installation and non-standard statement of work fees immediately and recognize the revenue as the work is completed, which is generally in advance of the beginning of recurring revenue which is when we recognize the beginning of the LTM period immediately preceding the most recent LTM period.

The following table shows our LTM Net Revenue Retention Rate for the periods presented:

| | Twelve Months Ended June 30, | | Twelve Months Ended December 31, | |
|---|---|---|---|---|
| | 2023 | 2022 | 2022 | 2021 |
| LTM Net Revenue Retention Rate | 111 % | 108 % | 113 % | 105 % |

Our LTM Net Revenue Retention Rate reflects the expansion over time of our existing customers as they add new products and additional units of service. A much higher percentage of the product revenue from our customers is contracted on our per minute pricing model with a minimum commitment as compared to our per agent pricing model with minimum commitments for both agents and units of service.

Our LTM Net Revenue Retention Rate increased by 2.9 percentage points, to 111.1% in the twelve months ended June 30, 2023 from 108.2% in the twelve months ended June 30, 2022. Recurring revenue expansion in the last twelve months ended June 30, 2023 was approximately 0.6 percentage points higher than the last twelve months ended June 30, 2022, and Shrink and Churn in the last twelve months ended June 30, 2023 changed favorably by approximately 2.3 percentage points compared to the last twelve months ended June 30, 2022.

Our LTM Net Revenue Retention Rate increased by 7.7 percentage points, to 113.1% in the twelve months ended December 31, 2022 from 105.4% in the twelve months ended December 31, 2021 primarily as a result of improvement in the excess usage revenue component of the Net Revenue Retention calculation (i.e. less of an unfavorable impact) due to tapering of the impact of COVID-19. Secondarily, the contracted component of the Net Revenue Retention rate for existing customers improved. In addition, monthly minimum contract revenue for all customers grew by 20.2% from fiscal 2021 to fiscal 2022.

***Adjusted EBITDA***

In addition to net loss presented in accordance with generally accepted accounting principle ("GAAP"), we monitor Adjusted EBITDA, a Non-GAAP financial measure, to analyze our financial results and believe that it is useful to investors, as a supplement to U.S. GAAP measures, in evaluating our ongoing operational performance and enhancing an overall understanding of our past financial performance. We believe that Adjusted EBITDA helps illustrate underlying trends in our business that could otherwise be masked by the effect of the income or expenses that we exclude from Adjusted EBITDA. Furthermore, we use this measure to establish budgets and operational goals for managing our business and evaluating our performance. We also believe that Adjusted EBITDA provides an additional tool for investors to use in comparing our recurring core business operating results over multiple periods with other companies in our industry.

Adjusted EBITDA should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with U.S. GAAP, and our calculation of Adjusted EBITDA may differ from that of other companies in our industry. We compensate for the inherent limitations associated with using Adjusted EBITDA through disclosure of these limitations, presentation of our consolidated financial statements in accordance with U.S. GAAP and reconciliation of Adjusted EBITDA to the most directly comparable U.S. GAAP measure, net loss. We calculate Adjusted EBITDA as net loss before (a) depreciation and amortization, (b) long-term equity incentive bonus, (c) stock-based compensation expense, (d) interest income or expense, net, (e) change in the fair value of warrant liability, (f) other income or expense, net, (g) benefit from or provision for income taxes, and (h) other items that do not directly affect what we consider to be our core operating performance.

The following table shows a reconciliation of net loss to Adjusted EBITDA for the periods presented (dollars in thousands):

| | Three Months Ended June 30, (unaudited) | | Six Months Ended June 30, (unaudited) | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Net loss | $ (4,389) | $ (10,780) | $ (12,858) | $ (23,767) |
| Non-GAAP adjustments: | | | | |
| Depreciation and amortization (1) | 1,039 | 1,085 | 2,081 | 2,431 |
| Long-term equity incentive bonus and stock-based compensation expense (2) | 3,242 | 3,423 | 5,891 | 5,902 |
| Interest expense, net | 1,326 | 744 | 2,422 | 1,494 |
| Change in the fair value of warrant liability | (116) | (92) | (183) | (484) |
| Other expense (income), net | (42) | 113 | (112) | 49 |
| Acquisition and financing related fee and expense (3) | — | — | — | 10 |
| Transaction-related cost (3) | — | 183 | — | 183 |
| Provision for (benefit from) income taxes | (89) | (229) | 391 | 315 |
| Restructuring cost (4) | (43) | — | 3,526 | — |
| Other non-recurring expenses (3)(5) | 170 | — | 765 | — |
| Adjusted EBITDA | $ 1,098 | $ (5,553) | $ 1,923 | $ (13,867) |

(1) Depreciation and amortization expenses included in our results of operations are as follows (dollars in thousands):

| | Three Months Ended June 30, (unaudited) | | Six Months Ended June 30, (unaudited) | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Cost of revenue | $ 302 | $ 342 | $ 610 | $ 952 |
| Sales and marketing expense | 591 | 613 | 1,184 | 1,221 |
| General and administrative expense | 119 | 94 | 233 | 186 |
| Research and development expense | 27 | 36 | 54 | 72 |
| Total depreciation and amortization | $ 1,039 | $ 1,085 | $ 2,081 | $ 2,431 |

(2) There were no long-term equity incentive bonuses during the periods presented. Stock-based compensation expenses included in our results of operations are as follows (dollars in thousands):

| | Three Months Ended June 30, (unaudited) | | Six Months Ended June 30, (unaudited) | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Cost of revenue | $ 257 | $ 403 | $ 365 | $ 715 |
| Sales and marketing expense | 557 | 870 | 876 | 1,477 |
| General and administrative expense | 1,512 | 941 | 2,889 | 1,601 |
| Research and development expense | 916 | 1,209 | 1,761 | 2,109 |
| Total stock-based compensation expenses | $ 3,242 | $ 3,423 | $ 5,891 | $ 5,902 |

(3) Included in general and administrative expense for all periods presented.

(4) Restructuring costs relate to charges incurred as a result of the 2022 Restructuring Plan initiated in August 2022 and the 2023 Restructuring Plan initiated in January 2023. These restructuring costs included in our results of operations are as follows (dollars in thousands):

| | Three Months Ended June 30, (unaudited) | | Six Months Ended June 30, (unaudited) | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Cost of revenue | $ (20) | $ — | $ 1,155 | $ — |
| Sales and marketing expense | (17) | — | 1,575 | — |
| General and administrative expense | — | — | 43 | — |
| Research and development expense | (6) | — | 753 | — |
| Total restructuring costs | $ (43) | $ — | $ 3,526 | $ — |

(5) Other non-recurring expenses consist primarily of impairment loss on right-of-use asset associated with the closure of certain underutilized physical offices within the United States.

**Non-GAAP Gross Profit and Non-GAAP Gross Margin Percentage**

In addition to gross profit presented in accordance with GAAP, we also monitor non-GAAP gross profit and non-GAAP gross margin percentage. Management uses Non-GAAP gross profit and Non-GAAP gross margin percentage to evaluate operating performance and to determine resource allocation among our various product offerings. We believe Non-GAAP gross profit and Non-GAAP gross margin percentage allow for better comparison of our financial results with those of our competitors. We also believe Non-GAAP gross profit and Non-GAAP gross margin percentage provide useful information to investors and others to understand and evaluate our operating results in the same manner as our management and board of directors.

Non-GAAP gross profit and Non-GAAP gross margin percentage should not be considered in isolation from, or as a substitute for, U.S. GAAP measures. Non-GAAP gross profit and Non-GAAP gross margin percentage may not be comparable to similarly titled measures of other companies because other companies may not calculate Non-GAAP gross profit and Non-GAAP gross margin percentage or similarly titled measures in the same manner as we do. U.S. GAAP defines gross profit as revenue less cost of revenue. Cost of revenue includes all expenses associated with our various product offerings as more fully described under the caption "*—Components of Results of Operations—Cost of Revenue—*" below. We define Non-GAAP gross profit as gross profit after adding back the following items:

- depreciation and amortization;
- long-term equity incentive bonus and stock-based compensation expense; and
- restructuring cost

We add back depreciation and amortization, long-term equity incentive bonus and stock-based compensation expense, and restructuring cost because they are one-time or non-cash items. We eliminate the impact of these one-time or non-cash items because we do not consider them indicative of our core operating performance. Their exclusion facilitates comparisons of our operating performance on a period-to-period basis. Therefore, we believe showing Non-GAAP gross margin to remove the impact of these one-time or non-cash expenses is helpful to investors in assessing our gross profit and gross margin performance in a way that is similar to how management assesses our performance.

We calculate Non-GAAP gross margin percentage by dividing Non-GAAP gross profit by revenue, expressed as a percentage of revenue.

The following table shows a reconciliation of gross profit to Non-GAAP gross profit for the periods presented (dollars in thousands):

| | Three Months Ended June 30, (unaudited) | | Six Months Ended June 30, (unaudited) | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Gross profit | $ 24,235 | $ 20,439 | $ 47,839 | $ 38,900 |
| Depreciation and amortization | 302 | 342 | 610 | 952 |
| Long-term equity incentive bonus and stock-based compensation expense | 257 | 403 | 365 | 715 |
| Restructuring cost | (20) | — | 1,155 | — |
| Non-GAAP gross profit | $ 24,774 | $ 21,184 | $ 49,969 | $ 40,567 |
| | | | | |
| Gross margin % | 68.5 % | 62.0 % | 66.2 % | 59.8 % |
| Non-GAAP gross margin % | 70.0 % | 64.2 % | 69.2 % | 62.3 % |

**Components of Results of Operations**

***Revenue***

We derive revenue by providing products under a variety of pricing models. Our recently released AI Virtual Agent product and our historical Voice product are provided under a usage-based pricing model with prices calculated on a per-minute basis with a contracted minimum commitment in accordance with the terms of the underlying pricing agreements. Voice is our predominant source of revenue. Other revenue sources are derived from products under the following pricing models:

1) a per "unit of measure" with a minimum commitment (e.g., Speech IQ);

2) the combination of per agent and per "unit of measure" models with minimum contracted commitments for each (e.g., SMS, email, U-CRM services);

3) a per agent pricing model with a minimum agent commitment (e.g., U-Script, U-Ticket, U-Chat, U-Quality Management, U-Screen Capture, U-CSAT, Advanced Analytics, Hosted PBX services); and

4) a per agent pricing model with a minimum agent commitment with a monthly maximum commitment (e.g., Attempt Supervisor, Advanced Analytics).

Outside of Voice, our pricing models detailed above are relatively new to the market and are not yet material to our business from a financial perspective.

***Cost of Revenue***

Our cost of revenue consists of personnel costs and associated costs such as travel, information technology and stock-based compensation for Implementation and Training Services, Customer Care, Technical Support, Professional Services, User Acceptance Quality Assurance, Technical Operations and VoIP services to our customers. Other costs of revenue include non-cash costs associated with depreciation and amortization including acquired technology, charges from telecommunication providers for communications, data center costs and costs to providers of cloud communication services, software, equipment maintenance and support costs to maintain service delivery operations.

In the fourth quarter of fiscal 2021, we completed a major strategic milestone when our data center transitioned from a model based on maintaining a co-location facility with our own capital equipment to a 100% cloud strategy based on monthly recurring charges for capacity added in generally small step function increments. As a result, by the end of fiscal 2021 we eliminated our capital expenditures for data center equipment, fully depreciated our old co-location facility and increased our data center costs for our cloud provisioning. A primary factor in our improvement in gross margin from the first quarter of fiscal 2022 has been the optimization of public cloud data center costs and the rationalization and redeployment of duplicative resources. We expect feature release efficiencies for our cloud operations as research and development resources eliminate the release effort associated with our co-location deployment.

As our business grows, we expect to realize economies of scale in our cost of revenue. We use the LiveVox platform to facilitate data-driven innovations to identify and facilitate efficiency improvement to our implementation, customer care and support, and technical operations teams. Additionally, our research and development priorities include ease of implementation, reliability and ease of use objectives that reduce costs and result in economies of scale relative to revenue growth.

***Operating Expenses***

We classify our operating expenses as sales and marketing, general and administrative, and research and development.

*Sales and Marketing*. Sales and marketing expenses consist primarily of salaries and related expenses, including stock-based compensation, for personnel in sales and marketing, sales commissions, channel special program incentive funds ("SPIFF") and channel commissions, travel costs, as well as marketing pipeline management, content delivery, programs, campaigns, lead generation, and allocated overhead. We believe it is important to continue investing in sales and marketing to continue to generate revenue growth, and we expect sales and marketing expenses to increase in absolute dollars and fluctuate as a percentage of revenue as we continue to support our growth initiatives.

*General and Administrative*. General and administrative expenses consist primarily of salary and related expenses, including stock-based compensation, for management, finance and accounting, legal, information systems and human resources personnel, professional fees, compliance costs, other corporate expenses and allocated overhead. We expect that general and administrative expenses will fluctuate in absolute dollars from period to period but decline as a percentage of revenue over time.

*Research and Development*. Research and development expenses consist primarily of salary and related expenses, including stock-based compensation, for LiveVox personnel as well as limited outsourced software development resources related to the identification and development of improvements, and expanded features for our products, as well as quality assurance, testing, product management and allocated overhead. Research and development costs are expensed as incurred. We have not performed research and development for internal-use software that would meet the qualifications for capitalization. We believe it is important to continue investing in research and development to continue to expand and improve our products and generate future revenue growth, and we expect research and development expenses to increase in absolute dollars and fluctuate as a percentage of revenue as we continue to support our growth initiatives.

**Results of Operations**

***Comparison of the three months ended June 30, 2023 and 2022***

The following tables summarize key components of our results of operations for the three months ended June 30, 2023 and 2022 (in thousands, except per share data):

| | Three Months Ended June 30, (unaudited) | |
|---|---|---|
| | **2023** | **2022** |
| Revenue | $ 35,375 | $ 32,987 |
| Cost of revenue | 11,140 | 12,548 |
| Gross profit | 24,235 | 20,439 |
| Operating expenses | | |
| Sales and marketing expense | 11,293 | 14,502 |
| General and administrative expense | 9,393 | 8,014 |
| Research and development expense | 6,859 | 8,167 |
| Total operating expenses | 27,545 | 30,683 |
| Loss from operations | (3,310) | (10,244) |
| Interest expense, net | 1,326 | 744 |
| Change in the fair value of warrant liability | (116) | (92) |
| Other expense (income), net | (42) | 113 |
| Total other expense, net | 1,168 | 765 |
| Pre-tax loss | (4,478) | (11,009) |
| Benefit from income taxes | (89) | (229) |
| Net loss | $ (4,389) | $ (10,780) |
| Net loss per share—basic and diluted | $ (0.05) | $ (0.12) |
| Weighted average shares outstanding—basic and diluted | 93,562 | 91,562 |

*Revenue*

| | Three Months Ended June 30, (unaudited) | | | |
|---|---|---|---|---|
| | 2023 | 2022 | $ Change | % Change |
| Revenue | $ 35,375 | $ 32,987 | $ 2,388 | 7.2 % |

Revenue increased by $2.4 million, or 7.2%, to $35.4 million in the three months ended June 30, 2023 from $33.0 million in the three months ended June 30, 2022, primarily due to 6.6% growth in contracted revenue driven by the acquisition of new customers and upsells to our existing customer base.

*Cost of revenue*

| | Three Months Ended June 30, (unaudited) | | | |
|---|---|---|---|---|
| | 2023 | 2022 | $ Change | % Change |
| Cost of revenue | $ 11,140 | $ 12,548 | $ (1,408) | (11.2) % |
| % of revenue | 31.5 % | 38.0 % | | |

Cost of revenue decreased by $1.4 million, or 11.2%, to $11.1 million in the three months ended June 30, 2023 from $12.5 million in the three months ended June 30, 2022. The decrease was attributable primarily to a decrease in personnel costs of $1.4 million resulting from the restructuring plans to reduce employee headcount.

*Gross profit*

| | Three Months Ended June 30, (unaudited) | | | |
|---|---|---|---|---|
| | 2023 | 2022 | $ Change | % Change |
| Gross profit | $ 24,235 | $ 20,439 | $ 3,796 | 18.6 % |
| Gross margin percentage | 68.5 % | 62.0 % | | |

Gross profit increased by $3.8 million, or 18.6%, to $24.3 million in the three months ended June 30, 2023 from $20.5 million in the three months ended June 30, 2022. The increase in gross profit was a result of increased revenue of $2.4 million and decreased personnel costs of $1.4 million, described above.

*Sales and marketing expense*

| | Three Months Ended June 30, (unaudited) | | | |
|---|---|---|---|---|
| | 2023 | 2022 | $ Change | % Change |
| Sales and marketing expense | $ 11,293 | $ 14,502 | $ (3,209) | (22.1) % |
| % of revenue | 31.9 % | 44.0 % | | |

Sales and marketing expense decreased by $3.2 million, or 22.1%, to $11.3 million in the three months ended June 30, 2023 from $14.5 million in the three months ended June 30, 2022. The decrease was attributable primarily to decreases in personnel costs of $1.8 million and stock-based compensation expenses of $0.3 million resulting from the restructuring plans to reduce employee headcount. In addition, marketing, promotions and tradeshow expenses decreased by $1.0 million as a result of our cost management for marketing spending.

*General and administrative expense*

| | Three Months Ended June 30, (unaudited) | | | |
|---|---|---|---|---|
| | 2023 | 2022 | $ Change | % Change |
| General and administrative expense | $ 9,393 | $ 8,014 | $ 1,379 | 17.2 % |
| % of revenue | 26.6 % | 24.3 % | | |

General and administrative expense increased by $1.4 million, or 17.2%, to $9.4 million in the three months ended June 30, 2023 from $8.0 million in the three months ended June 30, 2022. The increase was attributable primarily to increases in accounting, audit and legal fees of $0.8 million in connection with our continued investment in resources as a public company, and stock-based compensation expenses of $0.6 million associated with the grant of annual refresh Restricted Stock Units ("RSUs") and Performance-based Restricted Stock Units ("PSUs") to executives in May 2023 under the 2021 Equity Incentive Plan (as amended, the "2021 Plan").

*Research and development expense*

| | Three Months Ended June 30, (unaudited) | | | |
|---|---|---|---|---|
| | 2023 | 2022 | $ Change | % Change |
| Research and development expense | $ 6,859 | $ 8,167 | $ (1,308) | (16.0) % |
| % of revenue | 19.4 % | 24.8 % | | |

Research and development expense decreased by $1.3 million, or 16.0%, to $6.9 million in the three months ended June 30, 2023 from $8.2 million in the three months ended June 30, 2022. The decrease was attributable primarily to decreases in personnel costs of $0.9 million and stock-based compensation expenses of $0.3 million resulting from the restructuring plans to reduce employee headcount.

*Interest expense, net*

| | Three Months Ended June 30, (unaudited) | | | |
|---|---|---|---|---|
| | 2023 | 2022 | $ Change | % Change |
| Interest expense, net | $ 1,326 | $ 744 | $ 582 | 78.2 % |
| % of revenue | 3.7 % | 2.3 % | | |

Interest expense, net increased by $0.6 million, or 78.2%, to $1.3 million in the three months ended June 30, 2023 from $0.7 million in the three months ended June 30, 2022. The increase was attributable primarily to increase in interest expense of $0.6 million associated with higher interest rates in the three months ended June 30, 2023.

***Comparison of the six months ended June 30, 2023 and 2022***

The following tables summarize key components of our results of operations for the six months ended June 30, 2023 and 2022 (in thousands, except per share data):

| | Six Months Ended June 30, (unaudited) | |
|---|---|---|
| | 2023 | 2022 |
| Revenue | $ 72,241 | $ 65,080 |
| Cost of revenue | 24,402 | 26,180 |
| Gross profit | 47,839 | 38,900 |
| Operating expenses | | |
| Sales and marketing expense | 24,773 | 29,036 |
| General and administrative expense | 18,564 | 15,600 |
| Research and development expense | 14,842 | 16,657 |
| Total operating expenses | 58,179 | 61,293 |
| Loss from operations | (10,340) | (22,393) |
| Interest expense, net | 2,422 | 1,494 |
| Change in the fair value of warrant liability | (183) | (484) |
| Other expense (income), net | (112) | 49 |
| Total other expense, net | 2,127 | 1,059 |
| Pre-tax loss | (12,467) | (23,452) |
| Provision for income taxes | 391 | 315 |
| Net loss | $ (12,858) | $ (23,767) |
| Net loss per share—basic and diluted | $ (0.14) | $ (0.26) |
| Weighted average shares outstanding—basic and diluted | 93,204 | 91,520 |

*Revenue*

| | Six Months Ended June 30, (unaudited) | | | |
|---|---|---|---|---|
| | 2023 | 2022 | $ Change | % Change |
| Revenue | $ 72,241 | $ 65,080 | $ 7,161 | 11.0 % |

Revenue increased by $7.2 million, or 11.0%, to $72.2 million in the six months ended June 30, 2023 from $65.1 million in the six months ended June 30, 2022, primarily due to 9.9% growth in contracted revenue driven by the acquisition of new customers and upsells to our existing customer base.

*Cost of revenue*

| | Six Months Ended June 30, (unaudited) | | | |
|---|---|---|---|---|
| | 2023 | 2022 | $ Change | % Change |
| Cost of revenue | $ 24,402 | $ 26,180 | $ (1,778) | (6.8) % |
| % of revenue | 33.8 % | 40.2 % | | |

Cost of revenue decreased by $1.8 million, or 6.8%, to $24.4 million in the six months ended June 30, 2023 from $26.2 million in the six months ended June 30, 2022. The decrease was attributable primarily to a decrease in personnel costs of $2.9 million resulting from decreased headcount, which was partially offset by an increase in employee severance and termination costs of $1.2 million associated with the restructuring plans.

*Gross profit*

| | Six Months Ended June 30, (unaudited) | | | |
|---|---|---|---|---|
| | 2023 | 2022 | $ Change | % Change |
| Gross profit | $ 47,839 | $ 38,900 | $ 8,939 | 23.0 % |
| Gross margin percentage | 66.2 % | 59.8 % | | |

Gross profit increased by $8.9 million, or 23.0%, to $47.8 million in the six months ended June 30, 2023 from $38.9 million in the six months ended June 30, 2022. The increase in gross profit was a result of increased revenue of $7.2 million and decreased personnel costs of $2.9 million, which were partially offset by increased employee severance and termination costs of $1.2 million, described above.

*Sales and marketing expense*

| | Six Months Ended June 30, (unaudited) | | | |
|---|---|---|---|---|
| | 2023 | 2022 | $ Change | % Change |
| Sales and marketing expense | $ 24,773 | $ 29,036 | $ (4,263) | (14.7) % |
| % of revenue | 34.3 % | 44.6 % | | |

Sales and marketing expense decreased by $4.3 million, or 14.7%, to $24.8 million in the six months ended June 30, 2023 from $29.0 million in the six months ended June 30, 2022. The decrease was attributable primarily to a decrease in personnel costs of $3.6 million resulting from decreased headcount, which was partially offset by an increase in employee severance and termination costs of $1.6 million associated with the restructuring plans. In addition, stock-based compensation expenses decreased by $0.6 million. In connection with the restructuring plans, any unvested RSUs and PSUs granted under the 2021 Plan to employees terminated in restructuring events were forfeited without consideration, and the stock-based compensation expenses recognized prior to the cancellation were reversed in the six months ended June 30, 2023. Furthermore, marketing, promotions and tradeshow expenses decreased by $1.7 million as a result of cost management for marketing spending.

*General and administrative expense*

| | Six Months Ended June 30, (unaudited) | | | |
|---|---|---|---|---|
| | 2023 | 2022 | $ Change | % Change |
| General and administrative expense | $ 18,564 | $ 15,600 | $ 2,964 | 19.0 % |
| % of revenue | 25.7 % | 24.0 % | | |

General and administrative expense increased by $3.0 million, or 19.0%, to $18.6 million in the six months ended June 30, 2023 from $15.6 million in the six months ended June 30, 2022. The increase was attributable primarily to increases in stock-based compensation expenses of $1.3 million, personnel costs of $0.8 million, and accounting, audit and legal fees of $0.7 million, as a result of our continued investment in resources as a public company. In addition, office space expenses increased by $0.3 million mainly due to the impairment loss on right-of-use asset associated with the closure of certain underutilized physical offices within the United States.

*Research and development expense*

| | Six Months Ended June 30, (unaudited) | | | |
|---|---|---|---|---|
| | 2023 | 2022 | $ Change | % Change |
| Research and development expense | $ 14,842 | $ 16,657 | $ (1,815) | (10.9) % |
| % of revenue | 20.5 % | 25.6 % | | |

Research and development expense decreased by $1.8 million, or 10.9%, to $14.8 million in the six months ended June 30, 2023 from $16.7 million in the six months ended June 30, 2022. The decrease was attributable primarily to a decrease in personnel costs of $1.6 million resulting from decreased headcount, which was partially offset by an increase in employee severance and termination costs of $0.8 million associated with the restructuring plans. In addition, stock-based compensation expenses decreased by $0.3 million. In connection with the restructuring plans, any unvested RSUs and PSUs granted under the 2021 Plan to employees terminated in restructuring events were forfeited without consideration, and the stock-based compensation expenses recognized prior to the cancellation were reversed in the six months ended June 30, 2023. Furthermore, software expenses decreased by $0.4 million and consulting and contracted services decreased by $0.2 million.

*Interest expense, net*

| | Six Months Ended June 30, (unaudited) | | | |
|---|---|---|---|---|
| | 2023 | 2022 | $ Change | % Change |
| Interest expense, net | $ 2,422 | $ 1,494 | $ 928 | 62.1 % |
| % of revenue | 3.4 % | 2.3 % | | |

Interest expense, net increased by $0.9 million, or 62.1%, to $2.4 million in the six months ended June 30, 2023 from $1.5 million in the six months ended June 30, 2022. The increase was attributable primarily to increased interest expense of $1.1 million associated with higher interest rates in the six months ended June 30, 2023. The increase in interest expense was partially offset by increase in interest income of $0.1 million associated with the marketable securities which we invested since the fourth quarter of fiscal 2021.

*Change in the fair value of warrant liability*

| | Six Months Ended June 30, (unaudited) | | | |
|---|---|---|---|---|
| | 2023 | 2022 | $ Change | % Change |
| Change in the fair value of warrant liability | $ (183) | $ (484) | $ 301 | (62.2) % |
| % of revenue | (0.3) % | (0.7) % | | |

Gain recognized due to change in the fair value of warrant liability decreased by $0.3 million, or 62.2%. The decrease was attributable primarily to a decrease in the fair value of Forward Purchase Warrants of $0.2 million in the six months ended June 30, 2023 compared to decrease in fair value of $0.5 million in the six months ended June 30, 2022. For more information, see Note 19 of the Company's consolidated financial statements included in Part I, Item 1 of this Quarterly Report.

## Liquidity and Capital Resources

### *Sources of Cash*

LiveVox's consolidated financial statements have been prepared assuming the Company will continue as a going concern for the 12-month period from the date of issuance of the consolidated financial statements, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The Company's main sources of liquidity include:

- Available-for-sale ("AFS") debt securities, which are all classified as short-term securities to fund current operations and may be liquidated at the Company's discretion if the need arises. The Company held AFS debt securities of $43.7 million and $48.2 million as of June 30, 2023 and December 31, 2022, respectively. Please see Note 4 to the Company's consolidated financial statements included in Part I, Item 1 of this Quarterly Report for more information;
- The term loan and revolving credit facility that the Company entered into with PNC Bank on November 7, 2016 (as amended, the "Credit Facility"), which has been amended several times, most recently as of May 31, 2023. As of June 30, 2023, the term loan commitment was $54.5 million, the revolver commitment was $5.0 million and the letter of credit sublimit was $1.5 million. Please see Note 9 and 10 to the Company's consolidated financial statements included in Part I, Item 1 of this Quarterly Report for more information.

***Cash Requirements***

LiveVox's cash requirements within the next 12 months consist primarily of operating and administrative activities including employee related expenses and general, operating and overhead expenses, current maturities of the Company's term loan, operating leases, spend commitment and other obligations.

LiveVox's long-term cash requirements consist of various contractual obligations and commitments, including:

- Term loan – The Company has contractual obligations under its term loan to make principal and interest payments. The principal amount is due December 31, 2025. Please see Note 9 to the Company's consolidated financial statements included in Part I, Item 1 of this Quarterly Report for a discussion of the contractual obligations under the Company's term loan and the timing of principal maturities;
- Operating lease obligations – The Company leases its corporate headquarters and worldwide offices under operating leases. Please see Note 8 to the Company's consolidated financial statements included in Part I, Item 1 of this Quarterly Report for further detail of the Company's obligations under operating leases and the timing of expected future lease payments;
- Spend commitment – The Company has a non-cancelable minimum spend commitment under a renewed agreement for cloud services in exchange for negotiated discounts on fees for use of eligible services. Please see Note 21 to the Company's consolidated financial statements included in Part I, Item 1 of this Quarterly Report for further detail of the Company's spend commitment and the timing of expected future payments;
- Other liabilities – These include other long-term liabilities reflected in the Company's consolidated balance sheets as of June 30, 2023, including obligations associated with certain employee and non-employee incentive plans, Forward Purchase Warrants, unrecognized tax benefits and various long-term liabilities, which have some inherent uncertainty in the timing of these payments.

Future capital requirements will depend on many factors, including the Company's customer growth rate, customer retention, timing and extent of development efforts, the expansion of sales and marketing activities, the introduction of new and enhanced services offerings, the continuing market acceptance of the Company's services, effective integration of acquisition activities, if any, and maintaining the Company's bank credit facility. Additionally, the duration and extent of the impact from the current macroeconomic and geopolitical conditions continues to depend on future developments that cannot be accurately predicted at this time. While those factors have caused operational difficulties, and may continue to create challenges for the Company's performance, they have not, thus far, had a substantial net impact on the Company's liquidity position.

The Company believes the cash generated by operating cash flows and debt will be sufficient to meet the Company's anticipated cash requirements for at least the next 12 months from the date of this Quarterly Report and beyond, while maintaining sufficient liquidity for normal operating purposes.

***Acquisition Opportunities***

The Company believes that there may be opportunity for further consolidation in LiveVox's industry. From time to time, the Company evaluates potential strategic opportunities, including acquisitions of other providers of cloud-based services. The Company has been in, and from time to time may engage in, discussions with counterparties in respect of various potential strategic acquisition and investment transactions. Some of these transactions could be material to the Company's business and, if completed, could require significant commitments of capital, result in increased leverage or dilution and/or subject the Company to unexpected liabilities. In connection with evaluating potential strategic acquisition and investment transactions, the Company may incur significant expenses for the evaluation and due diligence investigation of these potential transactions.

***Comparison of cash flows for the six months ended June 30, 2023 and 2022***

The following table summarizes key components of our cash flows for the six months ended June 30, 2023 and 2022 (dollars in thousands):

| | Six Months Ended June 30, (unaudited) | |
|---|---|---|
| | 2023 | 2022 |
| Net cash used in operating activities | $ (5,901) | $ (16,418) |
| Net cash provided by (used in) investing activities | 4,727 | (82) |
| Net cash used in financing activities | (2,068) | (610) |
| Effect of foreign currency translation | 171 | (234) |
| Net decrease in cash, cash equivalents and restricted cash | $ (3,071) | $ (17,344) |

*Net cash used in operating activities*

Cash flows used in operating activities in the six months ended June 30, 2023 decreased by $10.5 million to cash outflows of $5.9 million from cash outflows of $16.4 million during the six months ended June 30, 2022. The decrease to net cash used in operating activities was primarily attributable to a decrease of $10.9 million in net loss and an increase of $1.0 million in non-cash adjustments to net loss. The increase in non-cash items was primarily attributable to increases in impairment loss on right-of-use asset of $0.5 million associated with the closure of certain underutilized physical offices within the United States, and credit loss expense of $0.5 million due to the adoption of Accounting Standards Update ("ASU") No. 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* and all subsequent updates (collectively, the "ASC 326") on January 1, 2023. Net cash used in operating activities also included a decrease of $1.4 million in cash from operating assets and liabilities, primarily due to the timing of cash payments to vendors and cash receipts from customers.

*Net cash provided by (used in) investing activities*

Cash flows provided by (used in) investing activities in the six months ended June 30, 2023 increased by $4.8 million to cash inflows of $4.7 million from cash outflows of $0.1 million during the six months ended June 30, 2022. The increase to net cash provided by (used in) investing activities was primarily attributable to an increase of $6.6 million in proceeds from sale of AFS debt securities and an increase of $5.0 million in proceeds from maturities and principal paydowns of AFS debt securities, partially offset by an increase of $7.6 million in purchases of AFS debt securities.

*Net cash used in financing activities*

Cash flows used in financing activities in the six months ended June 30, 2023 increased by $1.5 million to cash outflows of $2.1 million from cash outflows of $0.6 million during the six months ended June 30, 2022. The increase to net cash used in financing activities was primarily attributable to payment of employees' withholding taxes of $0.8 million on net share settlement of stock-based awards under the 2021 Plan, payment of principal of $0.4 million under a structured payable arrangement related to the Company's commercial insurance policy on directors and officers, and payment of original issue discount of $0.3 million related to the Eighth Amendment to the Credit Facility that the Company entered into on March 31, 2023.

## Critical Accounting Estimates

Management's discussion and analysis of our financial condition and results of operations is based on our consolidated financial statements included in Part I, Item 1 of this Quarterly Report, which have been prepared in accordance with U.S. GAAP.

The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting periods. Significant items subject to such estimates and assumptions include, but are not limited to, the determination of the useful lives of long-lived assets, period of benefit of deferred sales commissions, allowances for credit losses, fair value of marketable securities, fair value of goodwill and long-lived assets, fair value of incentive awards, fair value of warrants, establishing standalone selling price, valuation of deferred tax assets, income tax uncertainties and other contingencies. Management periodically evaluates such estimates and they are adjusted prospectively based upon such periodic evaluation. Actual results could differ from those estimates, and such differences could be material to the Company's consolidated financial position and results of operations, requiring adjustment to these balances in future periods.

While our significant accounting policies are more fully described in the notes to the consolidated financial statements included in Part I, Item 1 of this Quarterly Report, we believe that the following accounting estimates are critical to our business operations and understanding of our financial results. We consider an accounting judgment, estimate or assumption to be critical when (a) the estimate or assumption is complex in nature or requires a high degree of subjectivity and judgment and (b) the use of different judgments, estimates and assumptions could have a material impact on our consolidated financial statements.

***Impairment of long-lived assets, including intangible assets***

Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the fair value of the asset and long-lived assets to be disposed of are reported at the lower of the carrying amount or fair value. On January 30, 2023, the Company announced the closure of certain underutilized physical offices within the United States as more of the Company's employees shift to a hybrid or remote work environment. During the six months ended June 30, 2023, the Company recognized an impairment charge of $0.5 million to reflect the write-down of the carrying amount excess over the fair value of the right-of-use asset for the offices closed. No impairment losses were recognized during the three months ended June 30, 2023 or the three and six months ended June 30, 2022.

We perform our annual impairment review of goodwill on October 1 of each year, and when a triggering event occurs between annual impairment tests. In testing for goodwill impairment, the Company has the option to first assess qualitative factors to determine if it is more likely than not that the fair value of the Company's single reporting unit is less than its carrying amount, including goodwill, or bypass the qualitative assessment and proceed directly to the quantitative impairment test to determine if the fair value of the reporting unit exceeds its carrying amount. If the fair value is determined to be less than the carrying value, an impairment charge is recorded for the amount by which the reporting unit's carrying amount exceeds its fair value, limited to the total amount of goodwill allocated to that reporting unit. No impairment losses have been recognized in any of the periods presented.

Intangible assets, consisting of acquired developed technology, corporate name, customer relationships and workforce, are reviewed for impairment whenever events or changes in circumstances indicate an asset's carrying value may not be recoverable. No impairment losses have been recognized in any of the periods presented.

***Allowance for credit losses for marketable securities and accounts receivable***

On January 1, 2023, the Company adopted ASC 326 and applied to its AFS debt securities and accounts receivable. ASC 326 replaces the existing incurred loss impairment model with a current expected credit loss impairment model. It also eliminates the concept of other-than-temporary impairment and requires credit losses related to AFS debt securities to be recorded through an allowance for credit losses rather than as a reduction in the amortized cost basis of the securities.

At each reporting date, the Company evaluates the amortized cost of AFS debt securities compared to their fair value to determine whether an AFS debt security is impaired, and, if the fair value is below amortized cost basis, whether the decline in fair value has resulted from credit losses or other factors. In making this assessment, the Company considers factors such as the extent to which fair value is less than amortized cost basis, any changes to the rating of the security by a rating agency, and any adverse conditions specifically related to the security. Credit related unrealized losses are recognized as an allowance for credit losses in the consolidated balance sheets with a corresponding charge in other income (expense), net, in the consolidated statements of operations and comprehensive loss. Non-credit related unrealized losses are recorded in other comprehensive income (loss), as applicable, net of applicable taxes.

Trade accounts receivable are stated net of any write-offs and the allowance for credit losses, at the amount the Company expects to collect. The Company performs ongoing credit evaluations of its customers and generally does not require collateral unless a customer has previously defaulted. The Company maintains an allowance for credit losses, which represents the best estimate of lifetime expected credit losses against the existing accounts receivable, inclusive of unbilled receivables, based on certain factors including the age of the receivable balance, historical write-off experience, past collection experience with the customer, credit quality of the customer, current economic conditions, and reasonable and supportable forecasts of future economic conditions. If the financial condition of the Company's customers were to deteriorate, adversely affecting their ability to make payments, additional allowances would be required. Accounts receivable are charged off against the allowance for credit losses after all means of collection have been exhausted and the potential for recovery is considered remote. Recoveries of accounts receivable previously written off are recorded as income when received.

While management believes it has exercised prudent judgment and applied reasonable assumptions, there can be no assurance that in the future, changes in economic conditions or other factors would not cause changes in the financial health of our marketable security issuers or our customers. If the financial health deteriorates, the timing and amount of payments received could be impacted and therefore, could result in a change to our estimated credit losses.

***Revenue Recognition***

The Company recognizes revenue in accordance with ASC 606,*Revenue from Contracts with Customers.*

The Company derives substantially all of its revenue by providing cloud-based contact center products under a usage-based model. The Company's performance obligations are satisfied over time as the customer has continuous access to its hosted technology platform solutions through its data centers and simultaneously receives and consumes the benefits and the Company performs its services. Other immaterial ancillary revenue is derived from call recording, local caller identification packages, performance/speech analytics, text messaging services and professional services billed monthly on primarily usage-based fees, and to a lesser extent, fixed fees. Professional services, which represents approximately 2.0% of revenue, are billed on a fixed-price or on a time and material basis and the revenue is recognized over time as the services are rendered.

The Company has service-level agreements with customers warranting defined levels of uptime reliability and performance. If the services do not meet certain criteria, fees are subject to adjustment or refund representing a form of variable consideration. The Company records reductions to revenue for these estimated customer credits at the time the related revenue is recognized. These customer credits are estimated based on current and historical customer trends, and communications with its customers. Such customer credits have not been significant to date.

For contracts with multiple performance obligations (e.g., including various combinations of services), the Company allocates the contract price to each performance obligation based on its relative standalone selling price (“SSP”). The Company generally determines SSP based on the prices charged to customers. In instances where SSP is not directly observable, the Company determines the SSP using information that generally includes market conditions or other observable inputs.

***Income Taxes***

The Company accounts for income taxes using the asset and liability approach. Deferred tax assets and liabilities are recognized for the future tax consequences arising from the temporary differences between the tax basis of an asset or liability and its reported amount in the consolidated financial statements, as well as from net operating loss and tax credit carryforwards. Deferred tax amounts are determined by using the tax rates expected to be in effect when the taxes will be paid or refunds received, as provided for under currently enacted tax law. A valuation allowance is provided for deferred tax assets that, based on available evidence, are not expected to be realized.

The Company recognizes the effect of income tax positions only if those positions are more likely than not to be sustained in a court of last resort. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Company does not believe its consolidated financial statements include any uncertain tax positions. It is the Company’s policy to recognize interest and penalties accrued on any unrecognized tax benefit as a component of income tax expense.

Judgment is required in assessing the future tax consequences of events that have been recognized in our consolidated financial statements or tax returns. Variations in the actual outcome of these future tax consequences could materially impact our consolidated financial statements.

***Stock-Based Compensation***

Management Incentive Units

During 2019, LiveVox TopCo, LLC (“LiveVox TopCo”), the sole stockholder of the Company prior to the Merger, established a Management Incentive Unit program whereby the LiveVox TopCo board of directors has the power and discretion to approve the issuance of Class B Units of LiveVox TopCo that represent management incentive units (“MIUs”) to any manager, director, employee, officer or consultant of the Company or its subsidiaries. Vesting begins on the date of issuance, and the MIUs vest ratably over five years with 20% of the MIUs vesting on each anniversary of a specified vesting commencement date, subject to the grantee’s continued employment with the Company on the applicable vesting date. Vesting of the MIUs will accelerate upon consummation of a “sale of the company”, which is defined in the LiveVox TopCo limited liability company agreement. The Company recognizes stock-based compensation expense based on the service condition on a straight-line basis over the requisite service period of five years, reduced for actual forfeited MIUs. Stock-based compensation expense for MIUs is measured based on the grant date fair value of the award using a Monte Carlo simulation. Assumptions used in the Monte Carlo simulation are holding period, expected share price volatility, discount for lack of marketability, and risk-free interest rate. While the Company believes that the assumptions used in these calculations are reasonable, differences in actual experience or changes in assumptions could materially affect the expense related to the Company’s MIUs.

2021 Equity Incentive Plan

On June 16, 2021, the stockholders of the Company approved the 2021 Plan, which became effective upon the closing of the Merger on June 18, 2021. On June 13, 2023, the Compensation Committee approved an amendment to the 2021 Plan to clarify that the limitation on the maximum grant date fair value for awards shall apply only to the Company’s non-employee directors. The Company grants RSUs and PSUs to employees, executives, directors, and eligible consultants of the Company. RSUs are subject to service conditions only and typically vest over periods ranging from one to six years based on the grantee’s role in the Company. PSUs, which are granted to certain key employees, vest either based on the achievement of predetermined market conditions, or based on both service and market conditions. All RSUs and PSUs will be settled in shares of Class A common stock and are classified as equity awards. Equity-classified awards are recognized as stock-based compensation expense over an employee’s requisite service period or a non-employee’s vesting period on the basis of the grant date fair value. Generally, the Company recognizes stock-based compensation expense of RSUs using the straight-line method, and recognizes stock-based compensation expense of PSUs subject to graded market vesting on a tranche-by-tranche basis (i.e., the accelerated attribution method). The fair value of the RSUs is estimated using the closing price of the Company’s Class A common stock on Nasdaq on the measurement date. The fair value of the PSUs at each measurement date is estimated using a Monte Carlo simulation. The key inputs used in the Monte Carlo simulation are stock

price, expected share price volatility, expected life, risk-free interest rate, and vesting hurdles. While the Company believes that the assumptions used in these calculations are reasonable, differences in actual experience or changes in assumptions could materially affect the expense related to the Company's 2021 Plan.

***Acquisitions***

The Company evaluates acquisitions of assets and other similar transactions to assess whether or not the transaction should be accounted for as a business combination or asset acquisition by first applying a screen test to determine if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. If the screen is met, the transaction is accounted for as an asset acquisition. If the screen is not met, further determination is required as to whether or not the Company has acquired inputs and processes that have the ability to create outputs which would meet the definition of a business. Significant judgment is required in the application of the screen test to determine whether an acquisition is a business combination or an acquisition of assets.

If an acquisition is determined to be a business combination, the assets acquired and liabilities assumed are recorded at their respective estimated fair values at the date of the acquisition. Any excess of the purchase price over the estimated fair values of the identifiable net assets acquired is recorded as goodwill.

If an acquisition is determined to be an asset acquisition, the cost of the asset acquisition, including transaction costs, is allocated to identifiable assets acquired and liabilities assumed based on a relative fair value basis. If the cost of the asset acquisition is less than the fair value of the net assets acquired, no gain is recognized in earnings. The excess fair value of the acquired net assets acquired over the consideration transferred is allocated on a relative fair value basis to the identifiable net assets (excluding non-qualifying assets).

Determining estimated fair value requires a significant amount of judgment and estimates. If our assumptions change or errors are determined in our calculations, the fair value could materially change resulting in a change in our goodwill or identifiable net assets acquired.

***Public and Forward Purchase Warrants***

Immediately following the Merger, the Company assumed 833,333 Forward Purchase Warrants ("Forward Purchase Warrants") and 12,499,995 public warrants ("Public Warrants") (collectively the "Warrants") that had been previously issued by Crescent. Each whole Warrant entitles the holder to purchase one share of the Company's Class A common stock at a price of $11.50 per share, subject to adjustments.

Upon consummation of the Merger, the Company concluded that (a) the Public Warrants meet the derivative scope exception for contracts in the Company's own stock and are recorded in stockholders' equity and (b) the Forward Purchase Warrants do not meet the derivative scope exception and are recorded as liabilities on the consolidated balance sheets at fair value upon the Merger, with subsequent changes in the fair value recognized in the consolidated statements of operations and comprehensive loss at each reporting date. The Forward Purchase Warrants are classified as Level 3 fair value measurement and the fair value is measured using a Black-Scholes option pricing model. Inherent in options pricing models are assumptions related to current stock price, exercise price, expected share price volatility, expected life, risk-free interest rate and dividend yield. While the Company believes that the assumptions used in these calculations are reasonable, changes in assumptions could materially affect the liabilities related to the Warrants.

***Recently Adopted Accounting Pronouncements***

See Note 2 to our consolidated financial statements included in Part I, Item 1 of this Quarterly Report for recently adopted accounting pronouncements and recently issued accounting pronouncements not yet adopted as of the balance sheet date included in this Quarterly Report.

## ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

**Concentration risk**

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash and cash equivalents, marketable securities and accounts receivable. Risks associated with cash and cash equivalents and marketable securities are mitigated using what the Company considers creditworthy institutions. The Company performs ongoing credit evaluations of its customers' financial condition. Substantially all of LiveVox's assets are in the United States.

As of June 30, 2023 and December 31, 2022, no single issuer represented more than 10% of our marketable securities.

As of June 30, 2023 and December 31, 2022, no single customer represented more than 10% of our total accounts receivable. For the three and six months ended June 30, 2023 and 2022, no single customer represented more than 10% of our revenue.

The Company relies on third parties for telecommunication, bandwidth, and colocation services that are included in cost of revenue.

As of June 30, 2023, two vendors accounted for approximately 33.4% of our accounts payable. No other single vendor exceeded 10% of our accounts payable at June 30, 2023. At December 31, 2022, one vendor accounted for approximately 37.7% of our accounts payable. No other single vendor exceeded 10% of our accounts payable at December 31, 2022. We believe there could be a material impact on future operating results should a relationship with an existing significant supplier cease.

**Interest rate sensitivity**

The term loan portion of the Credit Facility is subject to interest rate risk. Effective with the Eighth Amendment entered into on March 31, 2023, the LIBOR benchmark interest rate was replaced with an adjusted SOFR benchmark interest rate. As amended, borrowings under the Credit Facility will accrue interest at a per annum rate, at the Company's option, based on either (a) a base rate (as defined in the agreement governing the Credit Facility) plus a margin of 4.0% or (b) an adjusted term SOFR (based on one- or three-month interest periods) plus a margin of 5.0%. The Company elected an adjusted SOFR rate at June 30, 2023 and the interest rate for the term loan portion of the Credit Facility was 10.2%. Interest changes affect the fair value of the term loan but the impact on our financial position, cash flows and results of operations was not significant in any period.

**Foreign exchange risk**

The Company reports its results in U.S. dollars, which is its reporting currency. The functional currency of the Company's foreign subsidiaries is their local currency. We also have international sales that are denominated in foreign currencies. For these international subsidiaries and customers, the monetary assets and liabilities are translated into U.S. dollars at the current exchange rate as of the balance sheet date, and all non-monetary assets and liabilities are translated into U.S. dollars at historical exchange rates. Revenue and expenses are translated using average rates in effect on a monthly basis. The resulting translation gain and loss adjustments are recorded directly as a separate component of stockholders' equity (accumulated other comprehensive loss), unless there is a sale or complete liquidation of the underlying foreign investments, or the adjustment is inconsequential.

We experience fluctuations in transaction gains or losses from remeasurement of monetary assets and liabilities that are denominated in currencies other than the functional currency of the entities in which they are recorded. Exchange gains and losses resulting from foreign currency transactions were not significant in any period and are reported in other income (expense), net in the consolidated statements of operations and comprehensive loss.

## ITEM 4. CONTROLS AND PROCEDURES

**Evaluation of Disclosure Controls and Procedures**

Under the supervision and with the participation of our management, including our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), we evaluated the effectiveness of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended ("Exchange Act"), as of June 30, 2023.

Based on management's evaluation, our CEO and CFO concluded that, as of June 30, 2023, our disclosure controls and procedures were designed at a reasonable assurance level and were effective to provide reasonable assurance that the information required to be disclosed by the Company in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

**Changes in Internal Control over Financial Reporting**

There have been no changes in our internal control over financial reporting during our most recent fiscal quarter ended June 30, 2023 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

**Limitations on Effectiveness of Controls and Procedures**

Our disclosure controls and procedures and internal control over financial reporting are designed to provide reasonable assurance of achieving their objectives as specified above. Our management recognizes that any control system, no matter how well designed and operated, is based upon certain judgments and assumptions and can provide only reasonable, not absolute, assurance that its objectives will be met. In addition, the design of a control system must reflect the fact that there are resource constraints and that our management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

## PART II - OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

The Company is currently, and from time to time may become, involved in legal or regulatory proceedings arising in the ordinary course of its business, including tort claims, employment disputes and commercial contract disputes. Although the outcome of such claims cannot be predicted with certainty, as of the date of this Quarterly Report, we were not a party to any litigation or regulatory proceeding that would reasonably be expected to be material to LiveVox's business, results of operations, financial condition or cash flows. Please read Note 21 to the consolidated financial statements included in Part I, Item 1 of this Quarterly Report, which is incorporated by reference herein.

### ITEM 1A. RISK FACTORS

Factors that could cause our actual results to differ materially from those results in this Quarterly Report are described in our Annual Report. The occurrence of one or more of these factors, alone or in combination with other events or circumstances, may have a material adverse effect on our business, financial condition, results of operations and cash flows. Additional risk factors not presently known to us or that we currently deem immaterial may also impair our business, results of operations, financial condition or cash flows. As of the date of this Quarterly Report, there have been no material changes to the risk factors previously disclosed in the Annual Report, which risk factor section in the Annual Report is hereby incorporated in this Quarterly Report by reference.

### ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

### ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

### ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

### ITEM 5. OTHER INFORMATION

None.

### ITEM 6. EXHIBITS

The following exhibits are filed as part of, or incorporated by reference into, this Quarterly Report.

| Exhibit No. | Description of Exhibits |
|---|---|
| 3.1 | Second Amended and Restated Certificate of Incorporation of LiveVox Holdings, Inc. (filed as Exhibit 3.1 to the Current Report on Form 8-K of the Company on June 24, 2021 and incorporated herein by reference). |
| 3.2 | Second Amended and Restated Bylaws of LiveVox Holdings, Inc. (filed as Exhibit 3.2 to the Current Report on Form 8-K of the Company on June 24, 2021 and incorporated herein by reference). |
| 10.1 | Eighth Amendment to Credit Agreement, dated as of March 31, 2023, by and among the Company, the other loan parties party thereto, each lender party thereto and PNC Bank, National Association, as administrative agent for the lenders party thereto (filed as Exhibit 10.1 to the Quarterly Report on Form 10-Q of the Company on May 9, 2023 and incorporated herein by reference). |
| 10.2* | Ninth Amendment to Credit Agreement, dated as of May 31, 2023, by and among the Company, the other loan parties party thereto, each lender party thereto and PNC Bank, National Association, as administrative agent for the lenders party thereto. |
| 10.3* | Amended LiveVox Holdings, Inc. 2021 Equity Incentive Plan |
| 31.1* | Certification of the Chief Executive Officer, pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 31.2* | Certification of the Chief Financial Officer, pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 32.1** | Certification of the Chief Executive Officer, pursuant to Rule 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 32.2** | Certification of the Chief Financial Officer, pursuant to Rule 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |

| | |
|---|---|
| 101.INS* | Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document |
| 101.SCH* | Inline XBRL Taxonomy Extension Schema Document |
| 101.CAL* | Inline XBRL Taxonomy Extension Calculation Linkbase Document |
| 101.DEF* | Inline XBRL Taxonomy Extension Definition Linkbase Document |
| 101.LAB* | Inline XBRL Taxonomy Extension Label Linkbase Document |
| 101.PRE* | Inline XBRL Taxonomy Extension Presentation Linkbase Document |
| 104 | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101). |

* Filed herewith.

** Furnished herewith.

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Quarterly Report to be signed on its behalf by the undersigned thereunto duly authorized.

LiveVox Holdings, Inc.

Date: August 8, 2023 By: /s/ John DiLullo

John DiLullo
*Chief Executive Officer and Director*
*(Principal Executive Officer)*

Date: August 8, 2023 By: /s/ Gregg Clevenger

Gregg Clevenger
*Executive Vice President and Chief Financial Officer*
*(Principal Financial and Accounting Officer)*

**Exhibit 10.2**

EXECUTION VERSION

# NINTH AMENDMENT TO CREDIT AGREEMENT

This Ninth Amendment to Credit Agreement (this "Amendment") is made on May 31, 2023, by and among LIVEVOX INTERMEDIATE LLC, a Delaware limited liability company (f/k/a LiveVox Holdings, Inc.) ("Parent"), LIVEVOX, INC., a Delaware corporation ("Borrower"), LIVEVOX INTERNATIONAL, INC., a Delaware corporation ("LiveVox International Guarantor"), ENGAGE HOLDINGS, LLC, an Ohio limited liability company d/b/a Businessphone.com ("Engage Guarantor"), SPEECHIQ, LLC, an Ohio limited liability company ("SpeechIQ Guarantor" and, together with Engage Guarantor and LiveVox International Guarantor, the "Guarantors"), the financial institutions party hereto (collectively, the "Lenders" and, individually, a "Lender") and PNC BANK, NATIONAL ASSOCIATION ("PNC"), a national banking association, as administrative agent for each member of the Lender Group and the Bank Product Providers (in such capacity, together with its successors and permitted assigns in such capacity, "Agent").

## BACKGROUND

WHEREAS, on November 7, 2016, among others, Parent, Borrower, Lenders and Agent entered into, inter alia, a certain Credit Agreement (as amended by that certain (i) First Amendment to Credit Agreement, dated as of February 28, 2018, (ii) Second Amendment to Credit Agreement, dated as of May 6, 2019, (iii) Third Amendment and Waiver to Credit Agreement, dated as of December 16, 2019, (iv) Fourth Amendment to Credit Agreement, dated as of December 20, 2019, (v) Fifth Amendment to Credit Agreement, dated as of January 13, 2021, (vi) Sixth Amendment to Credit Agreement, dated as of February 5, 2021, (vii) Seventh Amendment to Credit Agreement, dated as of August 2, 2021, and (viii) Eighth Amendment to Credit Agreement, dated as of March 31, 2023) (and as further amended, restated, amended and restated, modified, renewed, extended, replaced or substituted from time to time, the "Credit Agreement") to reflect certain financing arrangements between the parties thereto. The Credit Agreement and all Loan Documents executed in connection therewith are collectively referred to as the "Financing Agreements." All capitalized terms used herein and not otherwise defined herein shall have the meaning ascribed thereto in the Credit Agreement. In the case of a direct conflict between the provisions of the Credit Agreement and the provisions of this Amendment, the provisions hereof shall prevail;

WHEREAS, Borrower has requested and Agent and Lenders have agreed, subject to the terms and conditions of this Amendment, to amend the Credit Agreement.

NOW, THEREFORE, with the foregoing background hereinafter deemed incorporated by reference herein and made a part hereof, the parties hereto, intending to be legally bound, promise and agree as follows:

1. Amendments. Upon the Ninth Amendment Effective Date (as defined below), Section 2.14(b) of the Credit Agreement is hereby amended and restated in its entirety as follows:

**2.14(b) Letter of Credit Fees**. Borrower shall pay (i) to Agent, for the ratable benefit of Lenders holding Revolving Commitments, fees for each Letter of Credit for the period from and excluding the date of issuance of same to and including the date of expiration or termination, equal to the average daily face amount of each outstanding Letter of Credit multiplied by the Applicable Term SOFR Rate Margin and SOFR Adjustment for a one-month Interest Period for Revolving Loans that are Term SOFR Rate Loans, such fees to be calculated on the basis of a 360-day year for the actual number of days elapsed and to be payable quarterly in arrears on the first day of each calendar quarter and on the Maturity Date (or if sooner, such

other date as the Obligations are, or are required to be, paid in full), and (ii) to Issuing Bank, a fronting fee of one eighth of one percent (0.125%) per annum times the average daily face amount of each outstanding Letter of Credit for the period from and excluding the date of issuance of same to and including the date of expiration or termination, to be payable quarterly in arrears on the first day of each calendar quarter and on the Maturity Date (or if sooner, such other date as the Obligations are, or are required to be, paid in full (all of the foregoing fees, the "Letter of Credit Fees"). In addition, Borrower shall pay to Agent, for the benefit of Issuing Bank, any and all administrative, issuance, amendment, payment and negotiation charges with respect to Letters of Credit and all fees and expenses, in the case of each of the foregoing, as agreed upon by Issuing Bank and the Borrower, in connection with any Letter of Credit, including in connection with the opening, amendment or renewal of any such Letter of Credit and any acceptances created thereunder, all such charges, fees and expenses, if any, to be payable on demand. All such charges shall be deemed earned in full on the date when the same are due and payable hereunder and shall not be subject to rebate or pro-ration upon the termination of this Agreement for any reason. Any such charge in effect at the time of a particular transaction shall be the charge for that transaction, notwithstanding any subsequent change in Issuing Bank's prevailing charges for that type of transaction. Upon the occurrence and during the continuation of any Specified Event of Default, the Letter of Credit Fees described in clause (i) of this Section 2.14(b) shall be increased by an additional two percent (2.0%) per annum.

2. Representations and Warranties. Each Loan Party hereby:

(a) represents and warrants that such Loan Party has all requisite power and authority to enter into this Amendment and the Loan Documents to which it is a party executed in connection herewith. The execution, delivery, and performance by each Loan Party of this Amendment and the Loan Documents to which it is a party have been duly authorized by all necessary action on the part of such Loan Party. The execution, delivery, and performance by each Loan Party of this Amendment and the Loan Documents to which it is a party do not and will not (i) violate any material provision of federal, state, or local law or regulation applicable to any Loan Party or its Subsidiaries, the Governing Documents of any Loan Party or its Subsidiaries, or any order, judgment, or decree of any court or other Governmental Authority binding on any Loan Party or its Subsidiaries, (ii) conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under any Material Contract of any Loan Party or its Subsidiaries except to the extent that any such conflict, breach or default could not individually or in the aggregate reasonably be expected to have a Material Adverse Effect, (iii) result in or require the creation or imposition of any Lien of any nature whatsoever upon any assets of any Loan Party, other than Permitted Liens, or (iv) require any approval of any holder of Equity Interests of a Loan Party or any approval or consent of any Person under any Material Contract of any Loan Party, other than consents or approvals that have been obtained and that are still in force and effect and except, in the case of Material Contracts, for consents or approvals, the failure to obtain the same could not individually or in the aggregate reasonably be expected to cause a Material Adverse Effect;

(b) reaffirms all representations and warranties made to Agent and Lenders under the Credit Agreement and all of the other Financing Agreements and confirms that all are true and correct in all material respects (except for any representation and warranty which, by its terms, is qualified as to materiality or a Material Adverse Effect, in which case such representations and warranties shall be true and correct in all respects) as of the date hereof as if made on and as of the date hereof, except for representations and warranties which related exclusively to an earlier date, which shall be true and correct in all material respects (except for any representation and warranty which, by its terms, is qualified as to materiality or a Material Adverse Effect, in which case such representations and warranties shall be true and correct in all respects) on and as of such earlier date;

(c) represents and warrants that no Default or Event of Default has occurred and is continuing under any of the Financing Agreements; and

(d) represents and warrants that this Amendment and, if any, all assignments, instruments, documents, and agreements executed and delivered in connection herewith are valid, binding and enforceable in accordance with its or their respective terms, except as such enforceability may be limited by any applicable bankruptcy, insolvency, moratorium or similar laws affecting creditors' rights generally.

3. Conditions Precedent/Effectiveness Conditions. This Amendment shall be effective upon the date of satisfaction of all of the following conditions precedent (the "Ninth Amendment Effective Date"). All documents, instruments and information, if any, required to be delivered hereunder shall be in form and substance reasonably satisfactory to Agent and Agent's counsel:

(a) **Amendment**. Agent shall have received this Amendment fully executed by Borrower, Parent and the Guarantors.

(b) **Fees**. To the extent invoiced at least one (1) Business Day prior to the date hereof, Borrower shall have paid all Lender Group Expenses incurred in connection with the transactions evidenced by this Amendment.

(c) **No Material Litigation**. There are no actions, suits, or proceedings pending or, to the knowledge of the Loan Parties, after due inquiry, threatened in writing against any Loan Party that either individually or in the aggregate could reasonably be expected to result in a Material Adverse Effect.

4. Reference to and Effect on the Loan Documents.

(a) Upon and after the effectiveness of this Amendment, each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof" or words of like import referring to the Credit Agreement shall mean and be a reference to the Credit Agreement as modified and amended hereby.

(b) Except as specifically amended above, the Credit Agreement and all Loan Documents are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed and shall constitute the legal, valid, binding and enforceable obligations of the Loan Parties to Agent and the Lenders.

(c) The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided for herein, operate as a waiver of any right, power or remedy of Agent and/or the Lenders under the Credit Agreement or any of the Loan Documents, nor constitute a waiver of any provision of the Credit Agreement or any of the Loan Documents.

(d) To the extent that any terms and conditions in any of the Loan Documents shall contradict or be in conflict with any terms or conditions of the Credit Agreement, after giving effect to this Amendment, such terms and conditions are hereby deemed modified or amended accordingly to reflect the terms and conditions of the Credit Agreement as modified or amended hereby.

5. Ratification. Each Loan Party hereby restates, ratifies and reaffirms each and every term and condition set forth in the Credit Agreement, as amended hereby, and the Loan Documents effective as of the Ninth Amendment Effective Date.

6. Estoppel. To induce Agent and the Lenders to enter into this Amendment and to continue to make advances to Borrower under the Credit Agreement, each Loan Party hereby acknowledges and agrees that, as of the date hereof, there exists no right of offset, defense, counterclaim or objection in favor of Borrower as against Agent or any Lender with respect to the Obligations.

7. Integration. This Amendment, together with the Credit Agreement and all other Loan Documents, reflects the entire understanding of the parties with respect to the transactions contemplated hereby and shall not be contradicted or qualified by any other agreement, oral or written, before the date hereof.

8. Severability of Provisions. Each provision of this Amendment shall be severable from every other provision of this Amendment for the purpose of determining the legal enforceability of any specific provision.

9. Miscellaneous.

(a) Third Party Rights. No rights are intended to be created hereunder for the benefit of any third party donee, creditor, or incidental beneficiary.

(b) Section Headings. Headings and numbers have been set forth herein for convenience only. Unless the contrary is compelled by the context, everything contained in each Section applies equally to this entire Amendment.

(c) Interpretation. Neither this Amendment nor any uncertainty or ambiguity herein shall be construed against the Lender Group or Parent or Borrower, whether under any rule of construction or otherwise. On the contrary, this Amendment has been reviewed by all parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to accomplish fairly the purposes and intentions of all parties hereto.

(d) Counterparts; Electronic Execution. This Amendment may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Amendment. Delivery of an executed counterpart of this Amendment by telefacsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Amendment. Any party delivering an executed counterpart of this Amendment by telefacsimile or other electronic method of transmission also shall deliver an original executed counterpart of this Amendment but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Amendment.

(e) Choice of Law. Section 12 of the Credit Agreement is hereby incorporated herein by reference.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed and delivered by their duly authorized officers as of the date first above written.

PARENT: **LIVEVOX INTERMEDIATE LLC**

By: ______________________________
Name: Gregg Clevenger
Title: Chief Financial Officer

BORROWER: **LIVEVOX, INC.**

By: ______________________________
Name: Gregg Clevenger
Title: Chief Financial Officer

GUARANTORS: **LIVEVOX INTERNATIONAL, INC.**

By: ______________________________
Name: Gregg Clevenger
Title: Chief Financial Officer

**SPEECHIQ, LLC**

By: ______________________________
Name: John DiLullo
Title: President, Chief Executive Officer and Secretary

**ENGAGE HOLDINGS, LLC**

By: ______________________________
Name: John DiLullo
Title: President, Chief Executive Officer and Secretary

| AGENT AND LENDER: | **PNC BANK, NATIONAL ASSOCIATION** |
|---|---|
| | By: ___________________________<br>Name: Eric Klein<br>Title: Vice President |

**Exhibit 10.3**

**LIVEVOX HOLDINGS, INC.**
**2021 EQUITY INCENTIVE PLAN**

1. **Purposes of the Plan**. The purpose is to assist the Company in securing and retaining the services of eligible award recipients to provide incentives to Employees, Directors, and Consultants and promote the long-term financial success of the Company and thereby increase stockholder value.

2. **Definitions**. As used herein, the following definitions will apply:

(a) "**Administrator**" means the Board or any of its Committees administering the Plan, in accordance with Section 4.

(b) "**Affiliate**" means, as to any specified Person, any other Person controlling, controlled by, or under common control with such first Person and, in the case of a Person that is a partnership or a limited liability company, any partner or member of such Person. For the purposes of this definition, "control" means the possession of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract, or otherwise.

(c) "**Applicable Laws**" means the requirements relating to the administration of equity-based awards under U.S. state corporate laws, U.S. federal and state securities laws, the Code, any stock exchange or quotation system on which the Common Stock is listed or quoted, and the applicable laws of any foreign country or jurisdiction where Awards are, or will be, granted under the Plan.

(d) "**Award**" means, individually or collectively, a grant under the Plan of Options, Stock Appreciation Rights, Restricted Stock, or Restricted Stock Units.

(e) "**Award Agreement**" means the written or electronic agreement setting forth the terms and provisions applicable to each Award granted under the Plan. The Award Agreement is subject to the terms and conditions of the Plan.

(f) "**Board**" means the Board of Directors of the Company.

(g) "**Cause**" (a) (i) has the meaning set forth in the Participant's employment agreement with the Company, a Parent or Subsidiary, or (ii) for a Participant who is a Consultant means the termination by the Company, a Parent, or a Subsidiary of the agreement under which the Participant provides services to the Company, a Parent, or a Subsidiary due to the Participant's breach of such agreement, and (b) in addition to clause (a) above, for all Participants, unless otherwise expressly provided in the Award Agreement or another contract, including an employment agreement, shall mean: (i) a Participant's repeated failure to substantially perform his or her duties as a Service Provider to the Company, a Parent, or a Subsidiary (other than any such failure resulting from his or her death or Disability), which failure has continued unremedied for more than 30 days after the Participant has been provided with written notice thereof; (ii) a Participant's commission of any act of fraud or any other act of dishonesty, including, but not limited to, a breach of any fiduciary duty against the Company, a Parent, or a Subsidiary that is harmful to the Company, a Parent, or a Subsidiary; (iii) a Participant's misappropriation, embezzlement, theft, or damage of or to any funds or assets of the Company, a Parent, or a Subsidiary; (iv) a Participant's willful misconduct or gross negligence that is injurious to the Company, a Parent, or a Subsidiary; (v) a Participant's conviction of, or the entering of a plea of guilty or *nolo contendere* to, a crime that constitutes a felony (or any state-law equivalent) or that involves moral turpitude, or any willful or material violation by a Participant of any federal, state, or foreign laws; (vi) a Participant's unlawful use (including being under the influence) or possession of illegal drugs by Participant on the premises of the Company, a Parent, or a Subsidiary while performing any duties or responsibilities with the Company, a Parent, or a Subsidiary; (vii) the commission by a Participant of an act of insubordination, unlawful harassment, disorderly conduct, or other conduct prohibited by the written policies of the Company, a Parent, or a Subsidiary that have been provided to the Participant; or (viii) the breach by Participant of any employment, noncompetition, confidentiality, nonsolicitation, or other covenant or agreement between the Participant, on the one hand, and the Company, a Parent, or a Subsidiary, on the other hand.

(h) "**Change in Control**" means the occurrence of any of the following events:

(i) The acquisition by any Person of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of more than 50% of the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "**Outstanding Company Voting Securities**"); provided, however, that for purposes of this Section 2(h)(i), the following acquisitions shall not constitute a Change in Control: (A) any acquisition directly from the Company, (B) any acquisition by the Company, (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any entity controlled by

the Company, (D) any acquisition by any Investor or any Affiliate thereof, or (E) any acquisition by any entity pursuant to a transaction that complies with clauses (A) and (B) of Section 2(h)(ii);

(ii) Consummation of a reorganization, merger, statutory share exchange, or consolidation or similar transaction involving the Company or any of its Subsidiaries with a third party other than any Investor or any Affiliate thereof, or a sale or other disposition of all or substantially all of the assets of the Company to a third party other than any Investor or any Affiliate thereof (each, a "**Business Combination**"), in each case, unless, following such Business Combination, (A) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors (or, for a non-corporate entity, equivalent securities) of the entity resulting from such Business Combination (including, without limitation, an entity that, as a result of such transaction, owns the Company or all or substantially all of the Company's assets either directly or through one or more Subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Outstanding Company Voting Securities, and (B) no Person (excluding (1) any entity resulting from such Business Combination or any parent of such entity, (2) any employee benefit plan (or related trust) of the Company, such entity resulting from such Business Combination or such parent, and (3) any Investor and any Affiliate thereof) beneficially owns, directly or indirectly, more than 50% of the combined voting power of the then outstanding voting securities of such entity, except to the extent that such ownership existed prior to the Business Combination; or

(iii) The approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

Notwithstanding anything in the foregoing to the contrary, with respect to compensation (x) that is subject to Section 409A of the Code and (y) for which a Change in Control would accelerate the timing of payment thereunder, the term "Change in Control" shall mean an event that is both (I) a Change in Control (as defined above) and (II) a "change in control event" (within the meaning of Section 409A of the Code).

(i) "**Code**" means the Internal Revenue Code of 1986, as amended. Any reference to a section of the Code herein will be a reference to any successor or amended section of the Code.

(j) "**Committee**" means a committee of one or more Directors or of one or more other individuals satisfying Applicable Laws appointed by the Board, or by the compensation committee of the Board, in accordance with Section 4.

(k) "**Common Stock**" means the common stock, par value $0.0001, of the Company.

(l) "**Company**" means LiveVox Holdings, Inc., a Delaware corporation, or any successor thereto.

(m) "**Consultant**" means any person, including an advisor, engaged by the Company or a Parent or Subsidiary to render services to such entity.

(n) "**Continuous Service**" means that the Participant's service with the Company or any Parent or Subsidiary, whether as an Employee, Director, or Consultant, is not interrupted or terminated. A Participant's Continuous Service shall not be deemed to have terminated merely because of a change in the capacity in which the Participant renders service to the Company or any Parent or Subsidiary as an Employee, Consultant, or Director or a change in the entity for which the Participant renders such service; provided that there is no interruption or termination of the Participant's Continuous Service. For example, a change in status from an Employee of the Company to a Consultant of a Subsidiary or a Director will not constitute an interruption of Continuous Service.

(o) "**Director**" means a member of the Board.

(p) "**Disability**" means, with respect to a Participant, the inability of such Participant to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or that has lasted or can be expected to last for a continuous period of not less than 12 months as provided in Sections 22(e)(3) and 409A(a)(2)(c)(i) of the Code, and will be determined by the Administrator on the basis of such medical evidence as the Administrator deems warranted under the circumstances.

(q) "**Dividend Equivalent**" means a credit to a bookkeeping account established in the name of a Participant, made at the discretion of the Administrator or as otherwise provided by the Plan, representing the right of a Participant to receive an amount equal to the cash dividends paid on one share of Common Stock for each share of Common Stock represented by a Restricted Stock Unit Award held by such Participant.

(r) "**Employee**" means any individual, including officers and Directors, employed by the Company or any Parent or Subsidiary of the Company.

(s) "**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

(t) "**Fair Market Value**" means, as of any date, the value of Common Stock determined as follows:

(i) If the Common Stock is listed on any established stock exchange or a national market system, including, without limitation, the Nasdaq Global Select Market, the Nasdaq Global Market or the Nasdaq Capital Market of The Nasdaq Stock Market, its Fair Market Value will be the closing sales price for such stock (or the closing bid, if no sales were reported) as quoted on such exchange or system on the day of determination, as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable;

(ii) If the Common Stock is regularly quoted by a recognized securities dealer but selling prices are not reported, its Fair Market Value will be the average of the high bid and low asked prices for the Common Stock on the day of determination (or, if no bids and asks were reported on that date, as applicable, on the last trading date such bids and asks were reported), as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable; or

(iii) In the absence of an established market for the Common Stock, its fair market value as determined in good faith by the Administrator applying principles consistent with Section 409A of the Code.

(u) "**Incentive Stock Option**" means an Option that by its terms qualifies and is otherwise intended to qualify as an incentive stock option within the meaning of Section 422 of the Code and the regulations promulgated thereunder.

(v) "**Investor**" means, collectively, LiveVox Topco, LLC, a Delaware limited liability company, Golden Gate Capital Opportunity Fund, L.P., Golden Gate Capital Opportunity Fund-A, L.P., GGCOF Third-Party Co-Invest, L.P., GGCOF Executive Co-Invest, L.P., GGCOF IRA Co-Invest, L.P., and each of their respective Affiliates (excluding the Company and its Subsidiaries) and any other investment fund or vehicle managed by GGC Administration, L.P, or any of its Affiliates (including any successors or assigns of any such manager).

(w) "**Nonstatutory Stock Option**" means an Option that by its terms is not intended to qualify as an Incentive Stock Option. If an Option is not specifically designated as an Incentive Stock Option, it shall be deemed a Nonstatutory Stock Option.

(x) "**Option**" means a stock option granted pursuant to the Plan.

(y) "**Parent**" means a "parent corporation," whether now or hereafter existing, as defined in Section 424(e) of the Code.

(z) "**Participant**" means the holder of an outstanding Award.

(aa) "**Period of Restriction**" means the period during which the right to retain the Shares of Restricted Stock are subject to restrictions. Such restrictions may be based on the passage of time, the achievement of specified levels of performance, or the occurrence of other events as determined by the Administrator.

(bb) "**Person**" means any individual, entity, or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act.

(cc) "**Plan**" means this LiveVox Holdings, Inc. 2021 Equity Incentive Plan.

(dd) "**Restricted Stock**" means Shares issued pursuant to an Award of Restricted Stock under Section 8.

(ee) "**Restricted Stock Unit**" means a bookkeeping entry representing an amount equal to the Fair Market Value of one Share, granted pursuant to Section 9. Each Restricted Stock Unit represents an unfunded and unsecured obligation of the Company.

(ff) "**Right of Repurchase**" has the meaning set forth in Section 18(a).

(gg) "**Securities Act**" means the Securities Act of 1933, as amended.

(hh) “**Service Provider**” means an Employee, Director, or Consultant.

(ii) “**Share**” means a share of the Common Stock, as adjusted in accordance with Section 13.

(jj) “**Stock Appreciation Right**” means an Award, granted alone or in connection with an Option, that pursuant to Section 7 is designated as a Stock Appreciation Right.

(kk) “**Subsidiary**” means a “subsidiary corporation,” whether now or hereafter existing, as defined in Section 424(f) of the Code.

3. **Stock Subject to the Plan.**

(a) ***Stock Subject to the Plan***. Subject to the provisions of Section 13, the maximum aggregate number of Shares that may be subject to Awards and sold under the Plan is 9,770,000 Shares (the “**Share Reserve**”) plus any Shares added as a result of the “evergreen” provision in the next sentence. The Share Reserve will automatically increase on January 1st of each year beginning in 2022 and ending with a final increase on January 1, 2031, in an amount equal to 5% of the total number of Shares of Common Stock outstanding on December 31st of the preceding calendar year. The Board may provide that there will be no January 1st increase in the Share Reserve for any such year or that the increase in the Share Reserve for any such year will be a smaller number of Shares of Common Stock than would otherwise occur pursuant to the preceding sentence. Shares may be issued under the terms of this Plan in connection with a merger or acquisition as permitted by any applicable exchange listing rule, and such issuance will not reduce the number of Shares available for issuance under this Plan. The Shares may be authorized but unissued, or reacquired Common Stock.

(b) ***Lapsed Awards***. If an Award expires or becomes unexercisable without having been exercised in full, or, with respect to Restricted Stock or Restricted Stock Units, is forfeited to or repurchased by the Company due to the failure to vest, the unpurchased Shares (or for Awards other than Options or Stock Appreciation Rights, the forfeited or repurchased Shares) that were subject thereto will become available for future grant or sale under the Plan (unless the Plan has terminated). With respect to Stock Appreciation Rights, only Shares actually issued pursuant to a Stock Appreciation Right will cease to be available under the Plan; all remaining Shares under Stock Appreciation Rights will remain available for future grant or sale under the Plan (unless the Plan has terminated). Shares that have actually been issued under the Plan under any Award will not be returned to the Plan and will not become available for future distribution under the Plan; provided, however, that if Shares issued pursuant to Awards of Restricted Stock or Restricted Stock Units are repurchased by the Company or are forfeited to the Company due to the failure to vest, such Shares will become available for future grant under the Plan. Shares used to pay the exercise price of an Award or to satisfy the tax withholding obligations related to an Award will become available for future grant or sale under the Plan. To the extent an Award under the Plan is paid out in cash rather than Shares, such cash payment will not result in reducing the number of Shares available for issuance under the Plan. Notwithstanding the foregoing and, subject to adjustment as provided in Section 13, the maximum number of Shares that may be issued upon the exercise of Incentive Stock Options is 9,770,000.

(c) ***Limitation on Awards to Directors***. Notwithstanding anything to the contrary contained herein, the maximum grant date fair value for Awards that may be issued to any one Director who is not also an Employee during any given fiscal year of the Company is $750,000, increased to $1,000,000 in such Director’s first year of service as a member of the Board. Any Awards or other compensation paid or provided to an individual for his or her services as an Employee, or for his or her services as a Consultant (other than as a non-Employee Director), will not count for purposes of the limitation under this Section 3(c).

4. **Administration of the Plan**.

(a) ***Procedure***.

(i) *Multiple Administrative Bodies*. Different Committees with respect to different groups of Service Providers may administer the Plan.

(ii) *Other Administration*. Other than as provided above, the Plan will be administered by (A) the Board or (B) a Committee, which Committee will be constituted to satisfy Applicable Laws.

(b) ***Powers of the Administrator***. Subject to the provisions of the Plan, the Administrator will have the authority, in its discretion:

(i) to determine the Fair Market Value;

(ii) to engage consultants and obtain market studies and reports to assist in the administration of the Plan;

(iii) to select the Service Providers to whom Awards may be granted hereunder;

(iv) to determine the number of Shares to be covered by each Award granted hereunder;

(v) to approve forms of Award Agreements for use under the Plan;

(vi) to determine the terms and conditions, not inconsistent with the terms of the Plan, of any Award granted hereunder, including, but are not limited to, the exercise price, the time or times when Awards may be exercised (which may be based on performance criteria), any vesting acceleration or waiver of forfeiture restrictions, and any restriction or limitation regarding any Award or the Shares relating thereto, based, in each case, on such factors as the Administrator will determine;

(vii) to construe and interpret the terms of the Plan and Awards granted pursuant to the Plan;

(viii) to prescribe, amend, and rescind rules and regulations relating to the Plan, including rules and regulations relating to sub-plans established for the purpose of satisfying applicable foreign laws or for qualifying for favorable tax treatment under applicable foreign laws;

(ix) to modify or amend each Award (subject to Section 18(c)), including, but not limited to, the discretionary authority to extend the post-termination exercisability period of Awards, to extend the maximum term of an Option (subject to Section 6(d)), and to accelerate, in whole or in part, the vesting of an Award;

(x) to allow Participants to satisfy withholding tax obligations in a manner prescribed in Section 14;

(xi) to authorize any Person to execute on behalf of the Company any instrument required to effect the grant of an Award previously granted by the Administrator; and

(xii) to make all other determinations deemed necessary or advisable for administering the Plan.

(c) ***Effect of Administrator's Decision***. The Administrator's decisions, determinations, and interpretations will be final and binding on all Participants and any other holders of Awards.

5. **Eligibility**. Nonstatutory Stock Options, Stock Appreciation Rights, Restricted Stock, and Restricted Stock Units may be granted to Service Providers. Incentive Stock Options may be granted only to Employees.

6. **Stock Options**.

(a) ***Grant of Options***. Subject to the terms and provisions of the Plan, the Administrator, at any time and from time to time, may grant Options in such amounts as the Administrator, in its sole discretion, will determine.

(b) ***Option Agreement***. Each Award of an Option will be evidenced by an Award Agreement that will specify the exercise price, the term of the Option, the number of Shares subject to the Option, the exercise restrictions, if any, applicable to the Option, and such other terms and conditions as the Administrator, in its sole discretion, will determine.

(c) ***Limitations***. Each Option will be designated in the Award Agreement as either an Incentive Stock Option or a Nonstatutory Stock Option. Notwithstanding such designation, however, to the extent that the aggregate Fair Market Value of the Shares with respect to which Incentive Stock Options are exercisable for the first time by the Participant during any calendar year (under all plans of the Company and any Parent or Subsidiary) exceeds $100,000, such Options will be treated as Nonstatutory Stock Options. For purposes of this Section 6(c), Incentive Stock Options will be taken into account in the order in which they were granted, the Fair Market Value of the Shares will be determined as of the time the Option with respect to such Shares is granted, and calculation will be performed in accordance with Section 422 of the Code and Treasury Regulations promulgated thereunder.

(d) ***Term of Option***. The term of each Option will be stated in the Award Agreement; provided, however, that the term will be no more than 10 years from the date of grant thereof. In the case of an Incentive Stock Option granted to a Participant who, at the time the Incentive Stock Option is granted, owns stock representing more than 10% of the total combined voting power of all classes of stock of the Company or any Parent or Subsidiary (a "**10%**

**Holder**”), the term of the Incentive Stock Option will be five years from the date of grant or such shorter term as may be provided in the Award Agreement.

(e) ***Option Exercise Price and Consideration***.

(i) *Exercise Price*. The per Share exercise price for the Shares to be issued pursuant to the exercise of an Option will be determined by the Administrator, but will be no less than 100% of the Fair Market Value per Share on the date of grant. In addition, in the case of an Incentive Stock Option granted to a 10% Holder, the per Share exercise price will be no less than 110% of the Fair Market Value per Share on the date of grant. Notwithstanding the foregoing provisions of this Section 6(e)(i), Options may be granted with a per Share exercise price of less than 100% of the Fair Market Value per Share on the date of grant pursuant to a transaction described in, and in a manner consistent with, Section 409A or 424(a) of the Code.

(ii) *Vesting Period and Exercise Dates.* At the time an Option is granted, the Administrator will fix the period within which the Option may be exercised and will determine any conditions that must be satisfied before the Option may be exercised.

(iii) *Form of Consideration.* The Administrator will determine the acceptable form of consideration for exercising an Option, including the method of payment. In the case of an Incentive Stock Option, the Administrator will determine the acceptable form of consideration at the time of grant. Such consideration may consist entirely of: (A) cash, (B) check,
(C) promissory note, to the extent permitted by Applicable Laws, (D) other Shares, provided that such Shares have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Shares as to which such Option will be exercised and provided further that accepting such Shares will not result in any adverse accounting consequences to the Company, as the Administrator determines in its sole discretion, (E) consideration received by the Company under a cashless exercise program (whether through a broker or otherwise) implemented by the Company in connection with the Plan, (F) by net exercise, (G) such other consideration and method of payment for the issuance of Shares to the extent permitted by Applicable Laws, or (H) any combination of the foregoing methods of payment.

(f) ***Exercise of Option***.

(i) *Procedure for Exercise; Rights as a Stockholder.* Any Option granted hereunder will be exercisable according to the terms of the Plan and at such times and under such conditions as determined by the Administrator and set forth in the Award Agreement. An Option may not be exercised for a fraction of a Share. An Option will be deemed exercised when the Company receives: (A) notice of exercise (in such form as the Administrator may specify from time to time) from the person entitled to exercise the Option, and (B) full payment for the Shares with respect to which the Option is exercised (together with applicable tax withholding). Full payment may consist of any consideration and method of payment authorized by the Administrator and permitted by the Award Agreement and the Plan. Shares issued upon exercise of an Option will be issued in the name of the Participant. Until the Shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder will exist with respect to the Shares subject to an Option, notwithstanding the exercise of the Option. The Company will issue (or cause to be issued) such Shares promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 13. Exercising an Option in any manner will decrease the number of Shares thereafter available, both for purposes of the Plan and for sale under the Option, by the number of Shares as to which the Option is exercised.

(ii) *Termination of Relationship as a Service Provider.* If a Participant ceases to be a Service Provider, other than upon the Participant’s termination of Continuous Service as the result of the Participant’s death or Disability, the Participant may exercise his or her Option within such period of time as is specified in the Award Agreement (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement) to the extent that the Option is vested on the date of termination of Continuous Service. In the absence of a specified time in the Award Agreement, the Option shall remain exercisable for three months following the Participant’s termination of Continuous Service. Unless otherwise provided by the Administrator, if on the date of termination of Continuous Service the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will revert to the Plan. If after termination the Participant does not exercise his or her Option within the specified time, the Option will terminate, and the Shares covered by such Option will revert to the Plan. Notwithstanding the foregoing, if a Participant’s Continuous Service is terminated by the Company for Cause, all then outstanding Options held by the Participant, whether vested or unvested, will terminate without consideration effective as of the Participant’s termination of Continuous Service.

(iii) *Disability of Participant*. If a Participant ceases to be a Service Provider as a result of the Participant's Disability, the Participant may exercise his or her Option within such period of time as is specified in the Award Agreement (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement) to the extent the Option is vested on the date of termination. In the absence of a specified time in the Award Agreement, the Option shall remain exercisable for 12 months following the Participant's termination as result of Disability. Unless otherwise provided by the Administrator, if on the date of termination the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will revert to the Plan. If after termination the Participant does not exercise his or her Option within the specified time, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

(iv) *Death of Participant*. If a Participant dies while a Service Provider, the Option may be exercised within such period of time as is specified in the Award Agreement (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement) to the extent that the Option is vested on the date of death, by the Participant's designated beneficiary, provided such beneficiary has been designated prior to the Participant's death in a form acceptable to the Administrator. If no such beneficiary has been designated by the Participant, then such Option may be exercised by the personal representative of the Participant's estate or by the Person(s) to whom the Option is transferred pursuant to the Participant's will or in accordance with the laws of descent and distribution. In the absence of a specified time in the Award Agreement, the Option shall remain exercisable for 12 months following the Participant's termination as a result of death. Unless otherwise provided by the Administrator, if at the time of death Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will immediately revert to the Plan. If the Option is not so exercised within the specified time, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

7. **Stock Appreciation Rights**.

(a) ***Grant of Stock Appreciation Rights***. Subject to the terms and conditions of the Plan, a Stock Appreciation Right may be granted to Service Providers at any time and from time to time as will be determined by the Administrator, in its sole discretion.

(b) ***Number of Shares***. The Administrator will have complete discretion to determine the number of Shares subject to any Award of Stock Appreciation Rights.

(c) ***Exercise Price and Other Terms***. The per Share exercise price for the Shares that will determine the amount of the payment to be received upon exercise of a Stock Appreciation Right as set forth in Section 7(f) will be determined by the Administrator and will be no less than 100% of the Fair Market Value per Share on the date of grant. Otherwise, the Administrator, subject to the provisions of the Plan, will have complete discretion to determine the terms and conditions of Stock Appreciation Rights granted under the Plan.

(d) ***Stock Appreciation Right Agreement***. Each Stock Appreciation Right grant will be evidenced by an Award Agreement that will specify the exercise price, the term of the Stock Appreciation Right, the conditions of exercise, and such other terms and conditions as the Administrator, in its sole discretion, will determine.

(e) ***Expiration of Stock Appreciation Rights***. A Stock Appreciation Right granted under the Plan will expire upon the date determined by the Administrator, in its sole discretion, and set forth in the Award Agreement. Notwithstanding the foregoing, the rules of Section 6(d) relating to the maximum term and Section 6(f) relating to exercise also will apply to Stock Appreciation Rights.

(f) ***Payment of Stock Appreciation Right Amount***. Upon exercise of a Stock Appreciation Right, a Participant will be entitled to receive payment from the Company in an amount determined by multiplying:

(i) the difference between the Fair Market Value of a Share on the date of exercise over the exercise price; times

(ii) the number of Shares with respect to which the Stock Appreciation Right is exercised.

At the discretion of the Administrator, the payment upon Stock Appreciation Right exercise may be in cash, in Shares of equivalent value, or in some combination thereof.

8. **Restricted Stock**.

(a) ***Grant of Restricted Stock***. Subject to the terms and provisions of the Plan, the Administrator, at any time and from time to time, may grant Shares of Restricted Stock to Service Providers in such amounts as the Administrator, in its sole discretion, will determine.

(b) ***Restricted Stock Agreement***. Each Award of Restricted Stock will be evidenced by an Award Agreement that will specify the Period of Restriction, the number of Shares granted, and such other terms and conditions as the Administrator, in its sole discretion, will determine. Unless the Administrator determines otherwise, the Company as escrow agent will hold Shares of Restricted Stock until the restrictions on such Shares have lapsed.

(c) ***Transferability***. Except as provided in this Section 8 or as the Administrator determines, Shares of Restricted Stock may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated until the end of the applicable Period of Restriction.

(d) ***Other Restrictions***. The Administrator, in its sole discretion, may impose such other restrictions on Shares of Restricted Stock as it may deem advisable or appropriate.

(e) ***Removal of Restrictions***. Except as otherwise provided in this Section 8, Shares of Restricted Stock covered by each Restricted Stock grant made under the Plan will be released from escrow as soon as practicable after the last day of the Period of Restriction or at such other time as the Administrator may determine. The Administrator, in its discretion, may accelerate the time at which any restrictions will lapse or be removed.

(f) ***Voting Rights***. During the Period of Restriction, Service Providers holding Shares of Restricted Stock granted hereunder may exercise full voting rights with respect to those Shares, unless the Administrator determines otherwise.

(g) ***Dividends and Other Distributions***. During the Period of Restriction, Service Providers holding Shares of Restricted Stock will be entitled to receive all dividends and other distributions paid with respect to such Shares, unless the Administrator provides otherwise. If any such dividends or distributions are paid in Shares, the Shares will be subject to the same restrictions on transferability and forfeitability as the Shares of Restricted Stock with respect to which they were paid.

(h) ***Return of Restricted Stock to the Company***. On the date set forth in the Award Agreement, the Restricted Stock for which restrictions have not lapsed will revert to the Company and again will become available for grant under the Plan.

9. **Restricted Stock Units**.

(a) ***Grant***. Restricted Stock Units may be granted at any time and from time to time as determined by the Administrator. After the Administrator determines that it will grant Restricted Stock Units, it will advise the Participant in an Award Agreement of the terms, conditions, and restrictions related to the grant, including the number of Restricted Stock Units.

(b) ***Vesting Criteria and Other Terms***. The Administrator will set vesting criteria in its discretion, which, depending on the extent to which the criteria are met, will determine the number of Restricted Stock Units that will be paid out to the Participant. The Administrator may set vesting criteria based upon on the passage of time, the achievement of specified levels of performance, or the occurrence of other events or any combination thereof as determined by the Administrator in its discretion.

(c) ***Settlement of Restricted Stock Units***. Upon meeting the applicable vesting criteria, the Participant will be entitled to receive a payout as determined by the Administrator. Notwithstanding the foregoing, at any time after the grant of Restricted Stock Units, the Administrator, in its sole discretion, may reduce or waive any vesting criteria that must be met to receive a payout.

(d) ***Form and Timing of Payment***. Payment of earned Restricted Stock Units will be made as soon as practicable after the date(s) determined by the Administrator and set forth in the Award Agreement. The Administrator, in its sole discretion, may settle earned Restricted Stock Units in cash, Shares, or a combination of both.

(e) ***Dividend Equivalents***. Dividend Equivalents shall not be paid on a Restricted Stock Unit Award during the period it is unvested. In the discretion of the Administrator, Dividend Equivalents may be credited to a bookkeeping account for a Participant for distribution to Participant on or after a Restricted Stock Unit Award vests (such Dividend Equivalents shall be payable upon fixed dates or events in accordance with the requirements of Section 409A of the Code).

(f) ***Cancellation***. On the date set forth in the Award Agreement, all unvested Restricted Stock Units will be forfeited to the Company.

10. **Compliance With Section 409A of the Code**. The Plan and the benefits provided hereunder are intended to be exempt form, or comply with, Section 409A of the Code and the regulations and guidance issued thereunder to the extent applicable thereto. Notwithstanding any provision of the Plan to the contrary, the Plan shall be interpreted and construed consistent with this intent. All references to Section 409A of the Code shall include the regulations and guidance issued thereunder. Although the Company intends to administer the Plan so that Awards will be exempt from, or comply with, the requirements of Section 409A of the Code, the Company does not represent or warrant that the Plan will comply with Section 409A of the Code or any other provision of federal, state, local, or non-United States law. Neither the Company nor any Parent of Subsidiary, nor their respective directors, officers, employees, or advisers shall be liable to any Participant (or any other individual claiming a benefit through the Participant) for any tax, interest, or penalties the Participant might owe as a result of participation in the Plan.

11. **Leaves of Absence/Transfer Between Locations**. A Participant will not cease to be an Employee in the case of (i) any leave of absence approved by the Company or (ii) transfers between locations of the Company or between the Company, any Parent, or any Subsidiary. For purposes of Incentive Stock Options, no such leave may exceed three months, unless reinstatement to active employment upon expiration of such leave is guaranteed by statute or contract. If reinstatement of employment upon expiration of a leave of absence approved by the Company is not so guaranteed, then three months following the first day of such leave, any Incentive Stock Option held by the Participant will cease to be treated as an Incentive Stock Option and will be treated for tax purposes as a Nonstatutory Stock Option.

12. **Limited Transferability of Awards**. Unless determined otherwise by the Administrator, Awards may not be sold, pledged, assigned, hypothecated, or otherwise transferred in any manner other than by will or by the laws of descent and distribution, and may be exercised, during the lifetime of the Participant, only by the Participant.

13. **Adjustments; Dissolution or Liquidation; Merger or Change in Control**.

(a) ***Adjustments***. In the event that any dividend or other distribution (whether in the form of cash, Shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Shares or other securities of the Company, or other change in the corporate structure of the Company affecting the Shares occurs, the Administrator will, to the extent necessary to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under the Plan, adjust the number and class of Shares that may be delivered under the Plan and/or the number, class, and price of Shares covered by each outstanding Award.

(b) ***Dissolution or Liquidation***. In the event of the proposed dissolution or liquidation of the Company, the Administrator will notify each Participant as soon as practicable prior to the effective date of such proposed transaction. To the extent it has not been previously exercised, an Award will terminate immediately prior to the consummation of such proposed action.

(c) ***Change in Control***. The following provisions will apply to Awards in the event of a Change in Control unless otherwise provided in the Award Agreement or any other written agreement between the Company or any Parent or Subsidiary, on the one hand, and the Participant, on the other hand, or unless otherwise expressly provided by the Board at the time of grant of an Award. In the event of a Change in Control, then, notwithstanding any other provision of the Plan, the Board may take one or more of the following actions with respect to Awards, contingent upon the closing or completion of the Change in Control:

(i) arrange for the surviving corporation or acquiring corporation (or the surviving or acquiring corporation’s parent company) to assume or continue the Award or to substitute a similar stock award for the Award (including, but not limited to, an award to acquire the same consideration paid to the stockholders of the Company pursuant to the Change in Control);

(ii) arrange for the assignment of any reacquisition or repurchase rights held by the Company in respect of Common Stock issues pursuant to the Award to the surviving corporation or acquiring corporation (or the surviving or acquiring corporation’s parent company);

(iii) accelerate the vesting, in whole or in part, of the Award (and, if applicable, the time at which the Award may be exercised) to a date prior to the effective time of such Change in Control as the Board determines (or, if the Board does not determine such a date, to the date that is five days prior to the effective date of the Change in Control), with such Award terminating if not exercised (if applicable) at or prior to the effective time of the Change in Control;

(iv) arrange for the lapse, in whole or in part, of any reacquisition or repurchase rights held by the Company with respect to the Award;

(v) cancel or arrange for the cancellation of the Award, to the extent not vested or not exercised prior to the effective time of the Change in Control, in exchange for such cash consideration, if any, as the Board, in its sole discretion, may consider appropriate; and

(vi) make a payment, in such form as may be determined by the Board equal to the excess, if any, of (A) the value of the property the Participant would have received upon the exercise of the Award over (B) any exercise price payable by such holder in connection with such exercise. For clarity, this payment may be zero if the value of the property is equal to or less than the exercise price. The Board need not take the same action or actions with respect to all Awards or portions thereof or with respect to all Participants. The Board may take different actions with respect to the vested and unvested portions of an Award.

14. **Tax Withholding**.

(a) ***Withholding Requirements***. Prior to the delivery of any Shares or cash pursuant to an Award (or exercise thereof), the Company will have the power and the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy federal, state, local, foreign, or other taxes required to be withheld with respect to such Award (or exercise thereof).

(b) ***Withholding Arrangements***. The Administrator, in its sole discretion and pursuant to such procedures as it may specify from time to time, may permit a Participant to satisfy such tax withholding obligation, in whole or in part by (without limitation): (i) paying cash, (ii) electing to have the Company withhold otherwise deliverable Shares having a Fair Market Value equal to the statutory amount required to be withheld, (iii) delivering to the Company already-owned Shares having a Fair Market Value equal to the statutory amount required to be withheld, provided the delivery of such Shares will not result in any adverse accounting consequences, as the Administrator determines in its sole discretion, or (iv) selling a sufficient number of Shares otherwise deliverable to the Participant through such means as the Administrator may determine in its sole discretion (whether through a broker or otherwise) equal to the amount required to be withheld. The amount of the withholding requirement will be deemed to include any amount that the Administrator agrees may be withheld at the time the election is made, not to exceed the amount determined by using the maximum federal, state, or local marginal income tax rates applicable to the Participant with respect to the Award on the date that the amount of tax to be withheld is to be determined. The Fair Market Value of the Shares to be withheld or delivered will be determined as of the date that the taxes are required to be withheld.

15. **No Effect on Employment or Service**. Neither the Plan nor any Award will confer upon a Participant any right with respect to continuing the Participant’s relationship as a Service Provider with the Company, nor will they interfere in any way with the Participant’s right or the Company’s right to terminate such relationship at any time, with or without cause, to the extent permitted by Applicable Laws.

16. **Date of Grant**. The date of grant of an Award will be, for all purposes, the date on which the Administrator makes the determination granting such Award, or such other later date as is determined by the Administrator. Notice of the determination will be provided to each Participant within a reasonable time after the date of such grant.

17. **Term of Plan**. Subject to Section 21, the Plan will become effective upon its adoption by the Board. Unless sooner terminated under Section 18, it will continue in effect for a term of 10 years from the later of (a) the effective date of the Plan, or (b) the earlier of the most recent Board or stockholder approval of an increase in the number of Shares reserved for issuance under the Plan.

18. **Amendment and Termination of the Plan**.

(a) ***Amendment and Termination***. The Board may at any time amend, alter, suspend, or terminate the Plan.

(b) ***Stockholder Approval***. The Company will obtain stockholder approval of any Plan amendment to the extent necessary and desirable to comply with Applicable Laws.

(c) ***Effect of Amendment or Termination***. No amendment, alteration, suspension, or termination of the Plan will impair the rights of any Participant, unless mutually agreed otherwise between the Participant and the Administrator, which agreement must be in writing and signed by the Participant and the Company. Termination of the Plan will not affect the Administrator’s ability to exercise the powers granted to it hereunder with respect to Awards granted under the Plan prior to the date of such termination.

19. **Conditions Upon Issuance of Shares**.

(a) ***Legal Compliance***. Shares will not be issued pursuant to the exercise of an Award unless the exercise of such Award and the issuance and delivery of such Shares will comply with Applicable Laws and will be further subject to the approval of counsel for the Company with respect to such compliance. The delivery of certificates representing the Shares (or the transfer to an Award holder on the records of the Company with respect to uncertificated Shares) to be issued in connection with an Award will be contingent upon the Award holder entering into any stockholders' agreements or other agreements with the Company and/or certain other of the Company's stockholders relating to the Shares.

(b) ***Investment Representations***. As a condition to the exercise of an Award, the Company may require the Person exercising such Award to represent and warrant at the time of any such exercise that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required.

20. **Inability to Obtain Authority**. The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, will relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority will not have been obtained.

21. **Stockholder Approval**. The Plan will be subject to approval by the stockholders of the Company within 12 months after the date the Plan is adopted by the Board. Such stockholder approval will be obtained in the manner and to the degree required under Applicable Laws.

22. **Clawback/Recovery**. All Awards granted under this Plan will be subject to recoupment in accordance with any clawback policy that the Company is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other Applicable Law. In addition, the Administrator may impose such other clawback, recovery, or recoupment provisions in an Award Agreement as the Administrator determines necessary or appropriate, including, but not limited to, a reacquisition right in respect of previously acquired shares of Common Stock or other cash or property upon the occurrence of Cause. No recovery of compensation under such a clawback policy will be an event giving rise to a right to resign for "good reason" or "constructive termination" (or similar term) under any agreement with the Company or an Affiliate thereof.

23. **Choice of Law**. The laws of the State of Delaware will govern all questions concerning the construction, validity, and interpretation of this Plan, without regard to conflict of law principles (whether of the State of Delaware or any other jurisdiction).

**Exhibit 31.1**

**Certification of the Chief Executive Officer, pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, John DiLullo, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of LiveVox Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

| Date: August 8, 2023 | **By:** | /s/ John DiLullo |
|---|---|---|
| | | John DiLullo |
| | | Chief Executive Officer and Director |
| | | (Principal Executive Officer) |

**Exhibit 31.2**

**Certification of the Chief Financial Officer, pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Gregg Clevenger, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of LiveVox Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

| Date: August 8, 2023 | By: | /s/ Gregg Clevenger |
|---|---|---|
| | | Gregg Clevenger |
| | | Executive Vice President and Chief Financial Officer |
| | | (Principal Financial and Accounting Officer) |

**Exhibit 32.1**

**Certification of the Chief Executive Officer, pursuant to Rule 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of LiveVox Holdings, Inc. (the "Company") on Form 10-Q for the quarter ended June 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John DiLullo, Chief Executive Officer of the Company, hereby certify, to the best of my knowledge and belief, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 8, 2023

**By:** /s/ John DiLullo
John DiLullo
Chief Executive Officer and Director
(Principal Executive Officer)

**Exhibit 32.2**

**Certification of the Chief Financial Officer, pursuant to Rule 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of LiveVox Holdings, Inc. (the "Company") on Form 10-Q for the quarter ended June 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Gregg Clevenger, Executive Vice President and Chief Financial Officer of the Company, hereby certify, to the best of my knowledge and belief, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 8, 2023

**By:** /s/ Gregg Clevenger
Gregg Clevenger
Executive Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)