Investor Presentation

May, 2020

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Disclaimer

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Act"), and Section 21E of the Securities Exchange Act of 1934, as amended. You can generally identify forward-looking statements by our use of forward-looking terminology such as "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "might," "plan," "potential," "predict," "seek," "vision" or "should," or the negative thereof or other variations thereon or comparable terminology. These forward-looking statements involve risks, uncertainties and other factors that could cause actual results to differ materially from those projected. Please refer to our filings with the Securities and Exchange Commission, particularly the "Risk Factors" included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2019 for factors that could cause actual results to materially differ from those we project. The forward-looking statements contained in this presentation are made as of the date hereof and LivePerson, Inc. (the "Company") assumes no obligation to update such statements.

This presentation includes non-GAAP financial measures, which complement the Company's financial statements prepared in accordance with GAAP. These non-GAAP financial measures are not intended to supersede or replace the Company's GAAP results. The most directly comparable GAAP financial measures and a detailed reconciliation between GAAP and non-GAAP financial measures is included in the Appendix to this presentation.

We obtained market, industry and other data in this presentation from our own internal estimates and research, publicly available information about our competitors, industry and general publications and research, surveys and studies conducted by third parties. While we believe that the publicly available information about our competitors, publications, research, surveys and studies that we have used is reliable, we have not independently verified the information from third-party sources. While we believe our internal estimates and research are reliable and the market definitions are appropriate, neither such estimates and research nor these definitions have been verified by an independent source.

LivePerson has been transforming how people communicate with brands since 1997. Our trusted Conversational AI makes life easier for people and brands everywhere.
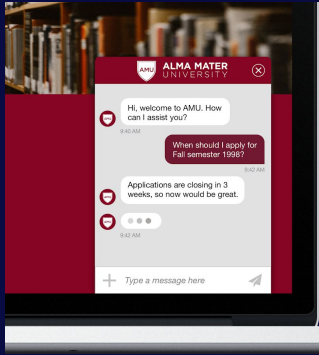
Webchat
1997
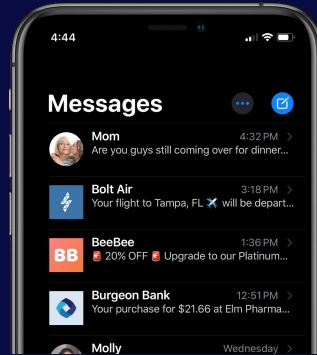
Messaging
2016

AI
2019

Intent Driven
2020

LivePerson is a **global SaaS** company with a diversified customer base and a proven track record of **growth** led by **innovation**

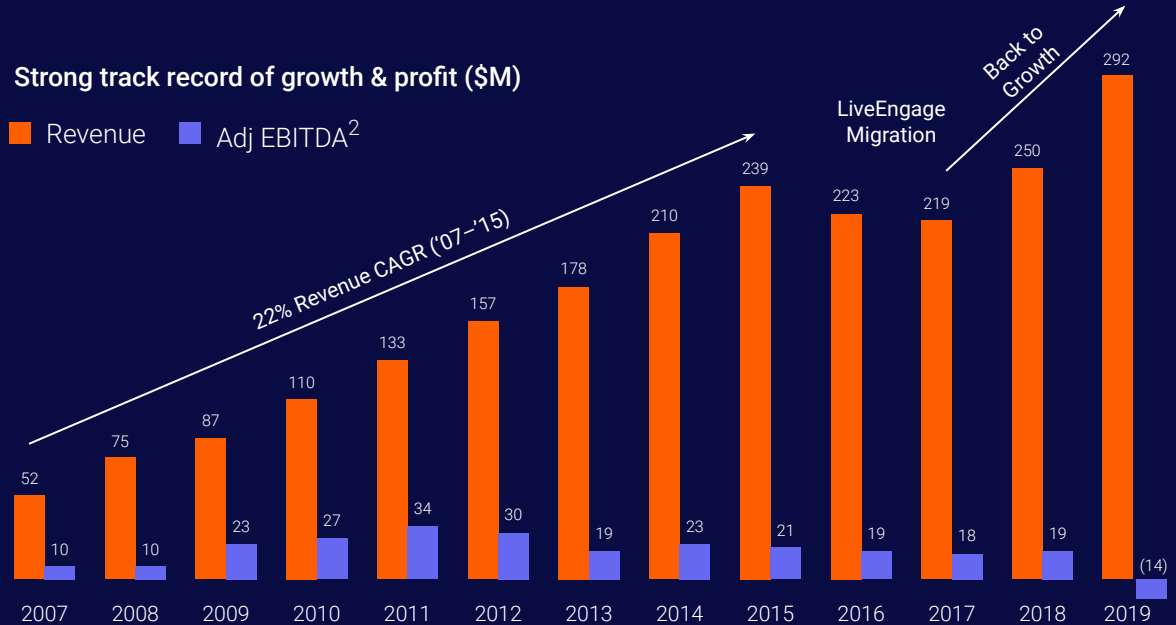## LPSN SNAPSHOT

Founded 1995

1,300 employees[1]

18,000 customers[1]

$176M cash on hand[1]

Headquartered in New York City with offices across Asia, Australia, Europe, LATAM and the U.S.

Strong track record of growth & profit ($M)

■ Revenue   ■ Adj EBITDA[2]

22% Revenue CAGR ('07 –'15)

LiveEngage Migration

Back to Growth

Year	Revenue	Adj EBITDA
2007	52	10
2008	75	10
2009	87	23
2010	110	27
2011	133	34
2012	157	30
2013	178	19
2014	210	23
2015	239	21
2016	223	19
2017	219	18
2018	250	19
2019	292	(14)

(1)   As of December 31, 2019
(2)   Please refer to the reconciliation of Adjusted EBITDA in the appendix

265 Billion

yearly calls to 1-800 #s

(at a cost of $1.3 trillion)

Voice calls are *long, painful and inefficient*

39%

of people would rather clean a toilet than make a phone call to customer service.

Source: Forbes, Would You Rather Clean A Toilet Or Contact Customer Service?, Jan. 2018

Consumers don't want to call. They moved on to messaging in their personal lives and want the same experience with their favorite brands

100B

messages are sent on WhatsApp, Facebook, and Instagram every day.

470M

new messaging users estimated to be added between 2018 and 2021.

90%
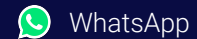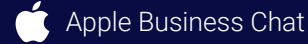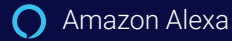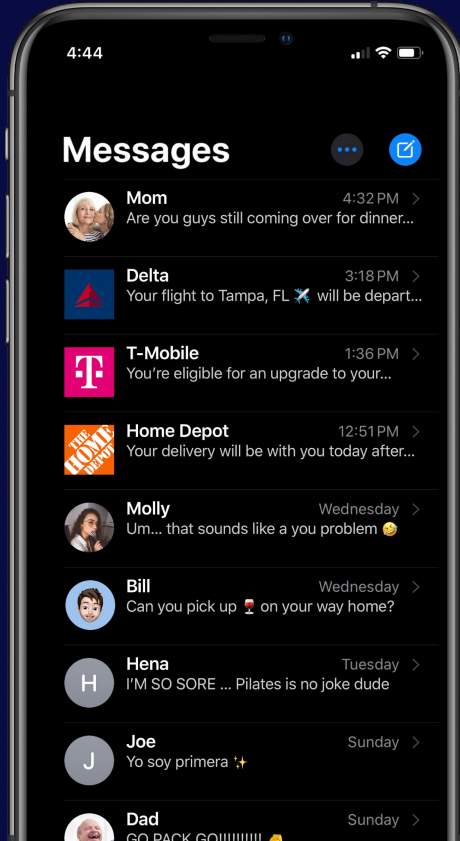
of 1B WeChat users use the app for payments or purchases.

13M

texts were sent every single minute in 2018.

NEW

Source: Facebook Q3 2018 Earnings Call, Domo, eMarketer, Tencent 2018 Q3 results, Business Insider

LivePerson connects you to your favorite brands anytime and anywhere

Amazon Alexa

Apple Business Chat

Facebook Messenger

Google Home

Brand Apps/
Web Messaging

Instagram

Line

Google Rich Business
Messaging/RCS

SMS

Twitter

WeChat

WhatsApp

One platform to power every conversation across every channel...

Email

In-store

Messaging

Consumers

Website

1-way SMS

Phone

Search

Print

Social

Marketing

Apps

...and deliver strong business returns and powerful impacts

20%
boost in customer satisfaction. 🤗

2x
uptick in employee efficiency. 🚀

90%
automation containment rates. 🤖

20%
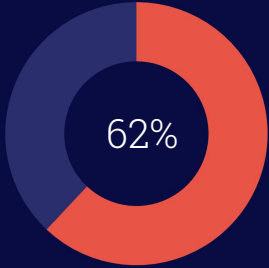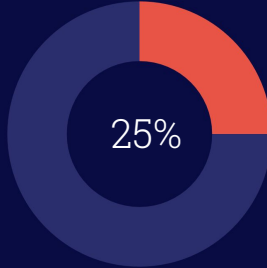increase in online sales conversions. 💵

50%
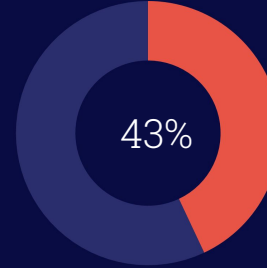decrease in agent attrition rates. 😍

300 of the world's **leading brands** depend on LivePerson for Messaging and AI
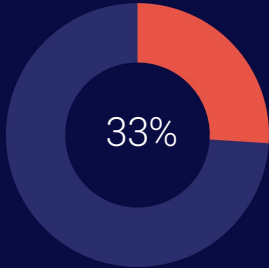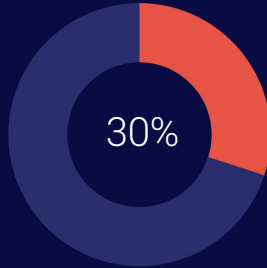
62% of Global Fortune 500 telcos
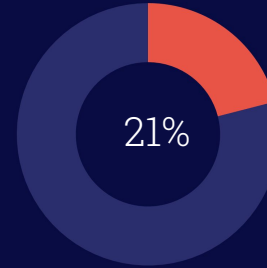
25% of Global Fortune 500 retailers

43% of Global Fortune 500 airlines

33% of Forbes' World's Most Valuable Brands are customers or partners

30% of Global Fortune 500 banks

21% of Global Fortune 500 technology companies

*All figures exclude China, a region where LivePerson does not operate.

LivePerson is now filling the void left by COVID-19, which shut down contact centers and crippled 1-800# capacity

- *"Coronavirus notice: We are experiencing high call volumes. For faster service, please use online banking, Live Chat or contact your Relationship Manager."*

- *"As our call centers work to get everyone the help they need, you can also change or cancel your flight online. If you experience an error from high call volume, please try again later."*

- *"Long call wait times: Our Customer Care teams overseas have been impacted by COVID-19, affecting our ability to take customer calls. Messaging is available in-app 24/7. Please bear with us."*

- *"You may experience long hold times if you call. Use our automated response system instead or Message Us in the Mobile App - it's a faster way to manage your account."*

From Business Transformation to Business Continuity
Resilient Contact Center

01 **Transition to an at-home workforce to continue operations**

Use **Mobile Agent App** and **Agent Workspace** to securely enable messaging agents working from home and **Manager Workspace** to remotely manage all messaging interactions.

02 **Shift call volume to messaging to increase agent capacity**

Promote **Web Messaging** and quickly deflect inbound calls to messaging with **IVR Deflection to SMS** or **WhatsApp,** and **Apple Business Chat Suggest**.

03 **Automate interactions to extend contact center capacity**

Use **Intent Manager** to understand intents and identify which ones to automate and **Conversation Builder** to quickly build new conversational bots.

04 **Keep customers informed to prevent churn and reduce inbound interaction volume**

Proactive Messaging can send outbound messages to update consumers on operations status or account-specific notifications.

Adoption cycles are compressing as customers respond to COVID

Customer messaging and AI adoption examples across industries

Travel ✈️ 🎫

- **900%** year-over-year spike in messaging in March
- Bot addressing **40%** of flight change & cancellation intents related to Coronavirus
- Messaging agents **3.7x** more efficient than voice agents, **95%** customer satisfaction rate

Telco 🌐 ⚡

- Making work from home measures a **permanent** feature of call center operations
- Achieved **50%** messaging share of conversations and targeting gains to **80%** with a large portion to be **fully automated**

Finance 🛎️ 💵

- **Tripling** the number of messaging agents, removed Call button from Android and iOS apps
- Deployed LiveIntent to monitor incoming intents and Conversation Builder to rapidly build **automations** that address evolving conversations

Retail 🚚 🛍️

- **Doubling** labor hours on messaging in **1 week**
- Onboarding new agents in **less than 48** hours, **95%** working from home
- Automation built to address **top 10** Coronavirus related intents, **50%** containment rate

Conversation Bot Builder and LiveIntent

Hey

Thank you for contacting Bolt Airways. I'm your automated travel assistant. How can I help you?

Conversation Builder
Greeting bot

I need to **add a frequent flyer number** to my upcoming flight

LiveIntent
Intent Analysis
Intent = Add frequent flyer

I can help you add a frequent flyer number to your flight.

Maven AI
Route to Frequent Flyer bot

I see that you have a flight from JFK to SFO tomorrow at 7:00am, is that the flight you're referring to?

Conversation Builder
Frequent Flyer bot

Maven Assist: in-conversation recommended actions

LiveIntent: real-time operational analytics for business leaders

Top-line Metrics

Intent volume
and confidence

Intent time series

Strong **validation** of LivePerson's Conversational **AI leadership**

THE FORRESTER NEW WAVE™
Digital-First Customer Service Solutions
Q2 2020

The 10 most innovative artificial intelligence companies of 2020

We estimate a $60B opportunity in the Conversational Space. Well positioned in key verticals and expanding into new target markets.

$40B opportunity

$20B opportunity

FiServ	Consumer and retail	Utilities	Healthcare		Wholesale
Telco	Travel and hospitality	Media	Non-profit	Government	Other
High tech	Real estate	Education	Manufacturing		Professional services

Existing Verticals

New Verticals

Source: LivePerson proprietary go-to-market analysis
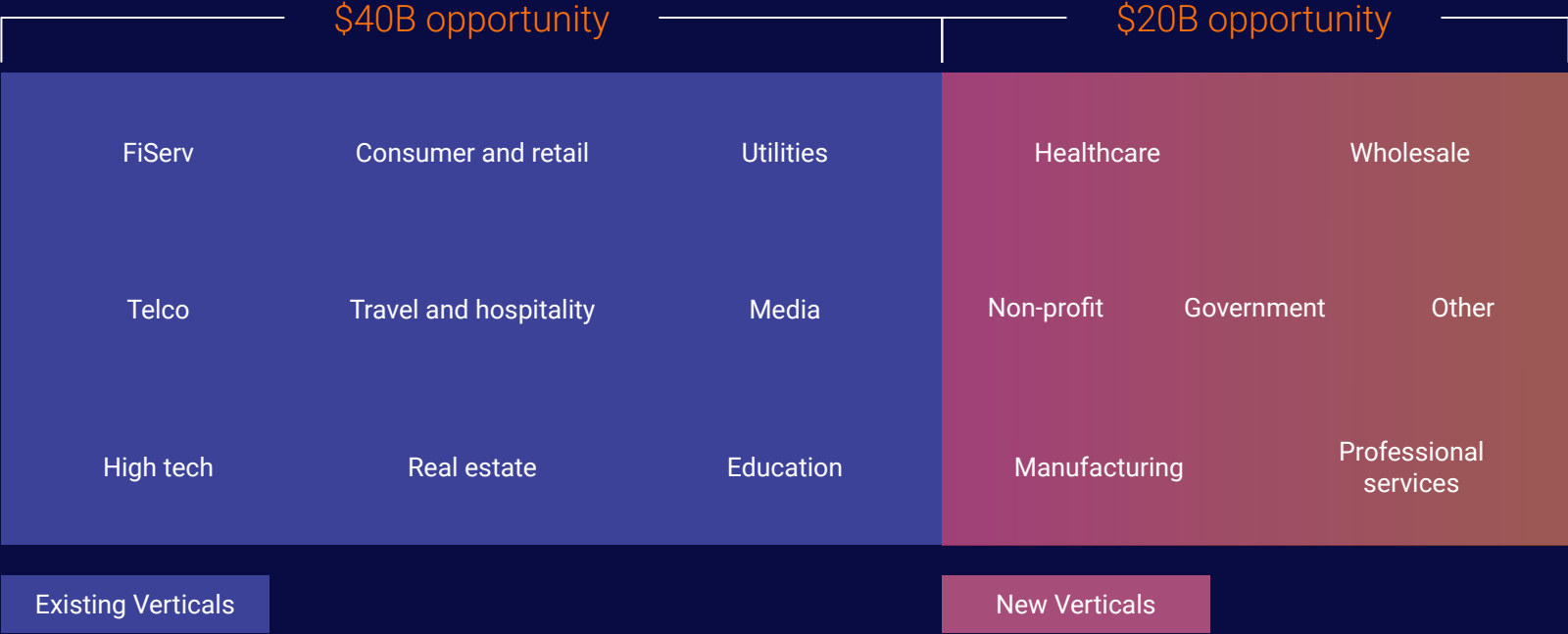
Positive leading indicators point to a sustained growth trajectory

Average revenue per user (ARPU)

20% YtY Growth

$300K — 1Q:19
$310K — 2Q:19
$330K — 3Q:19
$345K — 4Q:19
$365K — 1Q:20

Revenue retention rate

105% to 115%

Thirteen consecutive quarters over 100%

% Enterprise Interactions with Messaging Automation

50% — 1Q:19
49% — 2Q:19
53% — 3Q:19
58% — 4Q:19
81% — 1Q:20
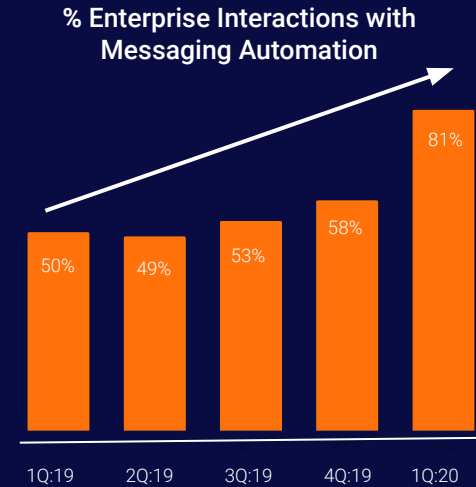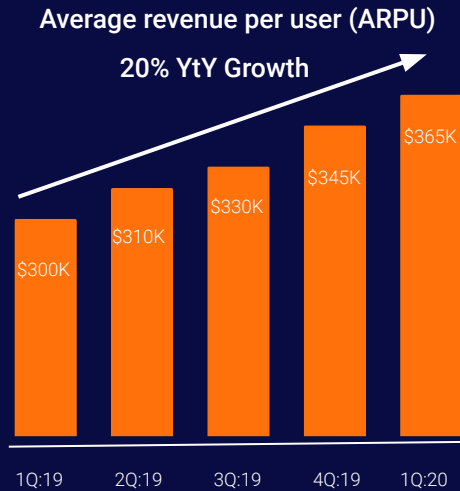
*Note: Revenue retention rate measures the % of revenue retained at quarter end from full service customers that were either on LiveEngage or with LivePerson, respectively, at quarter end in the year ago period. ARPU is a measure of the average revenue per enterprise and midmarket customer over the trailing-twelve months.

Selected Pro Forma Guidance Measures[1]

	2Q:20 Guidance	2020 Guidance	Previous 2020 Guidance
Revenue	$83.0 - $85.0	$340.0 - $355.0	$350.0 - $355.0
Gross Margin	~73.0%	~73.0%	~73.0%
GAAP Net Loss	$(25.1) - $(24.1)	$(106.1) - $(98.9)	$(105.6) - $(99.4)
Adjusted EBITDA	$1.0 - $2.0	$3.5 - $10.5	$(3.0) - $3.0
Adjusted EBITDA Margin	1% - 2%	1% - 3%	(1)% -1%

- Guides for maintaining, if not accelerating YtY growth from 17% to 22% in 2020, despite macroeconomic risks.

- Encouraged by strong volume trends in usage-based business models, ramping partner opportunities and wide reaching customer discussions on transformation.

- Counterbalancing enthusiasm with uncertainties tied to impact of macro environment on sales cycles and customer attrition, particularly new logos and small business.

- Guides for 2020 adjusted EBITDA of $3.5M to $10.5M, up from $(3.0)M to $3.0M, as automation drives efficiencies and captures cost savings.

- One third of savings tied to remote versus onsite go-to-market efforts. Two-thirds tied to slower hiring and headcount efficiencies, even as invests in growth drivers of AI, sales capacity and product innovation.

- Anticipates 2Q adjusted EBITDA of $1.0M to $2.0M, returning to profitability one quarter faster than previously expected.

Key takeaways

$60B TAM poised for transformation 💵

Ample growth opportunities as voice call centers transform 🌱

Market leading platform and blue-chip customers 🏅

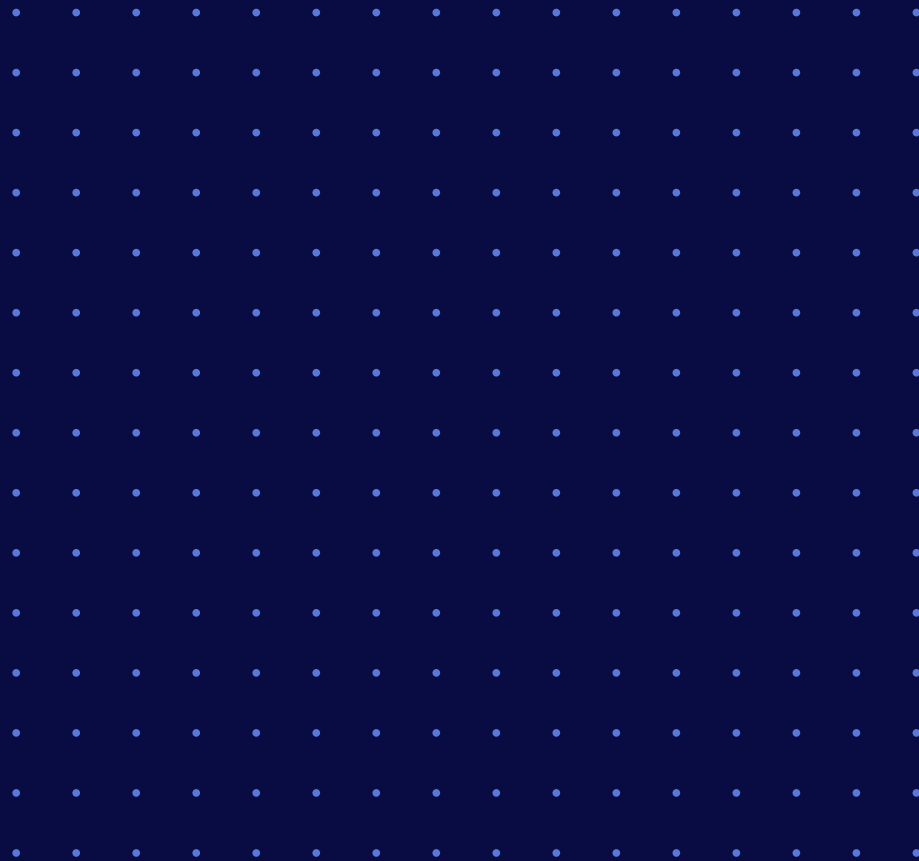Leverageable model on path to sustained cash generation 📈

Sustainable competitive advantage 🤝

Making life better for consumers, brands and agents 🤗

Appendix

Non-GAAP adjusted EBITDA reconciliation

Reconciliation of Adjusted EBITDA ($M)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net income (loss)	$ 5.8	$ (23.8)	$ 7.8	$ 9.3	$ 12.0	$ 6.4	$ (3.5)	$ (7.3)	$ (26.4)	$ (25.9)	$ (18.2)	$ (25.0)	$ (96.1)
(+) Amortization of purchased intangibles	$ 1.8	$ 2.6	$ 2.0	$ 1.5	$ 1.0	$ 0.6	$ 2.6	$ 5.1	$ 8.0	$ 6.7	$ 4.7	$ 2.8	$ 2.9
(+) Stock-based compensations	$ 3.9	$ 4.3	$ 4.7	$ 5.1	$ 6.8	$ 10.7	$ 12.5	$ 12.3	$ 11.8	$ 9.7	$ 8.9	$ 14.8	$ 44.1
(+) Contingent earn-out adjustments	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (3.7)	$ -	$ -	$ -	$ -
(+) Restructuring costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 3.4	$ 2.4	$ 2.6	$ 4.5	$ 2.0
(+) Depreciation	$ 0.8	$ 2.1	$ 3.3	$ 5.8	$ 6.6	$ 7.3	$ 8.1	$ 9.1	$ 12.1	$ 12.0	$ 12.4	$ 14.2	$ 16.4
(+) Other costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 7.8	$ 7.6	$ 5.9	$ 8.0
(+) Provisions for (benefit from) income taxes	$ (1.7)	$ 1.2	$ 5.0	$ 5.1	$ 7.1	$ 4.4	$ (0.6)	$ 1.9	$ 15.8	$ 5.9	$ 0.5	$ 0.9	$ 2.8
(+) Acquisition costs	$ -	$ -	$ -	$ -	$ -	$ 1.0	$ -	$ 1.4	$ -	$ -	$ -	$ 0.6	$ -
(+) Other (income) expenses, net	$ (0.9)	$ 0.0	$ (0.0)	$ 0.0	$ 0.5	$ (0.4)	$ (0.3)	$ 0.3	$ 0.2	$ 0.5	$ (0.1)	$ 0.5	$ 6.2
(+) Goodwill impairment	$ -	$ 23.5	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Adjusted EBITDA	$ 9.7	$ 9.9	$ 22.8	$ 26.8	$ 34.0	$ 30.0	$ 18.8	$ 22.7	$ 21.2	$ 19.2	$ 18.4	$ 19.1	$ (13.6)

Note: Dollar amounts in millions. Certain items may not total due to rounding. Adjusted EBITDA is a Non-GAAP financial measure. Adjusted EBITDA excludes provision for (benefit from) income taxes, other (income)/expense, net, depreciation and amortization, stock-based compensation, restructuring costs, acquisition costs and other costs. The presentation of this financial information is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with U.S. GAAP. See select non-gaap definitions slide.

Projected Non-GAAP adjusted EBITDA reconciliation

Guidance	2Q:20E	2020E	Previous 2020 Guidance
GAAP net loss	$(25.1) - $(24.1)	$(106.1) - $(98.9)	$(105.6) - $(99.4)
Depreciation & amortization	$6.1	$24.8	$23.5
Stock-based compensation	$14.5	$58.3	$57.6
Other non-recurring costs	$0.8	$11.0	$6.7
Provision for taxes	$1.0 - $0.9	$3.1- $2.9	$4.0 - $3.8
Other (income) expense, net	$3.7	$12.6	$10.7
Adjusted EBITDA (loss)	$1.0 – $2.0	$3.5 – $10.5	$(3.0) – $3.0

Note: Dollar amounts in millions. Certain items may not total due to rounding. Adjusted EBITDA is a Non-GAAP financial measure. Adjusted EBITDA excludes provision for (benefit from) income taxes, other (income)/expense, net, depreciation and amortization, stock-based compensation, restructuring costs, acquisition costs and other costs. The presentation of this financial information is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with U.S. GAAP.

Select definitions

Stock-based compensation
Represents costs related to stock-based compensation associated with certain employees' participation in the 2009 Stock Incentive Plan and the 2018 Inducement Plan.

Other non-recurring costs
Primarily represents IP litigation, consulting costs, restructuring costs, and acquisition costs.

Restructuring costs
Represents severance and associated costs related to resource reallocation for the Company's platform transformation as well as wind-down costs to focus on areas of high-growth potential.

Other costs
Primarily represents IP litigation, consulting costs, and write-off related to technology licenses..

Acquisition costs
Represents costs incurred for certain acquisitions including: Conversable, Inc. (2018); and AdvantageTec, Inc. (2018).

Goodwill impairment
Represents an impairment charge in connection with the acquisition of Kasamba Inc.

Other (income) expense, net
Primarily consists of interest income on cash and cash equivalents, investment income and financial (expense) income which is a result of currency rate