

Artificial Intelligence Innovator Conversica Raises \$34 Million in Oversubscribed Series B

Proven Track Record of Applying AI to Business Conversations Leads to Rapid Growth and 1,000 SaaS Customers

FOSTER CITY, Calif. — December 14, 2016 — Conversica, the leader in artificial intelligence (AI) powered business conversations and the only provider of AI-based lead engagement software for sales and marketing, today announced that it has secured \$34 million in an oversubscribed Series B funding round.

The round was led by [Providence Strategic Growth Capital Partners L.L.C.](#) (PSG), an affiliate of Providence Equity Partners L.L.C., with participation from [Toba Capital](#), Wellington Financial LP and Recruit Holdings Co., Ltd., as well as additional funding from existing investor Kennet Partners and founder Ben Brigham. Conversica's board of directors has been expanded to include PSG Managing Director Gopi Vaddi and Toba Capital Partner Wilder Ramsey.

“The Conversica team has developed a unique and powerful way to solve a ubiquitous business problem, enabling sales and marketing organizations to automatically engage, qualify and follow up with their leads to more effectively turn them into customers,” said Alex Terry, CEO of Conversica. “Sales and marketing professionals at over 1,000 organizations have already achieved tremendous productivity enhancements by deploying our service. We are confident that our unique AI technology will be deployed across a broad spectrum of customer engagement functions to automate and improve many important business conversations.”

Conversica will use the new funding to expand marketing and sales efforts, support ongoing product development and finance the continued growth of the company. The company has already achieved significant commercial success with its flagship AI Sales Assistant, including:

- Empowering over 16,000 users at over 1,000 companies across more than a dozen industries, including technology, automotive, higher education, finance, insurance, real estate and hospitality;
- Sending and receiving over 180 million emails and SMS messages through its Conversational AI platform to build one of the largest AI training data sets in sales and marketing communications; and
- Achieving a 35% lead response rate, over 8X higher than typical marketing emails, via fully autonomous AI-powered conversations.

Conversica's customers, including Fortune 500 companies such as IBM and Epson, high-growth companies such as Talend and Cake (a Sysco company) and modern small businesses such as SelectQuote and Coolfront, leverage the Conversica AI service to engage and qualify their sales prospects using natural, two-way human conversations, enabling their sales teams to spend significantly more time closing business. Due to the increased flow of qualified sales prospects sourced by the AI assistant, many of Conversica's customers have reported the need to hire additional salespeople to keep up with the demand.

"Conversica's AI technology has helped IBM be smarter about engaging our prospective customers and maximizing their value as they move through our sales funnel," commented Kevin Pollack, head of IBM's Global Email Marketing Practice. "Not only have we freed up resources within the marketing team and gained immediate value in the form of qualified sales opportunities, we are also seeing how AI can help transform our entire business moving forward."

In addition to its flagship Sales Assistant, Conversica has used its conversational AI platform to develop AI-powered assistants that automate important business conversations, including customer lifecycle management in the automotive industry, customer success management in the software industry and loan processing in the financial services industry.

"Conversica's powerful language processing, analytical and machine learning capabilities and product vision are expected to continue to drive the company into conversational areas that have yet to be touched by AI," said Gopi Vaddi of PSG. "The company has gained remarkable traction with customers, demonstrated by its large and multi-vertical customer base, substantial recurring revenue and number of AI interactions. Clearly customers are not only seeing results deploying Conversica's solutions but are allocating real capital to take advantage of its benefits. We are excited to be a part of Conversica's next phase of growth."

"Applying data science techniques to machine-human interactions is an area where we are seeing incredible growth and innovation, and we've spent considerable time looking for the right company in which to invest," said Toba Capital founder Vinny Smith. "Conversica has a proven track record of success and client satisfaction in addition to a real vision for the broader application of this technology. Their desire to continue to push the envelope and innovate is what sets them apart and why we are thrilled to be able to partner with Alex and his team."

"The use of Intelligent Assistants for sales, marketing and customer support is exploding, and Conversica is a leader in these early days of Conversational Commerce," commented Dan Miller, Lead Analyst and Founder at Opus Research. "Based on its powerful AI technology and rich data set of millions of interactions on behalf of its clients, the company is well positioned to capture a big share of this exploding market."

Additional Information

- Watch a [video of Alex Terry](#), CEO of Conversica, providing additional insight into today's news
- See the Conversica service explained in this [two-minute overview video](#)
- Learn about [the company's latest research](#) on the state of lead follow-up in B2C and B2B companies
- Download biographies and pictures of Conversica's [management team](#)
- Track [milestones in the company's history](#)

About Conversica

Conversica is the leader in AI-powered business conversations and the only provider of AI-driven lead engagement software for marketing and sales organizations. The flagship Conversica® AI Sales Assistant helps companies find and secure customers more quickly and efficiently by automatically contacting, engaging, qualifying and following up with leads via natural, two-way email conversations. Conversica is used by more than 16,000 salespeople worldwide to optimize sales team productivity. Recognized by Gartner as a Cool Vendor in 2016, Conversica is a portfolio company of Providence Strategic Growth, Kennet Partners and Toba Capital and is headquartered in Foster City, Calif.

To learn more, visit conversica.com and follow the company on [Twitter](#), [LinkedIn](#) and [Facebook](#).

About Providence Strategic Growth

Providence Strategic Growth Capital Partners L.L.C. ("PSG") is an affiliate of Providence Equity Partners L.L.C ("Providence"). Established in 2014, PSG focuses on growth equity investments in lower middle market software and technology-enabled service companies, primarily in North America. Providence is a premier, global asset management firm with \$50 billion in capital under management across complementary private equity and credit businesses. Providence pioneered a sector-focused approach to private equity investing with the vision that a dedicated team of industry experts could build exceptional companies of enduring value. Since the firm's inception in 1989, Providence has invested in more than 150 companies and is the leading equity investment firm focused on the media, communications, education and information industries. Providence is headquartered in Providence, R.I., and has offices in New York, London, Hong Kong, Singapore, and New Delhi. For more information on PSG, visit provequity.com/private-equity/psg and for more information on Providence Equity, please visit provequity.com.

About Toba Capital

Toba Capital is a venture firm focused on enterprise software and infrastructure. Toba backs entrepreneurs building transformative businesses, both as an investor and as an ongoing operational partner. The firm was founded by Vinny Smith, an early investor

and former CEO of Quest Software. For more information on Toba Capital, visit TobaCapital.com.

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