UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

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

For the Fiscal Year Ended December 31, 2025

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 000-30141

LIVEPERSON, INC.

(Exact name of registrant as specified in its charter)

Delaware	**13-3861628**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
530 7th Ave, Floor M1 **New York, New York**	**10018**
(Address of Principal Executive Offices)	(Zip Code)

(212) 609-4200

(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
Common Stock, par value $0.001 per share	LPSN	The Nasdaq Stock Market LLC
Rights to Purchase Series A Junior Participating Preferred Stock	None	The Nasdaq Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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 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, smaller reporting company or an emerging growth company. See definition 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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

The aggregate market value of the voting common stock held by non-affiliates of the registrant as of June 30, 2025 (the last business day of the registrant's most recently completed second fiscal quarter) was $84,994,598 (computed by reference to the last reported sale price on The Nasdaq Global Select Market on that date). The registrant does not have any non-voting common stock outstanding.

On March 6, 2026, 12,053,603 shares of the registrant's common stock were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

The information called for by Part III will be incorporated by reference from the Registrant's definitive Proxy Statement for its Annual Meeting of Stockholders to be filed pursuant to Regulation 14A, or will be included in an amendment to this Form 10-K.

LIVEPERSON, INC.
ANNUAL REPORT ON FORM 10-K
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025

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FORWARD-LOOKING STATEMENTS

Statements in this Annual Report on Form 10-K about LivePerson, Inc. ("LivePerson", the "Company", "we", "our" or "us") that are not historical facts are forward-looking statements. These forward-looking statements are based on our current expectations, assumptions, estimates and projections about LivePerson and our industry. Our expectations, assumptions, estimates and projections are expressed in good faith, and we believe there is a reasonable basis for them, but we cannot assure you that our expectations, assumptions, estimates and projections will be realized. Examples of forward-looking statements include, but are not limited to, statements regarding future business, future results of operations or financial condition (including statements regarding expectations for retention rates, customer attrition and revenue and other statements based on examinations of historical operating trends) and management strategies. Many of these statements are found in the "Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of this Annual Report on Form 10-K. When used in this Annual Report on Form 10-K, the words "anticipates," "believes," "estimates," "expects," "intends," "plans," "projects," and variations of such words or similar expressions are intended to identify forward-looking statements. However, not all forward-looking statements contain these words. Forward-looking statements are subject to risks and uncertainties that could cause actual future events or results to differ materially from those expressed or implied in the forward-looking statements. Important factors that could cause our actual results to differ materially from the forward-looking statements we make in this Annual Report on Form 10-K include those set forth in the section entitled Part 1, Item 1A., "Risk Factors." It is routine for our internal projections and expectations to change as the year or each quarter in the year progresses, and therefore it should be clearly understood that the internal projections and beliefs upon which we base our expectations may change prior to the end of each quarter or the year. Although these expectations may change, we are under no obligation to inform you if they do. Our policy is generally to provide our expectations only once per quarter, and not to update that information until the next quarter. We do not undertake any obligation to revise forward-looking statements to reflect future events or circumstances. All forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995.

PART I

Item 1. Business

Overview

LivePerson, Inc. ("LivePerson", the "Company", "we", "our" or "us") is a leader in digital customer conversation. Over the past two decades, consumers have made digital conversations their primary mode of communication with others. Since 1998, we have enabled meaningful connections between consumers and our customers through our platform and currently power nearly one billion conversational interactions each month. These digital and artificial intelligence ("AI")-powered conversations decrease costs and increase revenue for our brands, resulting in more convenient, personalized and content-rich journeys across the entire consumer lifecycle, and across consumer channels. Our customers' existing investments in Generative AI and Large Language Models ("LLMs") are fully compatible with LivePerson's enterprise-class digital customer conversation platform (the "LivePerson Platform").

The LivePerson Platform is trusted by the world's top brands to accelerate their contact center transformation, orchestrate conversations across all channels, departments and systems, increase agent productivity, and deliver more personalized, AI-empowered customer experiences in a safe and secure environment. The LivePerson Platform powers conversations across each of a brand's primary digital channels, including mobile apps, mobile and desktop web browsers, short messaging service ("SMS"), social media and third-party consumer messaging platforms. Brands can also use the LivePerson Platform to connect conversations across voice and digital channels to give customers additional options and ensure their interactions with brands are seamlessly integrated no matter where they choose to reach out. Agents can manage all conversations with consumers through a single console interface, regardless of where the conversations originated. The LivePerson Platform has been enhanced to provide security with appropriate guardrails where Generative AI and LLMs can be deployed and continually optimized in ways that help consumers and drive results for brands without sacrificing trust.

LivePerson's robust, cloud-based suite of rich messaging, real-time chat, Generative AI, AI and automation, and conversation orchestration offerings features LLM powered automation (Autopilot), LLM powered agent tools (Copilot: Assist, Summary, Rewrite), Conversation Intelligence tools (Generative Insights, Analytics Studio), integrations (omnichannel solution through Avaya, Inc. partnership, Salesforce connector, iHub workflows powered by Workato), and engagement solutions (proactive messaging, voice to messaging) among others. An extensible application programming interface ("API") stack facilitates a lower cost of ownership by facilitating robust integration into back-end systems, as well as enabling developers to build their own programs and services on top of the platform. More than 40 APIs and software development kits are available on the LivePerson Platform.

The LivePerson Platform enables what the Company calls "the tango" of humans, LivePerson bots, third-party bots and LLMs, in which humans oversee and are assisted by AI and can seamlessly step into conversations as needed. Agents become highly efficient, as they are able to leverage the AI engine (including generative AI capabilities) to surface relevant content, define next-best actions and take over repetitive transactional work so that the agent can focus on relationship building. By integrating customer engagement channels, LivePerson's proprietary AI, and third-party bots and AI, the LivePerson Platform offers brands a comprehensive approach to scaling automations across customer conversations.

Complementing the Company's proprietary digital customer conversation offerings are teams of technical, solutions and consulting professionals that have developed deep domain expertise in the implementation and optimization of conversational services across industries and messaging endpoints. LivePerson's products, coupled with our domain knowledge, industry expertise and professional services, have been proven to maximize the impact of digital customer service. LivePerson supports and unlocks the power of AI in safe and responsible ways, and delivers measurable return on investment ("ROI") for our customers.

Customers can realize the following advantages from our offerings:

- the ability for each agent to manage dozens of messaging conversations at a time, as compared to one at a time for a voice agent and two to four at a time for a chat agent. Adding AI and bots provides even greater scale to the number of conversations managed;
- labor efficiency gains of at least two times that of voice agents, effectively cutting labor costs;

- improving the overall customer experience, thereby fueling customer satisfaction score increases by double digit percentage points, and enhancing retention and loyalty;
- more convenient, personalized and content-rich conversations that increase sales conversion by double digit percentages, and increase average order value and reduce abandonment;
- more satisfied contact center agents, thereby substantially reducing agent churn;
- a valued connection with consumers via mobile devices, either through native applications, websites, text messages, or third-party messaging platforms; and
- leveraged spending that drives visitor traffic by increasing visitor conversions.

As a "cloud computing" or software-as-a service ("SaaS") provider, LivePerson provides solutions on a hosted basis. This model offers significant benefits over premise-based software, including lower up-front costs, faster implementation, lower total cost of ownership, scalability, cost predictability, and simplified upgrades. Organizations that adopt a fully-hosted, multi-tenant architecture that is maintained by LivePerson eliminate the majority of the time, server infrastructure costs, and information technology ("IT") resources required to implement, maintain, and support traditional on-premise software.

The world's leading brands use our award-winning LivePerson Platform to connect with millions of consumers. We power nearly one billion conversational interactions every month providing uniquely rich data analytics and safety tools to unlock the power of conversational AI for better business outcomes.

LivePerson was incorporated in the State of Delaware in November 1995 and the LivePerson service was introduced in November 1998. The Company completed an initial public offering in April 2000 and is currently traded on The Nasdaq Global Select Market ("Nasdaq") and the Tel Aviv Stock Exchange ("TASE").

Market Opportunity

LivePerson's proprietary digital customer conversation solutions enable consumers and businesses to communicate with each other on conversational channels such as voice, messaging apps, a brand's own website and apps, and social platforms, in order to get answers to questions, make purchases and resolve customer care inquiries.

Consumers today expect seamless, personalized, and AI-driven digital experiences, yet many brands still rely on outdated, disconnected communication channels. LivePerson is transforming customer engagement by enabling brands to shift from legacy systems to a modern digital core powered by messaging and AI. We see a significant opportunity in voice as a channel, seamlessly integrating voice and messaging to enhance both agent and customer experiences with AI-driven insights and automation. Additionally, our conversational commerce solutions empower brands to drive revenue by allowing buyers to engage on their own terms—when, where, and how they choose. The next generation of customer engagement is being shaped by Generative AI-powered agent and customer experiences, where LivePerson's AI capabilities work alongside human agents and automation to deliver exceptional efficiency and value. Finally, our unified conversational analytics unlock the power of conversation data across channels, providing deep insights that maximize business outcomes. As brands increasingly shift investments from legacy systems to AI-powered, digital-first experiences, LivePerson is at the forefront of this transformation, enabling businesses to drive efficiency, revenue, and customer satisfaction at scale.

LivePerson believes that AI and automation are the foundation for transforming the conversational experience, disrupting how agents operate and how brands engage with consumers. With AI at the center of the solution and by harnessing data from all primary channels, including voice, messaging, chat, and human agents, LivePerson is in a unique position to provide the best conversational experiences for consumers. In addition, our deep integrations with customer relationship management, service, and IT systems allows us to deliver a unified agent experience through a single pane of glass.

We believe that LivePerson's proprietary digital customer conversation offerings provide a superior alternative to traditional customer experiences. Brands that shift to digital-first customer service and support stand to outperform their competitors by giving consumers the experiences they clearly prefer.

Products and Services

Business solutions offerings

The LivePerson Platform enables businesses and consumers to connect through conversational channels, such as voice, in-app and mobile messaging, while leveraging bots and AI to increase efficiency. The platform, which is marketed primarily to customer care, contact center, customer experience, e-commerce, marketing, and technology executives, combines sophisticated mobile and online engagement technology with robust business intelligence and operational and conversational data to produce compelling, measurable results by intelligently engaging consumers based on a real-time understanding of consumer needs. Rich, contextually aware targeting, actionable insights and personalized experiences empower businesses to get the most out of their existing online, mobile and social platforms. Benefits of the LivePerson Platform include increased agent efficiency, decreased customer care costs, improved customer experiences, higher conversion rates and increased customer lifetime value.

The LivePerson Platform powers the Conversational Flywheel, a powerful framework for driving velocity and continuous improvement across our brands' Conversational AI journey. The Conversational Flywheel, comprising four stages, empowers brands to: (1) understand what customers want by analyzing conversational data to drive actionable business decisions through proprietary analytics utilizing data to target end users with compelling engagement options at any step in the conversion funnel and throughout the customer lifecycle; (2) connect business systems to channels, engaging consumers where they are and feeding those conversations back into the systems brands use every day, maximizing online revenue opportunities, improving conversion rates and reducing shopping cart abandonment by proactively engaging the right visitor, using the right channel, at the right time; (3) assist teams with AI-powered tools and insights designed to help them focus on the tasks and interactions that matter most, providing real-time recommendations to human agents, and leveraging automation and human agents working together seamlessly to support consumers, all over our best-in-class agent workspace; and (4) automate to enable self-service and drive faster resolutions, through personal, connected interactions; all feeding data back into the system. This comprehensive solution blends a proven value-based methodology with an active rules-based engagement engine and deep domain expertise to increase first-contact resolution, improve consumer satisfaction, and reduce attrition rates.

LivePerson's Conversational AI. LivePerson's Conversational AI, announced in December 2018, operates as the brains behind LivePerson AI-based products, and was developed using our conversational data set of billions of brand-to-consumer interactions. The LivePerson Platform enables what we call "the tango" of humans, LivePerson bots, third-party bots, and LLMs, in which humans oversee and are assisted by AI and can seamlessly step into conversations as needed. Through the LivePerson Platform, agents become highly efficient, leveraging the AI engine (including generative AI capabilities) to surface relevant content, define next-best actions and take over repetitive transactional work so that the agent can focus on relationship building. By seamlessly integrating the LivePerson Platform with our proprietary AI, as well as bots, the platform provides businesses with a comprehensive view of all AI-based and human-based conversations from a single console. Products developed on LivePerson's Conversational AI engine include:

- *Conversation Builder,* which non-technical staff such as contact center agents use to design high-quality automated conversations. The conversations are not built from scratch. Conversation Builder creates the initial versions by mining a brand's existing conversation transcripts. Prebuilt industry templates are also available, providing the dialogue and integrations necessary for common use cases such as billing.

- *Conversation Manager,* a console that suggests automated responses and next best actions to contact center agents, who edit and select from them. Edits and selections dynamically improve the responses and next best actions. When the content reaches a brand-set accuracy threshold, it can be offered to consumers without human intervention. Conversation Manager also includes sentiment monitoring to alert contact center agents to conversations that require their attention. Designed for use in large contact centers, Conversation Manager sends these requests to agents who have the capacity and appropriate skills to respond. A major retail brand that adopted this approach in its sales operation increased agent productivity up to 220% within 12 weeks of launch.

- *Conversational Intelligence*, dashboards and reporting which take the true voice of the customer - their direct discussions with a brand, spoken in their natural language - and turn it into actionable sales and service intelligence. Generative Insights discovers trends in what customers are saying and delivers them in an LLM-powered conversational experience that is easy to understand. Report Center measures how both AI and human-powered messaging and voice conversations are performing. Analytics Studio converts the content of voice and messaging conversations into actionable data that makes sense of customer behaviors, preferences, and signals across channels. A major wireless provider using Conversational Intelligence reported the product identifies the root cause of service issues faster than monitoring software, enabling the provider to accelerate the fix and reduce inbound customer inquiries. A leading hospitality firm used Conversational Intelligence to identify and add new, top-selling items to its menu selection.

- *Intent Manager*, a real-time intent recognition and classification engine that analyzes consumer intentions at every turn of the conversation. Intent Manager is powered by LivePerson's proprietary natural language understanding ("NLU") capabilities and machine learning algorithms, which are informed by over 20+ years of conversational data and nearly one billion interactions across a variety of industries. Intent Manager is currently being used by top brands to gain real-time insights and take action to improve customer service, marketing, and sales automation.

Syntrix. Syntrix, introduced in November 2025, is our simulation and evaluation platform that allows brands to launch customer-facing AI agents with confidence and validate human agent readiness at scale. Conversation Simulator, the first capability within the Syntrix platform, enables enterprises to test, evaluate, and validate AI behavior by identifying drift and failures before they reach real customers.

Professional Services

The mission of our LP 360 Professional Services team is to help customers optimize the performance of our products in order to drive incremental value through their mobile and online sales and/or service channel(s). This talented group utilizes their deep domain expertise and years of hands-on experience to provide customers with detailed analyses and measurements of their LivePerson deployment that drive strategies and decisions on how to optimize mobile and online messaging, real-time chat, and bot and AI integration. Deliverables of the team include scorecards that measure and chart performance trends, analyses and recommendations for conversational design, web design and process improvement, transcript reviews to discover both voice of the consumer insight and agent improvement opportunities, custom training of call center agents and management, and ongoing management of messaging programs to ensure alignment with current business practices and objectives. The team's value-added methodology and approach to guiding customers towards messaging channels and human/bot agent optimization is an important component of the LivePerson offering, and gives our customers a competitive advantage in the digital world.

Customers

Our solutions benefit organizations of all sizes conducting business or communicating with consumers through messaging and chat. Our customers include Fortune 500 companies, dedicated internet businesses, a broad range of online merchants, automotive dealers, educational institutions, the public sector and not-for-profit organizations. We plan to continue to focus on key target markets: telecommunications, financial services, travel/hospitality, technology, healthcare, automotive, and consumer/retail within the United States of America ("United States" or "U.S.") and Canada, Latin America, Europe, and the Asia-Pacific ("APAC") region.

No single customer accounted for or exceeded 10% of our total revenue for 2025, 2024, or 2023.

Sales and Marketing

Sales. Our mobile and online messaging solutions are targeted at corporate executives whose primary responsibility is optimization of customer care, sales and marketing, or optimizing a consumer's journey across the brand's digital properties. Our solutions enable organizations to provide effective customer service, sales and marketing by orchestrating conversations across all channels, departments and systems and delivering more personalized, AI-empowered customer experiences in a safe and secure environment. We focus on the value that our solutions deliver in the form of increased agent efficiency, reduced contact center costs, increased customer satisfaction, improved customer lifetime value, maximized digital consumer acquisition, and optimized website and mobile business outcomes.

Within the business solutions segment we have aligned our field organization to address the different sales strategies of our target markets:

Enterprise and large mid-market. We target enterprises which have thousands of agents in their contact centers and collectively connect with billions of consumers each year. We leverage thought leadership and related events to showcase our strength in messaging and AI, and highlight existing reference customers who share their successes on our platform and how they achieved positive ROIs. Increasingly, we are working with large third-party system integrators, technology providers and business process outsourcers to supplement our direct sales effort.

Small business and small mid-market. We target small business and small mid-market customers with a mix of direct, online self-service, and third-party partner channels. Our customer acquisition strategy centers on leveraging customer word-of-mouth, our leading brand name, online marketing and partnerships. We also leverage marketing programs and partner resources to promote increased usage and product adoption within these customers.

Customer Support. Our LP 360 Professional Services team provides deployment support and ongoing business consulting to enterprise and mid-market customers and maintains involvement throughout the engagement lifecycle. All LivePerson customers have access to 24/7 help desk services through messaging, chat, and technical support ticketing.

Marketing. We have a global team, spread across key geographies, that is focused on marketing our brand, products and services to executives responsible for the digital channel, the consumer experience, marketing, sales, IT, and consumer service operations of their organization.

Our marketing strategy encompasses a strategic communications approach that integrates public relations, social media, and analyst/influencer relations. Communications seek to highlight key customer success stories, and promote executive thought leadership via contributed content, speaking opportunities and press interviews, to raise LivePerson's profile and reinforce our position as an industry leader.

Competition

The markets for AI-enhanced customer interaction, mobile and online business messaging, and digital engagement technology are intensely competitive, rapidly changing and characterized by aggressive marketing, pricing pressure, evolving industry standards, rapid technology developments, and frequent new product introductions.

We believe that most contact center technology vendors incorrectly view messaging as simply a feature or channel. They are content with building integrations to a messaging endpoint and offering messaging as just another product in their suite. We believe that messaging and AI are the foundation for conversational experiences, which transform how agents operate and how brands engage with consumers across service, sales, marketing, and brick and mortar. Brands must adapt their contact centers to an asynchronous messaging environment and leverage a combination of human agents, bots and AI to achieve scale and efficiencies.

We believe that our differentiated approach to enterprise conversations, combined with our unique technology and expertise, has established the Company as a market leader, with an ability to deliver superior returns on investment:

- The LivePerson Platform was designed for AI-assisted and human-powered messaging in mobile and online channels. The platform is designed for security and scalability, offers the broadest ecosystem of messaging endpoints, is designed for ease of use, and features an AI engine custom built for enterprise conversations, intent recognition, robust real-time reporting, role-based real-time analytics, predictive intelligence, and innovations in customer satisfaction and connection measurement. Additionally, our platform offers pre-built, enterprise-grade integrations into back-end systems as well as the ability to work across NLU providers.

- The platform has expanded to power conversations across a broad spectrum of channels and use cases, from traditional sales and customer service, to marketing, social, email, advertising and brick and mortar.

- We have billions of conversations across industries, geographies and use cases. This data is used to feed machine learning models that can understand and handle conversations, and can customize generative AI for enterprise-level performance and safety.

- LivePerson has deep domain expertise across verticals and messaging endpoints, a global footprint, referenceable enterprise brands and a team of technical, solutions and consulting professionals to assist customers along their transformational journeys.

We believe this focus on technological innovation, expertise and enterprise-class capabilities is positioning LivePerson as a leader in digital customer conversation.

We have current and potential competition from providers of messaging and digital engagement solutions that enable companies to engage and connect with their consumer customers, as well as technology providers that offer customer relationship management and contact center solutions. We have current and potential competitors in many different industries, including:

- technology or service providers offering or powering competing digital engagement, contact center, communications, or customer relationship management solutions such as eGain, Genesys, Oracle, Salesforce.com, and Twilio;

- AI-native companies and emerging startups that leverage generative AI and LLMs as the core foundation of their architecture, offering highly specialized, autonomous, or automated solutions that may bypass traditional business process workflows or displace established user interfaces;

- service providers that offer basic messaging products or services with limited functionality free of charge or at significantly reduced entry level prices;

- social media, social listening, messaging, AI, bots, e-commerce, and/or data and data analytics companies, such as Facebook, Google, and WeChat, which may leverage their existing or future capabilities and consumer relationships to offer competing business-to-business solutions; and

- customers that develop and manage their messaging solutions in-house.

Technology

Four key technological features distinguish the LivePerson services:

- LivePerson's powerful Conversational AI capabilities have historically enabled brands to successfully automate conversations, and these tools are now made even more powerful with the advent of generative AI. To make generative AI systems usable for the enterprise, proprietary data integrations are required, along with Conversational AI test and release management capabilities, and the ability to leverage human feedback and customize models and other system behavior. LivePerson's Conversational AI systems have these capabilities, and are integrated with best-in-class generative AI systems including OpenAI, Microsoft, Google, and others, situating the LivePerson technology stack to benefit from the anticipated growth in the generative AI space.

- We support our customers through a secure, scalable server infrastructure hosted in secure, top-tier, third-party server centers located in the United States, the United Kingdom ("U.K.") and Australia. Utilizing scalable network infrastructure and protocols, our network, hardware and software are designed to accommodate our customers' demand for secure, high-quality 24/7 service, including during peak times such as the holiday shopping season. We are progressing the process of migrating our technology infrastructure to the public cloud. Components of our platform are currently hosted on various hyperscalers, and we intend to continue to shift our footprint to the public cloud over the coming years.

- As a hosted service, we are able to add additional capacity and new features quickly and efficiently. This has enabled us to provide these benefits simultaneously to our entire customer base. In addition, it allows us to maintain a relatively short development and implementation cycle.

- As a SaaS provider, we focus on the development of tightly integrated software design and network architecture. Dedicated resources are allocated to designing our software and network architecture based on the fundamental principles of security, reliability and scalability.

Network Architecture and Security. Our network is scalable. Our backup data is housed in separate locations from our primary hosting facilities. We comply with security standards such as System and Organization Controls ("SOC") 2, and Payment Card Industry ("PCI") Data Security Standards ("DSS"), and International Standards Organization / International Electrotechnical Commission ("ISO/IEV") 27001. For increased security, through a multi-layered approach, we use next-generation endpoint detection and response, offer enterprise encryption standards and employ third-party independent service providers to further validate our systems' security. We also enable our customers to mask certain sensitive data.

Government Regulation

We and our customers are subject to numerous laws and regulations applicable to our and their businesses throughout the world, including laws regarding data privacy, data protection, information security, cybersecurity, restrictions on the collection, use, storage, protection, disposal, transfer or other processing of consumer data, content, consumer protection, advertising, taxation, provision of online payment services (including credit card processing), and intellectual property rights, which are continuously evolving and developing. Compliance with these laws and regulations may be costly, and any failure to comply could have a material adverse effect on our and our customers' reputation and results of operations.

Intellectual Property and Proprietary Rights

We own a portfolio of patents and patent applications in the United States and internationally and regularly file patent applications to protect intellectual property that we believe is important to our business. As of December 31, 2025, we have 443 patents issued in the U.S. and abroad, and 309 patents pending. Our patents cover Conversational AI and insights, messaging across various consumer channels, behavioral analytics and personalization, and agent effectiveness and call center operations.

We rely on a combination of patent, copyright, trade secret, trademark and other common law protections in the United States and other jurisdictions, as well as confidentiality requirements and contractual provisions, to protect our proprietary technology, processes and other intellectual property.

Human Capital Management

As a leading provider of digital customer conversation solutions, we are at the forefront of a consumer-led shift to Conversational AI, and our platform is setting the industry standard for this future.

As of December 31, 2025, we had 615 full-time employees worldwide, located in 19 countries. Of these, 218 were located in the Americas, 260 in Europe, the Middle East, and Africa ("EMEA"), and 137 in APAC. Although we have statutory employee representation obligations in certain countries, our U.S. employees are not covered by collective bargaining arrangements. We believe we have good relations with our employees. For 2025, our key human capital management efforts focused on the following:

We place a high priority on attracting, recruiting, developing and retaining diverse global talent. As a company, we are focused on benefits and programs that support our employees across the entire employee lifecycle, from recruitment and onboarding, to well-being, learning and development. Our recruiting processes are designed to ensure that we bring on employees who are aligned to our values and culture, and we follow a comprehensive process in order to solicit multiple perspectives and eliminate bias.

We support employee training and development through our online Learning Management Systems which provides access to LivePerson product and process training. In addition, employees have access to thousands of learning courses focused on a myriad of topics that include professional skills, technical skills, leadership skills, communication skills, time management skills, AI and machine learning, project management, professional certification prep courses, and additional topics that support an engaged and balanced workforce. We encourage employees to create developmental goals to support their ongoing learning.

We strive to foster an environment in which all employees are supported and enabled to perform at their best individually and collectively. We value a wide range of perspectives, and believe this supports our successful delivery of innovative AI solutions and consumer experience products and services to our global customer base.

Website Access to Reports

We make available on our website (*ir.liveperson.com*), our annual reports on Form 10-K, our quarterly reports on Form 10-Q, and our current reports on Form 8-K and any amendments to those reports filed or furnished pursuant to Sections 13(a) or 15(d) of the Securities Exchange Act of 1934 as soon as reasonably practicable after we have electronically filed such material with, or furnished it to, the Securities and Exchange Commission (the "SEC"). *The Company's website address provided above is not intended to function as a hyperlink, and the information on the Company's website is not and should not be considered part of this Annual Report on Form 10-K and is not incorporated by reference herein.* The SEC maintains an internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at www.sec.gov.

Item 1A. Risk Factors

The following are certain of the important risk factors that make an investment in our securities speculative or risky. The risks described below are not the only ones we face. Additional risks not presently known to us, or that we currently deem to be immaterial, could also materially and adversely affect our business, results of operations, financial condition, cash flows or prospects, or the price of our outstanding securities.

Summary of Risk Factors

Our business is subject to risks and uncertainties that make an investment in our securities speculative or risky and could materially adversely affect our business, results of operations, financial condition, cash flows or prospects, or the price of our outstanding securities. These risks are discussed more fully below and include:

- The success of our business depends on retention of existing customers and their purchase of additional services, and attracting new customers.
- Supporting our customer base requires intensive personnel, infrastructure and resource commitment, and if we are unable to scale our operations and increase productivity, we may not be able to successfully implement our business plan.
- Our business depends significantly on our ability to retain our key personnel, attract new personnel, and manage attrition.
- There can be no assurance that further restructuring activities will not be necessary or that we will realize the intended operational efficiencies and cost savings from our restructuring initiatives.
- Our expansion into new products, services, and technologies could subject us to additional risks.
- If we do not successfully integrate past or potential future acquisitions, we may not realize the expected business or financial benefits and our business could be adversely impacted.
- If we do not effectively implement our plans to migrate our technology infrastructure to the public cloud, our operations could be significantly disrupted.
- Capital requirements to execute our business strategy or refinance our existing indebtedness could increase substantially, and there is a significant risk that we may not be able to secure necessary financing on commercially reasonable terms, or at all.
- Our sales cycles can be lengthy, and the timing of sales can cause our operating results to vary significantly.
- Delays in our implementation cycles could have an adverse effect on our results of operations.
- Our quarterly revenue and operating results may fluctuate significantly, which may cause a substantial decline in the trading price of our securities.
- In the past we have experienced losses, we had an accumulated deficit of $1,058.5 million as of December 31, 2025 and we may incur losses in the future.
- The non-payment or late payment of amounts due to us from a significant number of customers may negatively impact our financial condition or make it difficult to forecast our revenues accurately.
- There are inherent limitations on the effectiveness of our controls.
- As a "smaller reporting company," we may comply with certain reduced reporting and disclosure requirements which could make our common stock less attractive to investors.
- Because we recognize revenue from subscriptions for our service over the term of the subscription, declines in business may not be immediately reflected in our operating results.

- If our goodwill or long-lived assets become impaired, we may be required to record a significant charge to earnings.
- If we are unable to develop and maintain successful relationships with technology partners, strategic partners, social media, and other third-party consumer messaging platforms and endpoints, our business, results of operations, and financial condition could be adversely affected.
- If we are unable to effectively operate on mobile devices, our business could be adversely affected.
- The markets in which we participate are highly competitive, and we may lose customers and revenue if we are not able to innovate or effectively compete.
- Downturns in the global economic environment or in particular industries in which our sales are concentrated may adversely affect our business and results of operations.
- Failures or security breaches in our services or systems, those of our third-party service providers, or in the websites of our customers, including those resulting from cyber-attacks, security vulnerabilities, defects, or errors, could harm our business.
- We may be liable if third parties access or misappropriate confidential or personal data from our systems or services.
- We provide service-level commitments to certain customers. If we do not meet these contractual commitments, we could be obligated to provide credits or refunds or face contract terminations, which could adversely affect our revenue and harm our reputation.
- Failure to license necessary third-party software for use in our products and services, or failure to successfully integrate third-party software, could cause delays or reductions in our sales, or errors or failures of our service.
- Our business is subject to a variety of U.S. and international laws and regulations regarding privacy, data protection, and AI, and increased public scrutiny of privacy, security, and AI issues could result in increased government regulation, industry standards, and other legal obligations that could adversely affect our business.
- We are the subject of a number of ongoing actions that have resulted in significant expense, and adverse developments in our ongoing actions and/or future actions could have a material adverse effect on our business results of operations and financial condition.
- We may be subject to governmental export controls and economic sanctions regulations that could impair our ability to compete in international markets due to licensing requirements and could subject us to liability if we are not in compliance with applicable laws.
- Industry-specific regulation is evolving and unfavorable industry-specific laws, regulations, or interpretive positions could harm our business.
- Future regulation of the internet or mobile devices may result in decreased demand for our services and increased costs of doing business.
- Our products and services may infringe upon intellectual property rights of third parties and any infringement could require us to incur substantial costs and may distract our management.
- Our business and prospects would suffer if we are unable to protect and enforce our intellectual property rights.
- Issues in the use of AI in our product offerings or by our vendors may result in reputational harm or liability.
- Our results of operations may be adversely impacted due to our exposure to foreign currency exchange rate fluctuations.
- We may be unsuccessful in expanding our operations internationally due to additional regulatory requirements, tax liabilities, currency exchange rate fluctuations, and other risks, which could adversely affect our results of operations.
- Our operations may expose us to greater than anticipated income, non-income, and transactional tax liabilities, which could harm our financial condition and results of operations.
- Our ability to use our net operating losses to offset future taxable income may be subject to certain limitations.
- Political, economic, and military conditions in Israel could negatively impact our Israeli operations.
- Servicing our debt may require a significant amount of cash, and we may not have sufficient cash flow from our business to pay our indebtedness.
- The terms of our First Lien Convertible Senior Notes due 2029 and 10.0% Second Lien Senior Subordinated Secured Notes require us to meet certain operating and financial covenants and place restrictions on our operating and financial flexibility. If we raise additional capital through debt financing, the terms of any new debt could further restrict our ability to operate our business.
- We may not have the ability to raise the funds necessary to settle conversions of our outstanding convertible debt securities and cash-settled warrants in cash or to repurchase our outstanding convertible debt securities upon a

fundamental change, and any future debt may contain limitations on our ability to pay cash upon conversion or repurchase of our outstanding convertible debt securities and cash-settled warrants.

- Provisions in the indentures for our outstanding convertible debt securities may deter or prevent a business combination that may be favorable to security holders.
- Our stock price has been, and may continue to be, highly volatile, which could reduce the value of your investment and subject us to litigation.
- Our failure to comply with the continued listing requirements of The Nasdaq Global Select Market could result in a delisting of our common stock.
- Our common stock is traded on more than one market and this may result in price variations.
- Provisions in our charter documents, Delaware law and the indentures for our outstanding convertible debt securities could discourage, delay or prevent a takeover that stockholders may consider favorable.

Risks Related to Operating our Business

The success of our business depends on retention of existing customers and their purchase of additional services, and attracting new customers.

Our customers typically subscribe for our services for a twelve-month term and have no obligation to renew their subscription after expiration of the twelve-month term. In some cases, our agreements are terminable or may terminate upon 30 to 90 days' notice without penalty. Factors including dissatisfaction with the nature or quality of our services, or customer uncertainty regarding our financial stability, as well as reductions in our customers' spending levels, or declines in customer activity as a result of general economic conditions or uncertainty in financial markets, could lead customers to terminate our service. If a significant number of our customers, or any one customer to whom we provide a significant amount of services, were to terminate services, reduce the amount of services purchased, or fail to purchase additional services, our results of operations may be negatively and materially affected.

We depend on monthly fees and interaction-based fees from our services for substantially all of our revenue. As part of our strategy, we offer customers subscriptions with interaction-based fees. While this interaction-based fee model has demonstrated success in our business to date, it could potentially produce greater variability in our revenue as revenue in this model is impacted by the number of interactions that our customers generate through use of our products.

Because of the small amount of services historically sold in initial orders, we depend significantly on the growth of our customer base, sales to new customers and sales of additional services to our existing customers. If we are unable to obtain additional customers or if existing customers decline to purchase additional services, our revenues will be adversely affected.

Supporting our customer base requires intensive personnel, infrastructure and resource commitment, and if we are unable to scale our operations and increase productivity, we may not be able to successfully implement our business plan.

We anticipate that additional investments in our infrastructure, research; and development and customer support and development will be required to scale our operations and increase productivity, to address the needs of our customers, to further develop and enhance our services; and to expand our business into new geographic areas. The additional investments we are making will increase our cost base, which will make it more difficult for us to offset any future revenue shortfalls by reducing expenses, and there can be no assurance that they will be successful or meet our customers' needs.

We regularly upgrade or replace our various software systems. If the implementations of these new applications are delayed, or if we encounter unforeseen problems with our new systems or in migrating away from our existing applications and systems, our operations and our ability to manage our business could be negatively impacted.

Our success depends in part upon the ability of our senior management to manage our business effectively. If we fail to successfully scale our operations and increase productivity, we may be unable to execute our business plan and the market price of our securities could decline.

Our business depends significantly on our ability to retain our key personnel, attract new personnel, and manage attrition.

Our success depends largely on the continued services of our senior management team. The loss of one or more members of senior management could have a material adverse effect on our business, results of operations, and financial condition. We are also substantially dependent on the continued service of other key personnel, including key sales executives responsible for revenue generation and key development personnel accountable for product and service innovation and timely development and delivery of upgrades and enhancements to our existing products and services. Changes to senior management and key employees could also lead to additional unplanned losses of key employees. The loss of key employees could seriously harm our ability to release new products and services and upgrade existing products and services on a timely basis, and put us at a competitive disadvantage.

In the technology industry, there is substantial competition for key personnel, including skilled engineers (particularly with backgrounds in AI and machine learning), sales executives and operations personnel. We may not be able to successfully recruit, integrate and retain qualified personnel in the future, which could impact our ability to innovate and deliver new or updated products to our customers, which could harm our business. If our retention and recruitment efforts are ineffective, employee turnover could increase and our ability to provide services to our customers would be materially and adversely affected.

Following the onset of the global novel coronavirus disease ("COVID-19") pandemic, we vacated most of our physical offices around the world, and transitioned to a work-from-anywhere model. While we have been able to operate effectively from remote locations, the long-term impact of such work arrangements remains unknown. For example, such remote work arrangements may present workplace culture challenges. In addition, AI technologies, which are integrated into our operations, may disrupt workforce needs and could adversely affect our operations if not appropriately managed.

We expect to evaluate our needs and the performance of our staff on a periodic basis and may choose to make adjustments in the future. If the size of our staff is significantly reduced, either by our choice or otherwise, it may become more difficult for us to manage existing, or establish new, relationships with customers and other counterparties, or to expand and improve our service offerings. It may also become more difficult for us to implement changes to our business plan or to respond promptly to opportunities in the marketplace. Further, it may become more difficult for us to devote personnel resources necessary to maintain or improve existing systems, including our financial and managerial controls, billing systems, reporting systems and procedures. Thus, any significant amount of staff attrition could cause our business and financial results to suffer.

There can be no assurance that further restructuring activities will not be necessary or that we will realize the intended operational efficiencies and cost savings from our restructuring initiatives.

We have undertaken several restructuring initiatives to realign our cost structure with our current business model, a changing competitive environment and changes in our commercial performance. We have flattened the Company's organizational structure to align to more efficient sales and service support, and continue to reduce cash expenditures. However, there can be no assurance that we will realize the intended operational efficiencies and cost savings from these restructuring initiatives. Our restructuring initiatives may yield unintended consequences, such as loss of institutional knowledge and expertise of departing employees; strain on our workforce; difficulty in recruiting, integrating and retaining qualified personnel; reduced ability to pursue innovation or otherwise to operate or grow our business; loss of customers or partners, and other adverse effects on our business. Furthermore, in the short term, some of the anticipated savings have been or are expected to be partially offset by severance and other related costs.

Our expansion into new products, services, and technologies could subject us to additional risks.

We have invested in new products, services, and technologies. We may have limited or no experience in new market segments that we enter or new services that we decide to offer, and customers may not choose to buy or use our service offerings. These offerings, which can present new and difficult technology challenges, may subject us to claims if customers of these offerings experience service disruptions or failures or other quality issues. Our newer activities may involve significant risks and uncertainties, including diversion of resources and management attention from current operations, as well as, in certain circumstances, the use of alternative investment, governance, or revenue strategies that may fail to adequately align incentives across our business or otherwise accomplish our objectives. In addition, new and evolving products, services, and technologies, including those that use AI, machine learning, and blockchain, can raise ethical, technological, legal, regulatory, and other challenges, which may negatively affect our business and demand for our products and services. Profitability, if any, in our newer activities may not meet our expectations, and we may not be successful enough in these newer activities to recoup our investments in them. Failure to realize the benefits of amounts we invest in new technologies, products, or services could result in the value of those investments being written down or written off.

If we do not successfully integrate past or potential future acquisitions, we may not realize the expected business or financial benefits and our business could be adversely impacted.

As part of our business strategy, we have made and may continue to make acquisitions to add complementary businesses, products, technologies, revenue and intellectual property rights. Acquiring and integrating technology companies presents unique risks including difficulties in adapting and developing new software technologies and systems protocols, increased software integration expenses, and incompatibility of acquired technologies. Acquisitions and investments also involve numerous other risks to us, including:

- potential failure to achieve the expected benefits of the combination or acquisition;
- inability to generate sufficient revenue to offset acquisition or investment cost;
- difficulties in integrating operations, technologies, products, and personnel;
- diversion of financial and management resources from efforts related to existing operations;
- risks of entering new markets in which we have little or no experience or where competitors may have stronger market positions;
- potential loss of our existing key employees or key employees of the company we acquire;
- inability to maintain relationships with customers and partners of the acquired business;
- potential unknown liabilities associated with the acquired businesses; and
- the tax effects of any such acquisitions.

These difficulties could disrupt our ongoing business, expose us to unexpected costs, distract our management and employees, increase our expenses, and adversely affect our results of operations. Furthermore, we may incur debt or issue equity securities to pay for any future acquisitions. The issuance of equity securities could be dilutive to our existing stockholders.

If we do not effectively implement our plans to migrate our technology infrastructure to the public cloud, our operations could be significantly disrupted.

We are progressing the process of migrating our technology infrastructure to the public cloud. This initiative is a major undertaking as we migrate and reconfigure our system processes, transactions, data and controls to a new cloud-based platform. It could have a significant impact on our business processes, financial reporting, information systems and internal controls.

As we implement the transition of our technology infrastructure to the public cloud, we may need to divert resources and management attention away from other important business operations. While we are implementing business contingency and other plans to facilitate continuous internet access, sustained or concurrent service denials or similar failures could limit our ability to provide our customers access to cloud-based services or otherwise operate our business. Additionally, we have experienced and may continue to experience issues with customer migration, as many of our customers may not migrate to cloud-based technologies on a timely basis or at all or may choose not to utilize our products and services during and after our transition to cloud-based technologies, which could negatively impact our revenue. Additionally, we may experience difficulties as we manage these changes and transition our technology infrastructure to the public cloud, including loss or corruption of data, interruptions in service and downtime, increased cyber threats and activity, delayed financial reporting, unanticipated expenses including increased costs of implementation and of conducting business, and lost revenue. Although we are conducting design validations and user testing, these may cause delays in transacting our business due to system challenges, limitations in functionality, inadequate management or process deficiencies in the development and use of our systems. Difficulties in implementing or an inability to effectively implement our migration plans could disrupt our operations and harm our business.

As we increase our reliance on public cloud infrastructure, our products and services will become increasingly reliant on continued access to, and the continued stability, reliability, and flexibility of third-party public cloud services. Additionally, we may in the future be unable to secure additional cloud hosting capacity on commercially reasonable terms or at all. If any of our public cloud providers increases pricing terms, terminates or seeks to terminate our contractual relationship, establishes more favorable relationships with our competitors, or changes or interprets their terms of service or policies in a manner that is unfavorable to us, we may be required to transfer to another provider and may incur significant costs and experience service interruptions. We have limited control over the public cloud operations and facilities on which we plan to host our technology infrastructure. Any changes in third-party service levels or any disruptions or delays from errors, defects, hacking incidents, security breaches, computer viruses, misconfigurations, distributed denial of service attacks, bad acts or performance problems could harm our reputation, damage our customers' businesses, and harm our business. Our public cloud providers are also vulnerable to damage or interruption from earthquakes, hurricanes, floods, fires, war, public health crises, terrorist attacks, power losses, hardware failures, systems failures, telecommunications failures and similar events. Although our transition and migration to the public cloud may increase our risk of liability and cause us to incur significant technical, legal or other costs, we may have limited remedies against third-party providers in connection with such liabilities.

Additionally, our public cloud providers may not be able to effectively manage existing traffic levels or increased demand in capacity requirements, especially to cover peak levels or spikes in traffic, and as a result, our customers may experience delays in accessing our solutions or encounter slower performance in our solutions, which could significantly harm the operations of our customers. Interruptions in our services might reduce our revenue, cause us to issue credits to customers, subject us to potential liability, and cause customers to terminate their subscriptions or harm our renewal rates.

Capital requirements to execute our business strategy or refinance our existing indebtedness could increase substantially, and there is a significant risk that we may not be able to secure necessary financing on commercially reasonable terms, or at all.

If additional funds are raised through the issuance of debt or preferred equity securities, or borrowing from financial institutions under credit facilities, these instruments could require materially higher interest payments than we have historically paid, have rights, additional preferences, and privileges senior to holders of common stock, and could have terms that impose further restrictions on our operations. If additional funds are raised through the issuance of additional equity or convertible securities, our stockholders could suffer dilution. We cannot assure you that additional funding, if required, will be available to us in amounts or on terms acceptable to us. If sufficient funds are not available or are not available on acceptable terms, our ability to refinance our existing indebtedness, fund any potential expansion, take advantage of acquisition opportunities, develop or enhance our services or products, or otherwise respond to competitive pressures would be significantly limited. Those limitations would materially and adversely affect our business, results of operations, cash flows, and financial condition. If we cannot make scheduled payments on our indebtedness, we will be in default under one or more of the agreements governing our indebtedness, and as a result, we could be forced into bankruptcy or liquidation.

Our sales cycles can be lengthy, and the timing of sales can cause our operating results to vary significantly.

The sales cycle for our products can be several months or more and varies substantially from customer to customer, particularly for sales to enterprise customers. Because we sell complex, integrated solutions, it can take many months to close sales as customers evaluate our product offering against available alternatives and define their requirements. We are often required to spend substantial time, effort, and money educating potential customers about the value of our offerings. The increasingly complex needs of our customers can further contribute to a longer sales cycle.

Additionally, our quarterly sales have historically reflected an uneven pattern in which a disproportionate percentage of a quarter's total sales occur in the last month, weeks and days of each quarter. This makes prediction of revenue especially difficult and uncertain and increases the risk of unanticipated variations in our results of operations. In addition, historically a large portion of our revenue has derived from large orders from large clients. Consequently, delays in the closing of sales, especially from large clients, could have a material impact on the timing of revenue and results of operations.

Delays in our implementation cycles could have an adverse effect on our results of operations.

Certain of our products require some implementation services, including but not limited to training our customers. As an open platform, we also work with third parties on implementing a variety of integrations into our platform. We have historically experienced a lag between signing a customer contract and recognizing revenue from that customer. Although this lag has typically ranged from 30 to 90 days, it may take more time between contract signing and recognizing revenue in certain situations. If we experience delays in implementation or do not meet project milestones in a timely manner, we could be obligated to devote more customer support, engineering and other resources to a particular project. If new or existing customers cancel or have difficulty deploying our products or require significant amounts of our professional services, support, or customized features, revenue recognition could be canceled or delayed and our costs could increase, which could negatively impact our operating results.

Our services are subject to payment-related risks.

For certain payment methods, including credit and debit cards, we pay interchange and other fees, which may increase over time and raise our operating costs and lower our profit margins. We rely on third parties to provide payment processing services, including the processing of credit cards and debit cards and it could disrupt our business if these companies become unwilling or unable to provide these services to us. We are also subject to payment card association operating rules, certification requirements and rules governing electronic funds transfers, which could change or be reinterpreted in such a way as to make compliance infeasible. If we fail to comply with these rules or requirements, we may be subject to fines and higher transaction fees and lose our ability to accept credit and debit card payments from our customers or facilitate other types of online payments, and our business and operating results could be adversely affected.

We are also subject to a number of other laws and regulations relating to money laundering, international money transfers, privacy and information security, and electronic fund transfers. If we were found to be in violation of applicable laws or regulations, we could be subject to civil and criminal penalties or forced to cease our payments services business.

Our reputation depends, in part, on factors which are partially or entirely outside of our control.

Our services typically appear under the LivePerson brand or as a LivePerson-branded icon on our customers' websites. The customer service operators who respond to the inquiries of our customers' users are employees or agents of our customers or independent consultants rather than employees of LivePerson. As a result, we are not able to control the actions of these operators and the impression that any such operator leaves the user with whom they interact. A user may not know that the operator is not a LivePerson employee. If a user were to have a negative experience in a LivePerson-powered real-time dialogue, it is possible that this experience could be attributed to us, which could diminish our brand and harm our business. Additionally, we have no control over the content of our customers' websites on which our website chat icon appears.

Increased regulatory uncertainty and conflicting stakeholder views regarding environmental, social and governance ("ESG") matters may increase our costs, harm our reputation, or otherwise adversely impact our business.

Governmental authorities, non-governmental organizations, rating agencies, customers, investors, employees, and other stakeholders remain focused on ESG concerns, such as diversity and inclusion, climate change, sustainability, social responsibility, and corporate governance and transparency. However, stakeholder expectations on ESG matters continue to evolve and are not uniform. This focus on ESG concerns and efforts to comply with shifting and sometimes conflicting expectations could result in increased compliance costs and other complexities, including with respect to collecting, measuring, and reporting ESG-related information in connection with expanding mandatory and voluntary reporting, diligence and disclosure requirements. Responding to ESG considerations and implementation of our ESG goals and initiatives involves risks and uncertainties, requires investments, may subject us to governmental and political scrutiny, and depends in part on third-party performance or data that is outside of our control. In addition, some stakeholders may disagree with our ESG goals and initiatives, and we could be criticized for the timing, scope or nature of our ESG goals or initiatives. If we fail to meet our goals and initiatives or otherwise do not act responsibly, or if we are perceived to not be acting responsibly, or if we become subject to regulatory scrutiny in key ESG areas, we risk negative stockholder reaction, including from proxy advisory services, as well as damage to our reputation, loss of customers or business partners, inability to attract and retain employee talent, and other material adverse effects on our business, results of operations and cash flows.

Risks Related to our Financial Condition and Operating Results

Our quarterly revenue and operating results may fluctuate significantly, which may cause a substantial decline in the trading price of our securities.

Our quarterly revenue and operating results may fluctuate significantly as a result of a variety of factors, many of which are outside of our control. Some of the important factors that may cause our revenue and operating results to fluctuate include:

- our ability to attract and retain new customers;
- our ability to retain and increase sales to existing customers;
- demand from customers for our services;
- our ability to innovate and provide new services to current and future customers;

- our ability to add AI, machine learning, and automation into our services;
- the introduction of new services by us or our competitors;
- our ability to avoid and/or manage service interruptions, disruptions, or security incidents;
- changes in our pricing models or policies or in those of our competitors;
- our ability to maintain and add integrations with third-party consumer messaging platforms and endpoints;
- levels of adoption by companies of mobile and cloud-based messaging solutions;
- investments in growing our sales and marketing programs;
- levels of adoption by users of Conversational AI and web and mobile-based conversation technology;
- exposure to foreign currency exchange rate fluctuations; and
- the amount and timing of capital expenditures and other costs related to operation and expansion of our business, including those related to acquisitions.

Our revenue and operating results may also fluctuate significantly in the future due to the following factors that are entirely outside of our control:

- new laws, regulations, or regulatory or law enforcement initiatives;
- economic conditions specific to the web, mobile technology, electronic commerce, and cloud computing; consequences of unexpected geopolitical events, natural disasters, acts of war or terrorism, outbreaks of contagious disease, or climate change; and
- general, regional, and/or global economic and political conditions.

As a result, comparing our operating results on a period-to-period basis may not be meaningful. You should not rely upon these comparisons or our past results as indicators of our future performance. Due to the foregoing factors, it is possible that our operating results in one or more future quarters may fall below the expectations of securities analysts and investors or below any guidance we may provide to the market. If this occurs, the trading price of our securities could decline significantly.

In the past we have experienced losses, we had an accumulated deficit of $1,058.5 million as of December 31, 2025 and we may incur losses in the future.

We have in the past experienced, and we may in the future experience, losses and negative cash flow, either or both of which may be significant. We recorded a net loss of $67.2 million for the year ended December 31, 2025, and as of December 31, 2025, our accumulated deficit was $1,058.5 million. We cannot assure you that we can sustain or increase profitability on a quarterly or annual basis in the future. Failure to achieve or maintain profitability may materially and adversely affect the market price of our securities.

The non-payment or late payment of amounts due to us from a significant number of customers may negatively impact our financial condition or make it difficult to forecast our revenues accurately.

For the years ended December 31, 2025, 2024 and 2023, our allowance for credit losses was $4.5 million, $8.6 million and $9.3 million, respectively. We base our allowance for credit losses on specifically identified credit risks of customers, historical trends, and other information that we believe to be reasonable. A large proportion of receivables is due from larger corporate customers that typically have longer payment cycles. We adjust our allowance for credit losses when accounts previously reserved have been collected. As a result of increasingly long payment cycles, we have experienced unanticipated fluctuations in our revenues from period to period. Any failure to achieve anticipated revenues in a period could cause the market price of our securities to decline.

There are inherent limitations on the effectiveness of our controls.

We do not expect that our disclosure controls or our internal control over financial reporting will prevent or detect all errors and all fraud. A control system, no matter how well-designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. The design of a control system must reflect the fact that resource constraints exist, and the benefits of controls must be considered relative to their costs. Further, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, have been detected. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Projections of any evaluation of the effectiveness of controls to future periods are subject to risks. Over time, controls may become inadequate due to changes in conditions or deterioration in the degree of compliance with policies or procedures.

There can be no assurance that control issues will not be identified in the future. If we cannot remediate future material weaknesses or significant deficiencies in a timely manner, or if we identify additional control deficiencies that individually or together constitute significant deficiencies or material weaknesses, our ability to accurately record, process, and report financial information and our ability to prepare financial statements within required time periods, could be adversely affected. Failure to maintain effective internal controls could result in violations of applicable securities laws, stock exchange listing requirements, subject us to litigation and investigations, negatively affect investor confidence in our financial statements, and adversely impact our stock price and our ability to access capital markets.

As a "smaller reporting company," we may comply with certain reduced reporting and disclosure requirements which could make our common stock less attractive to investors.

As a smaller reporting company, we are permitted to comply with scaled-back disclosure obligations in our SEC filings compared to other issuers, including with respect to disclosure obligations regarding executive compensation in our periodic reports and proxy statements. In addition, we are only required to provide two years of audited financial statements in our SEC reports. If we rely on these exemptions, less information will be available in our SEC reports than SEC reports filed by other public companies. We cannot predict if investors will find our common stock less attractive because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile

Because we recognize revenue from subscriptions for our service over the term of the subscription, declines in our business may not be immediately reflected in our operating results.

We generally recognize revenue from customers ratably over the terms of their subscription agreements, which are typically 12 or more months. As a result, much of the revenue we report in each quarter is the result of subscription agreements entered into during previous quarters. Consequently, a decline in new or renewed subscriptions or cancellations of existing subscriptions in any one quarter may not be reflected in our revenue results for that quarter. Any such decline, however, could negatively affect our revenue in future quarters. Our subscription model also makes it difficult for us to rapidly increase our revenue through additional sales in any period, because revenue from new customers and additional revenue from existing customers is generally recognized over the applicable subscription term, rather than immediately.

If our goodwill or long-lived assets become impaired, we may be required to record a significant charge to earnings.

We review our goodwill for impairment at least annually and when events or changes in circumstances indicate that the carrying value may not be recoverable. Factors that may be considered a change in circumstances indicating that the carrying value of our goodwill or long-lived assets may not be recoverable include a decline in stock price and market capitalization, reduced future cash flow estimates, and slower growth rates in our industry. As discussed in Note 5 – *Goodwill and Intangible Assets, Net* in the Notes to the Consolidated Financial Statements under Item 8 of this Annual Report on Form 10-K, we have experienced impairments in the current year and in the past, and from time to time, we may be required to record a significant charge to earnings in our consolidated financial statements during the period in which any impairment of our goodwill or long-lived assets is determined, resulting in a negative impact on our results of operations.

Risks Related to Industry Dynamics and Competition

If we are unable to develop and maintain successful relationships with technology partners, strategic partners, social media, and other third-party consumer messaging platforms and endpoints, our business, results of operations, and financial condition could be adversely affected.

We believe that continued growth for companies in our industry depends, in part, on enabling brands to connect with consumers across consumers' preferred conversational channels and messaging endpoints, such as SMS, Facebook Messenger, WhatsApp, Apple Business Chat, Google Rich Business Messenger, Line, Kakao Talk, Instagram, and WeChat. Accordingly, we have identified and developed, and maintain, strategic relationships with many key technology partners. As part of our growth strategy, we plan to further develop partnerships and specific solution areas with additional technology partners. We typically rely on our strategic partners and third-party service providers to supplement our own subject matter expertise and to leverage industry best practice, provide enhanced products and services, and reduce costs. If we fail to establish these relationships in a timely and cost-effective manner or at all, if these strategic partners or third-party service providers fail to provide the services expected, or if we lose any or all of our current relationships, then our business, results of operations, and financial condition could be adversely affected. Replacing a strategic relationship could also take a long time and result in increased expenses. Additionally, even if we are successful at developing these relationships, but there are problems or issues with the integrations, or our ability to scale and onboard our customers onto new endpoints, our reputation and our prospects may be adversely affected.

We are progressing the process of migrating our technology infrastructure to the public cloud and may in the future be unable to secure additional cloud hosting capacity on commercially reasonable terms or at all. If any of our public cloud providers increases pricing terms, terminates or seeks to terminate our contractual relationship, establishes more favorable relationships with our competitors, or changes or interprets their terms of service or policies in a manner that is unfavorable to us, we may be required to transfer to another provider and may incur significant costs and experience service interruptions.

If we are unable to effectively operate on mobile devices, our business could be adversely affected.

We have extended our products and services to support messaging on mobile phone and tablet applications (together, "mobile solutions") belonging to our company and our customers. If the mobile solutions we have developed do not meet our customers' needs or the needs of their website visitors, we may fail to retain existing customers and we may have difficulty attracting new customers. Such solutions also present risks related to privacy and security, which could subject us to investigations, litigation, or reputational harm. If we are unable to rapidly innovate and grow mobile revenue, or if we incur excessive expenses in this effort, our financial performance and prospects may be negatively affected.

Additionally, our mobile phone and tablet applications and those of our customers depend on their interoperability with popular mobile operating systems, networks, and standards that we and they do not control, such as Android and iOS operating systems, and any changes in such systems and terms of service that degrade the functionality of our solutions or give preferential treatment to competitive products could adversely affect our revenue. We may not be successful in developing products that operate effectively with these technologies, systems, networks, or standards. As new devices and platforms are released, it is difficult to predict the challenges we may encounter in developing versions of our solutions for use on these alternative devices.

The markets in which we participate are highly competitive, and we may lose customers and revenue if we are not able to innovate or effectively compete.

The markets for mobile and online business messaging, digital engagement and AI technology are intensely competitive, rapidly changing, and characterized by aggressive marketing, pricing pressure, evolving industry standards, rapid technology developments, and frequent new product introductions. We believe that competition will continue to increase as our current competitors increase the sophistication of their offerings and as new participants enter the market, which may cause additional pressure. If we are unable to accurately anticipate technology developments and to innovate in the markets in which we compete and develop successful integrations with third-party consumer messaging platforms, AI providers, and endpoints, or our competitors are more successful than us at developing compelling new products, services, and integrations, or at attracting and retaining customers, we may lose revenue and market share and our operating results could be adversely affected.

We have current and potential competition from providers of messaging and digital engagement solutions that enable companies to engage and connect with their consumer customers, as well as technology providers that offer customer relationship management and contact center solutions. We have current and potential competitors in many different industries, including:

- technology or service providers offering or powering competing digital engagement, contact center, communications, or customer relationship management solutions, such as eGain, Genesys, Oracle, Salesforce.com and Twilio;
- AI-native companies and emerging startups that leverage generative AI and LLMs as the core foundation of their architecture, offering highly specialized, autonomous, or automated solutions that may bypass traditional business process workflows or displace established user interfaces;
- service providers that offer basic messaging products or services with limited functionality free of charge or at significantly reduced entry level prices;

- social media, social listening, messaging, AI, bots, e-commerce, and/or data and data analytics companies, such as Meta Platforms, Google and WeChat, which may leverage their existing or future capabilities and consumer relationships to offer competing B2B solutions; and
- customers that develop and manage their messaging solutions in-house.

In addition, many of our current and potential competitors have substantial competitive advantages, such as greater brand recognition, significantly larger financial, marketing, and resource and development budgets, access to larger customer bases, larger and more established marketing and distribution relationships, and/or more diverse product and service offerings. As a result, these competitors may be able to respond more quickly and effectively than we can to any change in the general market acceptance of messaging services or any new or changing opportunities, technologies, standards, pricing strategies, or customer requirements. Also, because of these advantages, potential customers may select a competitor's products and services, even if our services are more effective. For all of these reasons, we may not be able to compete successfully against our current and future competitors.

We may be unable to respond to rapid technological change and changing customer preferences in the online sales, marketing, customer service, and/or online e-commerce industries and this may harm our business.

If we are unable, for technological, legal, financial, or other reasons, to adapt in a timely manner to changing market conditions in the online sales, marketing, customer service, and/or e-commerce industries or our customers' requirements or preferences, our business, results of operations, and financial condition would be materially and adversely affected. Online business is characterized by rapid technological change. Sudden changes in customer and consumer requirements and preferences, frequent new product and service introductions embodying new technologies, and the emergence of new industry and regulatory standards and practices including without limitation data privacy, security, and AI standards, could render the LivePerson services and our proprietary technology and systems obsolete. The rapid evolution of these products and services requires that we continually improve the performance, features and reliability of our services. Our success depends, in part, on our ability to:

- enhance the features and performance of our services;
- develop and offer new services that are valuable to companies doing business online; and
- respond to technological advances and emerging industry and regulatory standards and practices in a cost-effective and timely manner.

If any of our new services, including upgrades to our current services, do not meet our customers' or consumers' expectations, we could lose customers and our business may be harmed. Updating our technology may require significant additional capital expenditures.

Our failure to update our technology or expand our operations in an efficient manner could cause our expenses to grow, our revenue to decline and could otherwise have a material adverse effect on our business, results of operations, and financial condition.

Downturns in the global economic environment or in particular industries in which our sales are concentrated may adversely affect our business and results of operations.

The U.S. and other global economies have experienced in the past and could in the future experience economic downturn that affects all sectors of the economy, resulting in declines in economic growth and consumer confidence, increases in unemployment rates and uncertainty about economic stability. Further, there is increased uncertainty regarding social, political, immigration and trade policies in the U.S. (including implementation of tariffs on U.S. imports and retaliatory tariffs), which could impact our global operations and our business. Additionally, the increasing conflicts in the Middle East, including the conflict between the United States and Israel and Iran, could result in additional disruptions in the commodities markets, supply chain and the global and U.S. economy. Global credit and financial markets have in the past experienced extreme disruptions, including diminished liquidity and credit availability and rapid fluctuations in market valuations. Our business has been affected by these conditions in the past and could be similarly impacted in the future by any downturn in global economic conditions.

Our business is, and will continue to be, dependent on sales to customers in the telecommunications, financial services, retail, travel, consumer/retail, automotive, and technology industries. A downturn in one or more of these industries could have a material adverse effect on our business, liquidity, results of operations, financial condition and cash flows. In the event that industry conditions deteriorate in one or more of these industries, we could experience, among other things, cancellation or non-renewal of existing contracts, reduced demand for our products and reduced sales. Weak economic conditions may cause our customers to experience difficulty in supporting their current operations and implementing their business plans. Our customers may reduce their spending on our services, may not be able to discharge their payment and other obligations to us, may experience difficulty raising capital, or may elect to scale back the resources they devote to customer service and/or sales and marketing technology, including services such as ours. Economic conditions may also lead consumers and businesses to postpone spending, which may cause our customers to decrease or delay their purchases of our products and services.

It could be difficult to predict the timing, strength or duration of any economic slowdown or subsequent economic recovery, either relating to the global economic environment or to any particular industry in which our sales are concentrated, which, in turn, could make it more challenging for us to forecast our operating results, make business decisions and identify risks that may adversely affect our business, sources and uses of cash, financial condition and results of operations. If economic conditions deteriorate for us or our customers, we could be required to record charges relating to restructuring costs or the impairment of assets, may not be able to collect receivables on a timely basis, and our business, financial condition, and results of operations could be materially adversely affected.

Risks Related to Security Vulnerabilities and Service Reliability

Failures or security breaches in our services or systems, those of our third-party service providers, customers or partners, including those resulting from cyber-attacks, security vulnerabilities, defects, or errors, could harm our business.

Our products and services involve the storage and transmission of proprietary information and personal data related to our customers and their users, employees and consumers. Theft and security breaches expose us to a risk of improper use, disclosure or loss of such information, which could result in litigation, regulatory investigation, and potential liability.

In the period prior to the completion of our public cloud migration, we are exposed to risks inherent in maintaining the stability and security of our legacy infrastructure due to prior customization, aging and obsolescence of related legacy systems and third-party technologies. Because our customers are, and may continue to be, dependent upon these legacy systems, we also face an increased level of embedded risk in maintaining the legacy systems. Moreover, our ability to timely mitigate, manage and patch vulnerabilities related to legacy systems and related legacy third-party technologies could impact our system security as well as our day-to-day operations, and the deployment of technology enhancements and innovation. In addition, we face risks related to recently acquired businesses and in-process integration of related technologies and platforms. If our operational systems, or those of external parties on which our business depends, are unable to meet our or our customers' business and operations requirements, or if they fail, have other significant shortcomings or are impacted by cyber-attacks, we could be materially and adversely affected.

We experience cyber-attacks of varying degrees on a regular basis in the ordinary course of our business. Our security measures may also be breached and such breach may be difficult to contain—due to employee or other error, lack of appropriately restricted technical and administrative or privileged access controls, intentional malfeasance and other third-party acts, and system errors or vulnerabilities, including vulnerabilities of our third-party service providers, our customers, partners, or otherwise. We have announced plans to move our technology infrastructure to the public cloud, which will require us to rely on third-party cloud providers to maintain appropriate safeguards.

Additionally, following the COVID-19 pandemic, we elected to maintain a globally distributed, substantially remote workforce. Remote working arrangements may increase the risk of cybersecurity incidents or data breaches. Our use of employees and contractors from countries with higher rates of cybercrime and whose privacy laws reduce our ability to perform full background checks may increase risk of a cybersecurity incident or data breach, including insider risk.

A breach or unauthorized access, or attempts by outside parties to fraudulently induce employees, users, vendors, or customers to disclose sensitive information in order to gain access to our data or data of our customers, users, experts, or consumers, including, but not limited to, individual personal information and financial credit or debit card data that is protected by law or contract, could result in significant legal and financial exposure, damage to our reputation, and a loss of confidence in the security of our products and services that could potentially have an adverse effect on our business.

While we continue to take measures to enhance our information security program and safeguard our products and services, cybersecurity threats and vulnerabilities in desktop computers, mobile phones, smartphones and handheld devices, as well as cyber-attacks, cybersecurity threats, malicious actors and other security incidents continue to evolve in sophistication (including through the use of artificial intelligence by threat actors) and frequency industry-wide, and there can be no assurance that we can prevent all security risks. Furthermore, while the Company has designed an information security program to protect our information systems from cybersecurity threats, and to ensure the confidentiality, integrity and availability of systems and information used, owned or managed by the Company related to our employees, our customers and their users, implementation of the supporting controls has coverage gaps and weaknesses and potential for human error that could provide threat actors a window of time to exploit such weaknesses before they are identified and/or addressed. The goal of the information security program is to manage risks in a prioritized fashion; however, control gaps and/or effectiveness, resource constraints, and execution failure can pose cybersecurity risk to LivePerson. In addition, although we work to continuously improve our internal controls and procedures on cybersecurity incident management, prevention, detection, mitigation, response, and recovery, we may be unsuccessful in detecting, reporting or responding to these events in a timely manner, accurately assessing the severity of an event, or sufficiently preventing, limiting, or containing harm arising out of an event.

Because the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems are constantly evolving in sophisticated ways to avoid detection and often are not recognized until launched against a target, it may be difficult or impossible for us to anticipate or identify these techniques or to implement adequate preventative measures. And while technological advancements enable more data and processes, such as AI, mobile computing and mobile payments, they also increase the risk that cyber-attacks and other security incidents will occur. Additionally, the global threat of cyber-attacks has increased in response to the Russia-Ukraine war and conflicts in the Middle East involving Hamas, Israel, Iran, other nation-states and related state-sponsored actors. An advanced threat actor of high sophistication, such as a nation state, with essentially unlimited resources, poses a significant risk to LivePerson and arguably all similarly situated firms with LivePerson's size and resources. A significant cyber-attack, or a security incident of any magnitude that is profiled in the media, involving our, our third-party service providers' or our customers' systems, could result in material harm to our brand and reputation, and our ability to deliver our services or retain customers, and expose us to lawsuits, regulatory investigations, and significant damages, fines or penalties.

Moreover, our customers may authorize third-party access to their customer data located in our cloud environment. Because we do not control the transmissions to customer-authorized third parties, or the processing of such data by customer-authorized third parties, we cannot ensure the integrity or security of such transmissions or processing. Because our services are responsible for critical communication between our customers and consumers, any security failures, defects or errors in our components, materials or software or those used by our customers could have an adverse impact on us, on our customers and on the end users of their websites and applications. Such adverse impact could include a decrease in demand for our services, damage to our reputation and to our customer relationships, legal exposure, and other financial liability or harm to our business.

We may be liable if third parties access or misappropriate confidential or personal data from our systems or services.

The dialogue transcripts of the text-based chats, email interactions and other interactions between our customers and their users may include sensitive and/or personally identifiable information such as personal contact and demographic information, financial information, personal health matters, and account numbers. Although we employ and continually test and update our security measures to protect this information from unauthorized access, it is still possible that our security measures could be breached and such a breach could result in unauthorized access to our customers' data or our data, including our intellectual property and other confidential business information. These risks could arise from acts of external parties or from acts or omissions of employees or third-party service provider personnel to whom we have granted access to our systems, including if the information systems used by such third parties are penetrated or compromised by an insider or by external third parties. Because the techniques employed by hackers to obtain unauthorized access or to sabotage systems change frequently and are becoming more sophisticated in circumventing security measures and avoiding detection, we may be unable to anticipate all techniques or to implement adequate preventative measures. A security breach could result in disclosure of our trade secrets or disclosure of confidential customer, supplier or employee data. If third parties were able to penetrate our network security or otherwise copy and/or misappropriate personal data relating to our customers' users or the text of customer service inquiries, our competitive position may be harmed and we could be subject to liability. In the event of a security incident, we could be required to comply with a myriad of breach notification laws at the state, federal and international level, which may cause business disruption and extensive notification costs, and could lead to penalties, government investigations and lawsuits for compliance failures. We may as a result of a security incident be deemed out of compliance with U.S. federal and state laws, international laws, securities laws or contractual commitments, and we may be subject to government investigations, lawsuits, fines, criminal penalties, statutory damages, and other costs to respond to breach or security incidents, which could have a material adverse effect on our business, results of operations, and financial condition. We may incur significant costs to protect against the threat of security breaches or to mitigate the harm and alleviate problems caused by such breaches. While we currently maintain insurance coverage that may cover certain cybersecurity risks, such insurance coverage is subject to certain exclusions and exceptions and may be insufficient to cover all losses.

Furthermore, certain software and services that we use to operate our business are hosted and/or operated by third parties or integrated with our systems. As we expand our use of cloud-based services, we will increasingly rely on third-party cloud providers to maintain appropriate safeguards to protect confidential or personal data we receive. While we have conducted initial due diligence on these cloud providers with respect to their security and business controls, we may not have the visibility to effectively monitor the implementation, configuration, and efficacy of these controls. If third-party services do not have adequate security measures in place, experience service interruptions, or have their security breached, our business operations could be similarly disrupted and we could be exposed to liability and costly investigations or litigation. The risk of circumvention of our security measures or those of third parties on which we rely has been heightened by advances in computer and software capabilities and the increasingly complex techniques employed by bad actors. In particular, supply-chain attacks have increased in frequency and severity, and there can be no assurance that third parties' infrastructure in our supply chain or our third-party service providers' supply chains have not been compromised.

The need to properly secure, and securely transmit and store, confidential information online requires caution and has shaped the e-commerce and online communications landscape, and increasingly has become an area of consumer and regulatory focus and concern. Any publicized compromise of security could deter people from using online services such as the ones we offer or from using them to conduct transactions, which involve transmitting confidential information. Because our success depends on the general acceptance and reputation of our services and electronic commerce, we may incur significant costs to protect against the threat of security breaches or to alleviate problems caused by these breaches.

We provide service-level commitments to certain customers. If we do not meet these contractual commitments, or if we suffer significant outages, we could be obligated to provide credits or refunds or face contract terminations, which could adversely affect our revenue and harm our reputation.

We offer service-level commitments in certain of our customer contracts, primarily related to uptime of our service. If we are unable to meet the stated service-level commitments or suffer periods of downtime that exceed the periods allowed under our customer contracts, whether due to downtime caused by us or our third-party service providers, which has occurred on several occasions in the past and could occur in the future (including in connection with the migration of our technology infrastructure to the public cloud), we may be contractually obligated to provide these customers with service credits and/or pay financial penalties, which could significantly impact our revenue. In addition, even if our contracts provide otherwise, these customers may attempt to terminate or reduce their contracts, which has occurred from time to time, and/or pursue other legal remedies. Recurring or extended service outages and the inability to recover our services and systems in a timely fashion could also cause damage to our reputation and result in substantial customer dissatisfaction or loss, could cause significant interruptions to our business operations, and could cause us to incur significant costs or divert the attention of our technical or other personnel to recover, all of which could adversely affect our current and future revenue and operating results.

We are dependent on technology systems and third-party content that are beyond our control.

The success of our services depends in part on our customers' online services as well as the internet and mobile connectivity of consumers, both of which are outside of our control. As a result, it may be difficult to identify the source of problems if they occur. In the past, we have experienced problems related to connectivity, which has resulted in slower than normal response times to user messaging requests and interruptions in service. Our services rely both on the internet and on our connectivity vendors for data transmission. Therefore, even when connectivity problems are not caused by our services, our customers or their consumers may attribute the problem to us. This could diminish our brand and harm our business, divert the attention of our technical personnel or cause significant customer relations problems.

In addition, we outsource certain critical business activities to third parties and plan to continue to do so. We rely in part on service providers and other third parties for various services, including, but not limited to, internet connectivity, network infrastructure hosting, security and maintenance, and utilize software and hardware from a variety of vendors. As a result, we rely upon the successful implementation and execution of the business continuity and repopulation planning of these providers. These providers may experience problems that result in slower than normal response times, interruptions in service or other operational failures. If we are unable to continue utilizing the third-party services that support our web hosting and infrastructure or if our services experience interruptions or delays due to existing third-party service providers, new third-party service providers or a transition between third-party service providers, our reputation and business could be harmed, and we may be exposed to legal and reputational risk, and significant remediation costs.

We also rely on the security of our third-party service providers to protect our proprietary information and information of our customers and their end users. IT system failures, including a breach of our or our third-party service providers' data security, could disrupt our ability to function in the normal course of business by potentially causing, among other things, an unintentional disclosure of customer information or loss of information. Additionally, despite our security procedures or those of our third-party service providers, information systems may be vulnerable to threats such as computer hacking, ransomware, cyber-terrorism or other unauthorized attempts by third parties to access, obtain, modify or delete our or our customers' data. Any such breach could have a material adverse effect on our operating results and our reputation as a provider of business collaboration and communications solutions and could subject us to significant penalties and negative publicity, as well as government investigations and claims for damages or injunctive relief under state, federal and foreign laws or contractual agreements.

We also depend on third parties for hardware and software. Such products could contain errors, defects, software bugs, material vulnerabilities, or inaccurate information that may be difficult to detect and correct, and could require us to incur significant costs or divert the attention of our technical or other personnel from our product development efforts. To the extent any such problems require us to replace such hardware or software, we may not be able to do so on acceptable terms, if at all.

Technological or other defects could disrupt or negatively impact our services, which could harm our business and reputation.

We face risks related to the technological capabilities of our services. We expect the number of interactions between our customers' operators and consumers over our system to increase significantly as we expand our customer base. Our network hardware and software may not be able to accommodate this additional volume. Additionally, we must continually upgrade our software to improve the features and functionality of our services in order to be competitive in our markets. If future versions of our software contain undetected errors, our business could be harmed. As a result of software upgrades at LivePerson, our customer sites have, from time to time, experienced slower than normal response times and interruptions in service. If we experience system failures or degraded response times, our reputation and brand could be harmed. We may also experience technical problems in the process of installing and initiating the LivePerson services on new web hosting services, including in connection with our plans to migrate our technology infrastructure to the public cloud. These problems, if not remedied, could harm our business.

Our services also depend on complex software which may contain defects, particularly when we introduce new versions. We may not discover software defects that affect our new or current services or enhancements until after they are deployed. It is possible that, despite testing by us, defects may occur in the software. These defects could result in:

- damage to our reputation;
- lost sales;
- contract terminations;
- loss of market share;
- delays in or loss of market acceptance of our products; and
- unexpected expenses and diversion of resources to remedy errors.

Our products are complex, and errors, failures, or "bugs" may be difficult to correct.

Our products are complex, integrating hardware, software and elements of a customer's existing infrastructure. Despite quality assurance testing conducted prior to the release of our products, our software may contain "bugs" that are difficult to detect and fix. Any such issues could interfere with the expected operation of a solution, which might negatively impact customer satisfaction, reduce sales opportunities or affect gross margins. Depending upon the size and scope of any such issue, remediation may have a negative impact on our business. Our inability to cure an application or product defect, should one occur, could result in the failure of an application or product line, damage to our reputation, litigation, and/or product reengineering expenses. Our insurance may not cover, or may be insufficient to cover fully, expenses associated with such events.

Failure to license necessary third-party software for use in our products and services, or failure to successfully integrate third-party software, could cause delays or reductions in our sales, or errors or failures of our service.

We license third-party software that we incorporate into our products and services. In the future, we might need to license other software to enhance our products and meet evolving customer requirements. These licenses may not continue to be available on commercially reasonable terms or at all. Some of this technology could be difficult to replace once integrated. The loss of, or inability to obtain, these licenses could result in delays or reductions of our products and services until we identify, license and integrate or develop equivalent software, and new licenses could require us to pay higher royalties. If we are unable to successfully license and integrate third-party technology, we could experience a reduction in functionality and/or errors or failures of our products, which may reduce demand for our products and services.

Third-party licenses may expose us to increased risks, including risks associated with the integration of new technology, the impact of new technology integration on our existing technology, open-source software disclosure requirements, the diversion of resources from the development of our own proprietary technology, and our inability to generate revenue from new technology sufficient to offset associated acquisition and maintenance costs.

Our business is subject to the risks of earthquakes, fires, floods, and other natural catastrophic events and to interruption by man-made problems such as terrorism or cyber-attacks.

Although we intend to migrate our technology infrastructure to the public cloud, a substantial majority of our computer and communications infrastructure is running in our private cloud on hardware that is located at a limited number of facilities in the United States, Europe, and Australia. Our systems, operations, and data centers are vulnerable to damage or interruption from earthquakes, fires, floods, hurricanes, other acts of nature, power losses, telecommunications failures, terrorist attacks, acts of war, human errors, break-ins, state-sponsored or other cyber-attacks or failures, pandemics or other public health crises, or similar events. For example, a significant natural disaster, such as an earthquake, fire or flood, could have a material adverse impact on our business, operating results and financial condition, and our insurance coverage may be insufficient to compensate us for losses that may occur. Our global data providers could be vulnerable to the physical effects of climate change, including increased frequency and duration of extreme weather events and natural disasters. In addition, acts of terrorism could cause disruptions in our business or the economy as a whole. Our servers may also be vulnerable to computer viruses, break-ins, cyber-attacks, such as coordinated denial-of-service attacks or ransomware, or other failures, and similar disruptions from unauthorized tampering with our computer systems, which could lead to interruptions, delays, loss of critical data or the unauthorized disclosure of confidential customer data. Although we have implemented security measures and data recovery capabilities, there can be no assurance that we will not suffer from business interruption, or unavailability or loss of data, as a result of any such events, or that data recovery would be complete or on a timeline expected by our customers. As we rely heavily on our servers, computer and communications systems and the internet to conduct our business and provide high quality service to our customers, such disruptions could negatively impact our ability to run our business, result in loss of existing or potential customers and increased expenses, and/or have an adverse effect on our reputation and the reputation of our products and services, any of which would adversely affect our operating results and financial condition.

Risks Related to Regulatory and Data Privacy Issues

Our business is subject to a variety of U.S. and international laws and regulations regarding privacy, data protection and AI, and increased public scrutiny of privacy, security and AI issues could result in increased government regulation, industry standards, and other legal obligations that could adversely affect our business.

We collect, process, store, and use personal data and other information generated during mobile and online messaging between brands and consumers and between experts and consumers. We post our privacy policies and practices on our websites and we also often include privacy commitments in our contracts. Our business is subject to numerous federal, state and international laws and regulations regarding privacy, data protection, personal information, security, data collection, storage, use and transfer, and the use of cookies and similar tracking technologies. To the extent that additional legislation regarding user privacy is enacted, such as legislation governing the collection and use of information regarding internet or mobile users through the use of cookies or similar technologies, the effectiveness of our services could be impaired by restricting us from collecting or using information that may be valuable to our customers and/or exposing us to lawsuits or regulatory investigations. The foregoing could have a material adverse effect on our business, results of operations, and financial condition.

U.S. and international privacy laws and regulations are evolving and changing, subject to differing interpretations, may be costly to comply with, and may be inconsistent among countries and jurisdictions or conflict with other rules. To the extent we expand our operations in other countries, our liability exposure and the complexity and cost of compliance with data and privacy requirements will likely increase. Any failure by us to comply with our posted privacy policies, applicable federal, state or international laws and regulations relating to data privacy, data protection and AI, or the privacy commitments contained in our contracts, could result in proceedings against us by governmental entities, customers, consumers, watchdog groups or others, which could have a material adverse effect on our business, financial condition and results of operations. In addition, the increased attention focused upon liability as a result of lawsuits and legislative proposals and enactments could harm our reputation or otherwise impact our business, results of operations and financial condition.

Laws and practices regarding handling and use of personal and other information by companies have come under increased public scrutiny, and governmental entities, consumer agencies and consumer advocacy groups have called for, and in many instances, enacted increased regulation and changes in industry practices. For example, we are subject to the European Union ("E.U.") General Data Protection Regulation ("GDPR"), which imposes significantly greater compliance burdens on companies that control or process personal data of users primarily located in the E.U. and, for noncompliance, provides for considerable fines up to the higher of 20 million Euros or 4% of global annual revenue. Additionally, following the United Kingdom's withdrawal from the E.U., we also are subject to the U.K. General Data Protection Regulation ("U.K. GDPR"), a version of the GDPR as implemented into the laws of the U.K. In recent years, the UK government has introduced proposed legislation intended to create a more business-friendly regime in the UK through changes to data protection legislation. On June 19, 2025, the UK government enacted the U.K. Data (Use and Access) Act 2025 (phasing in between June 2025 and June 2026), which includes targeted amendments to the U.K. GDPR that cause it to expressly deviate from the GDPR in certain respects. This may lead to additional compliance costs and could increase overall risk exposure as we may no longer be able to take a unified approach across the E.U. and the U.K. and may need to amend our processes and procedures to align with the new framework. In November 2025, the European Commission proposed the "digital omnibus" initiative, which aims to simplify and partially relax the GDPR and related digital laws and reduce administrative burden, although it is unclear what changes will be made, and if or when the proposed digital omnibus initiative may become law. These developments increase uncertainty with regard to data protection regulation in the E.U. and U.K., and could expose businesses to divergent parallel regimes that may be subject to potentially different interpretations and enforcement actions for certain violations and related uncertainty. The GDPR and U.K. GDPR also impose certain technological requirements that may, from time to time, require us to make changes to our services to enable LivePerson and/or our customers to meet legal requirements and may impact how data protection is addressed in our customer and vendor agreements. E.U. and U.K. regulators have issued numerous fines pursuant to the GDPR and U.K. GDPR, respectively. Ensuring compliance with the GDPR and U.K. GDPR is an ongoing commitment that involves substantial costs, and it is possible that despite our efforts, governmental authorities or third parties will assert that our services or business practices fail to comply. We also must require vendors that process personal data to take on additional privacy and security obligations, and some may refuse, causing us to incur potential disruption and expense related to our business processes. If our policies and practices, or those of our vendors, are, or are perceived to be, insufficient, we could be subject to enforcement actions or investigations by Data Protection Authorities (including in the E.U. and U.K.) or lawsuits by private parties, and our business could be negatively impacted.

We are also subject to evolving and uncertain privacy laws on cookies, tracking technologies and e-marketing. For example, in February 2025, the E.U. withdrew a proposed Regulation on Privacy and Electronic Communications ("e-Privacy Regulation") which would have replaced the E.U.'s Privacy and Electronic Communications Directive ("e-Privacy Directive") to, among other things, better align with the GDPR, to amend the current e-Privacy Directive's rules on the use of cookies and other tracking technologies, and to harmonize across current E.U. member state e-privacy data protection laws. Compliance with changes in laws and regulations related to privacy may require significant cost, limit the use and adoption of our services, and require material changes in our business practices that result in reduced revenue. Noncompliance could result in material fines and penalties, litigation, regulatory investigation and/or governmental orders requiring us to change our data practices, which could damage our reputation and harm our business.

Additionally, complexity and regulatory compliance uncertainty under the GDPR regarding certain transfers of personal information from the European Economic Area (the "EEA") to the United States and certain other third countries remains. For example, on October 7, 2022, President Biden signed an Executive Order on "Enhancing Safeguards for United States Intelligence Activities," which introduced new redress mechanisms and binding safeguards to address concerns raised in 2020 by the Court of Justice of the European Union in relation to data transfers from the EEA to the United States and which formed the basis of the new E.U.-US Data Privacy Framework ("DPF"), as released on December 13, 2022. The European Commission adopted its Adequacy Decision in relation to the DPF on July 10, 2023, rendering the DPF effective as an E.U. GDPR transfer mechanism to U.S. entities self-certified under the DPF. On October 12, 2023, the U.K. Extension to the DPF came into effect (as approved by the U.K. Government), as a U.K. GDPR data transfer mechanism to U.S. entities self-certified under the U.K. Extension to the DPF. We currently rely on the DPF and on a similar Swiss-US Data Privacy Framework to transfer certain personal data from the EEA and Switzerland, respectively to the United States and on the U.K. Extension to the DPF to transfer certain personal data from the U.K. to the United States. We also currently rely on the E.U. standard contractual clauses and the U.K. Addendum to the E.U. standard contractual clauses and the U.K. International Data Transfer Agreement as relevant to transfer personal data outside the EEA and the U.K. with respect to both intragroup and third-party transfers. We expect the existing legal complexity and uncertainty regarding international personal data transfers to continue. In particular, the DPF Adequacy Decision is being challenged in the European Court of Justice and we expect international transfers to the United States and to other jurisdictions more generally to continue to be subject to enhanced scrutiny by regulators.

If the transfer mechanisms we rely on are not sufficient and we are unable to transfer personal data between and among countries and regions in which we operate, it could affect the manner in which we provide our services and could adversely affect our financial results, and, until the legal uncertainties regarding how to legally continue transfers pursuant to the standard contractual clauses and other mechanisms are settled, we will continue to face uncertainty as to whether our efforts to comply with our obligations under the GDPR and U.K. GDPR will be sufficient. Failure to comply with existing or new rules may result in significant penalties or orders to stop the alleged noncompliant activity.

In addition to the changing regulatory landscape in the E.U. and the U.K., we are subject to U.S. laws and regulations, including at the state level, such as the California Consumer Privacy Act of 2018 as amended by the California Privacy Rights Act ("CPRA"), which took effect on January 1, 2023 (the "CCPA"). Among other things, the CCPA gives California residents expanded data privacy rights, allowing consumers to opt out of certain data sharing with third parties, provides a private cause of action for data breaches, imposes additional obligations such as data minimization and storage limitations; on covered businesses; and forms a dedicated privacy regulator in California, the California Privacy Protection Agency, to implement and enforce the law. The CCPA marked the beginning of a trend toward more stringent state data privacy legislation in the United States, which may result in significant costs to our business, damage our reputation, and require us to amend our business practices, and could adversely affect our business, especially to the extent the specific requirements vary from those and other existing laws. For example, comprehensive privacy laws in multiple U.S. states have gone, or will go, into effect between 2024 and 2026, and a number of other states are considering similar laws related to the protection of consumer personal information. Moreover, laws in all 50 U.S. states require businesses to provide notice under certain circumstances to consumers whose personal information has been disclosed as a result of a data breach. Many similar laws have been proposed at the federal and state level; accordingly, we also may be subject to additional compliance obligations as such legislation is considered and adopted, which may require us to modify our data processing practices and policies and incur substantial costs and expenses to comply.

In addition to government activity, privacy advocacy and other industry groups have established and may continue to establish new self-regulatory standards that may place additional burdens on us. If our privacy practices are deemed unacceptable by watchdog groups or privacy advocates, such groups may take measures that harm our business by, for example, disparaging our reputation and our business, which may have a material adverse effect on our results of operations, and financial condition. In addition, privacy concerns may cause consumers to avoid online sites that collect various forms of data or to resist providing the data necessary to allow our customers to use our services effectively. Even the perception of data security and data privacy concerns, whether or not valid, could inhibit sales and market acceptance of our products and services.

Our business is subject to a variety of U.S. and foreign laws, and existing, new and developing regulatory or other legal requirements could subject us to claims or materially impact our business.

We and our customers are subject to a number of laws and regulations in the United States and abroad, including laws related to conducting business on the internet and on mobile devices, such as laws regarding data privacy, data protection, information security, cybersecurity, restrictions or technological requirements regarding the collection, use, storage, protection, disposal, transfer or other processing of consumer data, content, consumer protection, internet (or net) neutrality, advertising, electronic contracts, taxation, provision of online payment services (including credit card processing), and intellectual property rights, which are continuously evolving and developing. Because our services are accessible worldwide, certain foreign jurisdictions may claim that we are required to comply with their laws, even if we do not have a local entity, employees or infrastructure. Foreign data protection, privacy, and other laws and regulations may often be more restrictive than those in the United States. The scope and interpretation of the laws and other obligations that apply to us, including those related to user privacy and data security, are often uncertain and may be conflicting, particularly laws and obligations outside the U.S. There is a risk that these laws may be interpreted and applied differently in any given jurisdiction in a manner that is not consistent with our current practices, which could cause us to incur substantial cost and could negatively impact our brand, reputation and business.

Businesses using our products and services may collect data from their users. Various federal, state and foreign government bodies and agencies impose laws regarding collection, use, storage, retention, disposal, transfer or other processing of data from website visitors. We offer our customers a variety of data security procedures and practices, such as encryption for data at rest and masking algorithms for sensitive data prior to transfer to our database, in an effort to protect information. Changes to applicable laws and how they are interpreted relating to privacy and data security could significantly increase the cost to us and our customers of regulatory compliance and could negatively impact our business.

For instance, some states in the U.S. have enacted legislation designed to protect consumer privacy by prohibiting the distribution of "spyware" over the internet. Such legislation typically focuses on restricting the proliferation of software that, when installed on an end user's computer, is used to intentionally and deceptively take control of the end user's machine. We do not believe that the data monitoring methods that we employ constitute “spyware” or are prohibited by applicable laws. However, federal, state and foreign laws and regulations, many of which can be enforced by government entities or private parties, are constantly evolving and can be subject to significant changes in application and interpretation. If, for example, the scope of the previously mentioned “spyware” legislation were changed to include web analytics, such legislation could apply to the technology we use and potentially restrict our ability to conduct our business.

Similarly, some U.S. courts have interpreted certain two-party consent wiretap statutes, such as the California Invasion of Privacy Act, to require the collection of prior consent from consumers who engage in a dialogue with chatbots. If the scope of such laws or newly enacted legislation were interpreted to apply to our services, we and/or our customers may be required to obtain the express consent of web visitors in order for our technology to perform its intended functions. Requirements that a website must first obtain consent from its web visitors before using our technology could reduce the amount and value of the services we provide to customers, which might impede sales and/or cause some existing customers to discontinue using our services or could subject us to fines and/or proceedings by governmental agencies, regulatory bodies, and/or private litigation, which could materially and adversely affect our business, financial condition and results of operations.

There continues to be an increased focus on laws and regulations related to AI. For example, states, regions and supranational bodies, including the European Union and the United States, have passed or proposed new rules and regulations related to the development and use of AI technology, which cover, among other things, consumer protection, algorithmic accountability, privacy and transparency. In the United States, there is uncertainty at the federal level regarding applicable regulations that will apply to the development and use of AI. In January 2025, the Trump administration rescinded an Executive Order implemented by the Biden administration in 2023 aimed at establishing new standards for AI safety and security, privacy, consumer and employee protection and innovation and competition associated with the use of AI. The Trump administration then issued a new Executive Order that, among other things, directed the heads of various federal governmental bodies to review actions taken under the Biden Executive Order and develop a new action plan with respect to AI-related matters. In December 2025, the Trump administration issued another Executive Order, which, among other things, established an AI Litigation Task Force to challenge state AI laws, and directed the heads of various federal governmental bodies to conduct a comprehensive review of existing state AI laws and draft legislative recommendations for a uniform federal AI framework to preempt conflicting state laws. In Europe, the EU AI Act, enacted on August 1, 2024, began to apply in February 2025, with the remaining requirements to become effective on a staggered basis through August 2027. The EU AI Act establishes, among other things, a risk-based governance framework for regulating AI systems operating in the EU. This framework categorizes AI systems, based on the risks associated with such AI systems’ intended purposes, as creating unacceptable or high risks, with all other AI systems being considered low risk. The EU AI Act prohibits certain uses of AI systems and places numerous obligations on providers and deployers of permitted AI systems, with heightened requirements based on AI systems that are considered high risk. The EU AI Act establishes requirements for the provision and use of products that leverage AI, machine learning, and similar technologies, including chatbots, with potential fines reaching up to the greater of €35 million and 7% of global income. We may not be able to anticipate how to respond to these rapidly evolving frameworks, which could impact our ability to develop and deploy AI-powered features in a timely manner. Compliance with evolving regulatory requirements may increase our operational costs, and we may need to expend additional resources to adjust our operations or offerings in certain jurisdictions if the legal frameworks are inconsistent across jurisdictions. This could include requirements to retrain our algorithms, disclose or provide greater transparency regarding the nature of our AI systems and the data we have employed to train them, or prevent or limit our use of AI. Any failure to comply with these regulations or delays in adapting to new requirements could result in penalties, loss of market access, competitive disadvantages, or reputational harm. Furthermore, because AI technology itself is highly complex and rapidly developing, it is not possible to predict all of the legal, operational or technological risks that may arise relating to the use of AI. Additionally, other countries have proposed legal frameworks on AI, which is a trend that is expected to increase, and existing laws and regulations may be interpreted in ways that may affect our use of AI. Any failure or perceived failure by us to comply with such requirements could have an adverse impact on our business. Our competitors may be developing their own AI products and technologies, which may be superior in features, functionality, compliance readiness, or cost efficiency compared to our offerings, potentially impacting our competitive position. Any of these factors could adversely affect our business, reputation, or operating results.

Further, various federal, state and foreign government bodies and agencies are highly focused on consumer protection initiatives, particularly in light of the increase in new technologies and services that incorporate or use bots, AI and/or machine learning. For example, the California Bolstering Online Transparency Act requires that companies using bots on platforms with more than ten million unique monthly visitors from the U.S. use clear and conspicuous disclosure to inform consumers that they are not speaking to a human, and a similar law went into effect in Maine in June 2025. Similar laws have been enacted in other states or have been proposed from time to time at the state and federal level in recent years. Further, the use of certain AI and machine learning may be subject to laws and evolving regulations, controlling for, among other things, data bias and antidiscrimination. For example, the Federal Trade Commission ("FTC") enforces consumer protection laws such as Section 5 of the FTC Act, which prohibits unfair and deceptive practices, including use of biased algorithms in AI. The European Commission's EU AI Act imposes additional restrictions and obligations on providers of AI systems, including increasing transparency so consumers know they are interacting with an AI system, requiring human oversight in AI, and prohibiting certain practices of AI that could lead to physical or psychological harm. Given the increased focus by the FTC and other regulators on the use of AI, it is likely that additional laws, regulations, and standards related to AI may be introduced in the future. Regulation in this area could impact how businesses use our products and services to interact with consumers and how we provide our services to our customers. As regulatory scrutiny of AI continues to grow, we may need to modify or restrict certain AI-driven functionalities in our products or services, which could impact their adoption or effectiveness.

AI tools can also present unique technological and legal challenges, such as the possibility of insufficient data sets, or data sets that contain biased or inaccurate information, which can negatively impact the decisions, predictions or analyses that AI applications produce. AI algorithms or automated processing of data may be flawed, and datasets may be insufficient or contain inaccurate, incomplete, poor-quality or biased information, which can create discriminatory outcomes or reduce the effectiveness of AI-driven insights. Deficiencies such as these could cause us reputational harm and subject us to legal liability, including claims of product liability, breach of warranty, or negligence. Additionally, AI-generated content and AI-assisted decision-making may raise unresolved intellectual property concerns, including uncertainty regarding ownership, licensing rights, and third-party claims over training data. The scope of these laws and regulations is rapidly evolving, subject to differing interpretations, may be inconsistent among jurisdictions, or conflict with other rules and is likely to remain uncertain for the foreseeable future. Evolving regulations, legal uncertainties, and enforcement actions could increase our compliance burden, limit our ability to deploy AI-driven solutions, and create additional operational challenges. We also expect that there will continue to be new laws, regulations, and industry standards concerning AI and machine learning proposed and enacted in various jurisdictions. If we fail to stay ahead of these developments, we may face additional costs, disruptions in our product development roadmap, and potential competitive disadvantages.

In addition, regulatory authorities and governments around the world are considering a number of legislative and regulatory proposals concerning privacy, collection and use of website visitor data, data storage, data protection, the "right to be forgotten," content regulation, cybersecurity, government access to personal information, online advertising, email and other categories of electronic spam, and other matters that may be applicable to our business. Compliance with these laws may require substantial investment or may be technologically challenging for us. For example, some jurisdictions, including in the United States, are considering whether the collection of anonymous data may invade the privacy of website visitors. If laws or regulations are enacted that limit data collection or use practices related to anonymous data, we and/or our customers may be required to obtain the express consent of web visitors in order for our technology to perform certain basic functions that are based on the collection and use of technical data. Requirements that a website must first obtain consent from its web visitors before using our technology could reduce the amount and value of the services we provide to customers, which might impede sales and/or cause some existing customers to discontinue using our services.

It is also likely that, as our business evolves, an increasing portion of our business shifts to mobile, and our solutions are offered and used in a greater number of countries, we will become subject to laws and regulations in additional jurisdictions. We may need to expend considerable effort and resources to develop new product features and/or procedures to comply with any such legal requirements. It is difficult to predict how existing laws will apply to our business and what new laws and legal obligations we may become subject to. If we are not able to comply with these laws or other legal obligations, or if we become liable under them, we may be forced to implement material changes to our business practices, delay release of new and enhanced services and expend substantial resources, which would negatively affect our business, financial condition and results of operations. In addition, any increased attention focused on liability issues, or as a result of regulatory fines or lawsuits, could harm our reputation or otherwise impact our business, results of operations and financial condition. Any costs incurred as a result of this potential liability could harm our business and operating results.

We monitor pending legislation and regulatory initiatives to ascertain relevance, analyze impact and develop strategic direction surrounding regulatory trends and developments. Due to shifting economic and political conditions, tax policies or rates in various jurisdictions may be subject to significant change. A range of other proposed or existing laws and new interpretations of existing laws could have an impact on our business. For example:

Government agencies and regulators have reviewed, are reviewing and will continue to review, the personal data handling practices of companies doing business online, including privacy and security policies and practices. This review may result in new laws or the promulgation of new regulations or guidelines that may apply to our products and services. For example, the State of California and other states have passed laws relating to disclosure of companies' practices with regard to global opt-out signals from internet browsers, the ability to delete information of minors, age appropriate design obligations for companies that offer online services, products or features "likely to be accessed" by children, and new data breach notification requirements. Washington State in 2023 enacted the "My Health, My Data Act," which broadly protects the privacy of certain personal health information and generally requires consent for the collection, use, or sharing of any such information. Similarly, outside the E.U. and the U.S., a number of countries have adopted or are considering privacy laws and regulations that may result in significant greater compliance burdens. Existing and proposed laws and regulations regarding cybersecurity and monitoring of online behavioral data, such as proposed "Do Not Track" regulations, regulations aimed at restricting certain targeted advertising practices and collection and use of data from mobile devices, new and existing tools that allow consumers to block online advertising and other content, and other proposed online privacy legislation could potentially apply to some of our current or planned products and services. Existing and proposed laws and regulations related to email and other categories of electronic spam could impact the delivery of commercial email and other electronic communications by us or on behalf of customers using our services.

The FTC in particular has aggressively investigated and brought enforcement actions against companies that fail to comply with their privacy or data security commitments to consumers, or fail to comply with regulations or statutes such as the Children's Online Privacy Protection Act ("COPPA"). The FTC adopted amendments to COPPA rules earlier this year to reflect changes in technology that have occurred since the COPPA rules were last updated in 2013. Any investigation or review of our practices may require us to make changes to our products and policies, which could harm our business. Currently there are many proposals by lawmakers and industry groups in this area, both in the United States and overseas, which address the collection, maintenance and use of personal information, web browsing and geolocation data, and establish data security and breach notification requirements. Further, regulators and industry groups have also released self-regulatory principles and guidelines for various data privacy and security practices. Given that this is an evolving and unsettled area of regulation, the imposition of any new significant restrictions or technological requirements could have a negative impact on our business.

Various governmental bodies and many customers and businesses are increasingly focused on environmental, social and governance issues, which has in the past resulted, and may in the future continue to result, in the adoption of new laws and regulations and changing buying practices. If we fail to keep pace with these developments, our reputation and results of operations could be adversely impacted.

We might unintentionally violate such laws now or in the future; such laws or their interpretation or application may be modified; and new laws may be enacted in the future. Any such developments could subject us to legal liability exposure, and harm our business, operating results and financial condition.

We are the subject of a number of ongoing Actions that have resulted in significant expense, and adverse developments in our ongoing Actions and/or future Actions could have a material adverse effect on our business, results of operations and financial condition.

We are actively involved in a variety of litigation and other legal matters and may be subject to additional legal, administrative, governmental and/or regulatory proceedings, inquiries and investigations as well as actual or threatened litigation, claims and/or demands, which we refer to collectively as Actions. Refer to Note 13 - *Legal Matters* in the Notes to the Consolidated Financial Statements under Item 8 of this Annual Report on Form 10-K for additional information regarding material ongoing Actions.

Legal proceedings in general, and securities and class action litigation and regulatory investigations in particular, can be expensive and disruptive. We cannot predict the outcome of any particular Action, or whether ongoing Actions will be resolved favorably or ultimately result in charges or material damages, fines or other penalties. Our insurance will not cover all claims that may be asserted against us, and we are unable to predict how long the Actions to which we are currently subject will continue. An unfavorable outcome of any Action may have a material adverse impact on our business, results of operations and financial condition, and regardless of the outcome, Actions can have an adverse impact on the Company because of defense and/or settlement costs, diversion of management resources, reputational risks and other factors.

We may be subject to governmental export controls and economic sanctions regulations that could impair our ability to compete in international markets due to licensing requirements and could subject us to liability if we are not in compliance with applicable laws.

Certain of our products and services may be subject to export control and economic sanctions regulations, including the U.S. Export Administration Regulations and various economic and trade sanctions regulations administered by the U.S. Treasury

Department's Office of Foreign Assets Control. Exports of our products and the provision of our services must be made in compliance with these laws and regulations. If we fail to comply with these laws and regulations, we and certain of our employees could be subject to substantial civil or criminal penalties, including: the possible loss of export privileges; fines, which may be imposed on us and responsible employees or managers; and, in extreme cases, the incarceration of responsible employees or managers. Obtaining the necessary authorizations, including any required license, for a particular deployment may be time-consuming, is not guaranteed and may result in the delay or loss of sales opportunities. In addition, changes in our products or services, or changes in applicable export or economic sanctions regulations may create delays in the introduction and deployment of our products and services in international markets, or, in some cases, prevent the export of our products or provision of our services to certain countries or end users, or for certain end uses. Any change in export or economic sanctions regulations, shift in the enforcement or scope of existing regulations, or change in the countries, governments, persons or technologies targeted by such regulations, could also result in decreased use of our products and services, or in our decreased ability to export our products or provide our services to existing or prospective customers with international operations. Any decreased use of our products and services or limitation on our ability to export our products and provide our services could adversely affect our business, results of operations, and financial condition. Further, we incorporate encryption technology into certain of our products. Various countries regulate the import of certain encryption technology, including through import permitting and licensing requirements, and have enacted laws that could limit our customers' ability to import our products into those countries. Encryption products and the underlying technology may also be subject to export control restrictions. Governmental regulation of encryption technology and regulation of exports of encryption products, or our failure to obtain required approval for our products, when applicable, could harm our international sales and adversely affect our revenue. Compliance with applicable regulatory requirements regarding the export of our products and provision of our services and the need to determine the appropriate export classifications of our products, including with respect to new releases of our products and services, may create delays in the introduction of our products and services in international markets, prevent our customers with international operations from deploying our products and using our services throughout their globally-distributed systems or, in some cases, prevent the export of our products or provision of our services to some countries altogether.

Beginning on February 24, 2022, the United States, U.K., and E.U. have imposed sanctions on Russia in response to its invasion of Ukraine. Many of these sanctions are targeted at Russian banks and Russian sovereign debt. The range of sanctions includes prohibitions on dealings in the debt or equity of certain Russian companies, as well as blocking sanctions imposed on many Russian individuals and entities. On April 6, 2022, the United States issued Executive Order 14071, prohibiting new investment in Russia by a U.S. person. These measures and any future sanctions imposed by the United States or other countries may impact our ability to deal with certain persons or in certain jurisdictions.

Although we believe that we are in compliance with all applicable export control and sanctions laws and regulations, and intend to maintain such compliance, there can be no assurance that we will be in compliance in the future, particularly as the scope of certain laws may be unclear and may be subject to changing interpretations. Any such violation could result in fines or other penalties and could severely impact our ability to access U.S. capital markets and conduct our business, and could result in some investors deciding, or being required, to divest their interest, or not to invest, in us.

Changes to trade policy, including tariff and customs regulations, or failure to comply with such regulations, may have an adverse effect on our business, financial condition and results of operations.

Changes or proposed changes in U.S. or other countries' trade policies may result in restrictions and economic disincentives on international trade. Tariffs, economic sanctions and other changes in U.S. trade policy have in the past and could in the future trigger retaliatory actions by affected countries, and certain foreign governments have instituted or are considering imposing retaliatory measures on certain U.S. goods. Further, any emerging protectionist or nationalist trends (whether regulatory- or consumer-driven) either in the U.S. or in other countries could affect the trade environment. We conduct a significant amount of business that could be impacted by changes to the trade policies of the U.S. and other countries (including governmental action related to tariffs, international trade agreements, or economic sanctions). Such changes have the potential to adversely impact the U.S. economy or certain sectors thereof or the economy of other countries in which we operate, our industry, the industries of our customers and the global demand for our services.

We cannot predict how these developments will impact us, and existing or future tariffs and trade restrictions could have a material adverse effect on our business, results of operations, and financial condition. Additionally, tariffs and retaliatory trade measures could result in an increase in supply chain costs that we may not be able to offset in full or in part or that may otherwise adversely impact our financial results.

Industry-specific regulation is evolving and unfavorable industry-specific laws, regulations, or interpretive positions could harm our business.

Our customers and potential customers do business in a variety of industries, including financial services, the public sector, healthcare and telecommunications. Regulators of various industries have adopted and may in the future adopt regulations or interpretive positions regarding the use of cloud computing and other outsourced services. The costs of compliance with, and other burdens imposed by, industry-specific laws, regulations and interpretive positions may limit our customers' use and adoption of our services and reduce overall demand. For example, some financial services regulators have imposed guidelines for use of cloud computing services that mandate specific controls or that require financial services providers to obtain regulatory approval prior to outsourcing certain functions. If we are unable to comply with these guidelines or controls, or if our customers are unable to obtain regulatory approval to use our service where required, our business may be harmed and we may be unable to conduct business with customers in such industries. In addition, an inability to satisfy the standards of certain third-party certification bodies that our customers may expect, such as the PCI Data Security Standards, may have an adverse impact on our business. If we are unable in the future to achieve or maintain these industry-specific certifications or comply with other similar requirements or standards that are relevant to our customers, our business and our revenue may be adversely impacted.

In some cases, industry-specific laws, regulations or interpretive positions may also apply directly to us as a service provider. Any failure or perceived failure by us to comply with such requirements could have a material adverse impact on our business and results of operations.

In addition, we may become subject to additional regulatory and compliance burdens to the extent we expand our product offerings into new conversational businesses that subject us to additional regulations, laws and new risks.

Future regulation of the internet or mobile devices may result in decreased demand for our services and increased costs of doing business.

State, federal and foreign regulators could adopt laws and regulations that impose additional burdens on companies that conduct business online or that adversely affect the growth or use of the internet or mobile commerce. For example, these laws and regulations could discourage communication by e-mail or other web-based communications, which could reduce demand for our services. Laws or regulations that affect the use of the internet or mobile devices, including but not limited to laws affecting net neutrality, could also decrease demand for our services and increase our costs.

The continued growth and development of the market for online services may prompt calls for more stringent consumer protection laws or laws that will inhibit the use of internet-based or mobile-based communications or the information contained in these communications or the ways in which information may be collected, stored, used and transferred in the course of providing services. For example, in the United States, the CAN-SPAM Act regulates the transmission and content of commercial emails, and, among other things, obligates the sending of such emails to provide recipients with the ability to opt-out or unsubscribe and other requirements; and COPPA regulates the ability of certain online services to collect or use certain categories of information from children under age 13 absent parental consent. Additionally, several states are considering or have passed social media age design laws that require age verifications and implement additional protections for children. Some of these laws have been halted by courts as violations of the First Amendment, both in regard to age verification and the requirement to disclose documents to the government creating overbroad speech restrictions. The adoption of any additional laws or regulations, or changes to existing laws or regulations or their interpretation or application, may increase our costs of doing business, decrease the expansion of the internet or smartphone usage and, in turn, unfavorably affect demand for our services.

Climate change and environmental and other sustainability regulations or requirements could adversely impact our business.

Climate change has the potential to negatively affect our business and results of operations, cash flows and prospects. The adverse physical impacts of climate change include increased frequency and severity of natural disasters and extreme weather events such as hurricanes, tornados, wildfires (exacerbated by drought), flooding, and extreme heat, which could pose physical risks to the facilities of our global data providers and other suppliers. Such risks include losses incurred as a result of physical damage to facilities, and business interruption caused by such natural disasters and extreme weather events. These risks could disrupt our operations and our supply chain, which may result in increased costs. In addition, our server infrastructure consumes significant energy resources, including those generated by the burning of fossil fuels. Increased energy consumption, including as a result of AI-related growth, climate-change events, energy market volatility and power grid disruptions, may increase costs across our value chain. We also face climate change risks associated with the process of transitioning to a low-carbon economy.

For example, in response to concerns about global climate change, governments may adopt new regulations affecting the use of fossil fuels or requiring the use of alternative fuel sources, resulting in increased costs for the energy usage of our global data centers.

Our customers, investors and other stakeholders may require us to demonstrate that we are taking ecologically responsible measures in operating our business and in sourcing services in our supply chain, including our global data center providers. The costs and any expenses we may incur to make our network more energy-efficient and to comply with any new environmental and other sustainability regulations could negatively impact our operating results. Failure to comply with applicable environmental or other sustainability laws and regulations or other requirements imposed on us could result in material fines and penalties, litigation, regulatory investigation and/or governmental orders requiring us to change our data practices, which could damage our reputation and harm our business.

Risks Related to our Intellectual Property

Our products and services may infringe upon intellectual property rights of third parties and any infringement could require us to incur substantial costs and may distract our management.

We have had patent and other infringement lawsuits filed against us claiming that certain of our products and services infringe third-party intellectual property rights, and we are subject to the future risk of additional third-party claims alleging infringement against us or against our customers for use of our products and services. Many of our customer and partner contracts, including certain suppliers, contain indemnification obligations requiring us to indemnify our customers from certain claims against them or arising from the use of our services. Substantial litigation regarding intellectual property rights exists in the software industry. In the ordinary course of our business, our services and/or our customers' use of our services may be increasingly subject to third-party infringement claims as claims by non-practicing entities become more prevalent and the number of competitors in our industry segment grows and the functionality of services in different industry segments overlaps. Some of our competitors in the market for digital engagement technology, and/or web and mobile based consumer-facing services or other third parties may have filed or may intend to file patent applications covering aspects of their technology and have asserted and may in the future assert claims against us. Any claims alleging infringement of third-party intellectual property rights could require us to spend significant amounts in litigation (even if the claim is invalid), distract management from other tasks of operating our business, pay substantial damage awards, prevent us from selling our products, delay delivery of our services, require the development of non-infringing software, technology, business processes, systems or other intellectual property (none of which might be successful), or limit our ability to use the intellectual property that is the subject of any of these claims, unless we enter into license agreements with the third parties (which may be costly, unavailable on commercially reasonable terms, or not available at all). Therefore, any such claims could have a material adverse effect on our business, results of operations, cash flows and financial condition. Additionally, over the last few years, there have been multiple class action lawsuits filed against large language model developers in the Northern District of California, the Southern District of New York, and the Middle District of Tennessee, among others, concerning alleged copyright and other intellectual property violations with respect to the information used to train AI models. The outcomes of these litigations may impair our ability to provide our AI technologies.

Our business and prospects would suffer if we are unable to protect and enforce our intellectual property rights.

Our success and ability to compete depend, in part, upon the protection of our intellectual property rights relating to the technology underlying our services. We rely on a combination of patent, copyright, trade secret, trademark and other common law protections in the United States and other jurisdictions, as well as confidentiality requirements and contractual provisions, to protect our proprietary technology, processes and other intellectual property. We own a portfolio of patents and patent applications in the U.S. and internationally and regularly file patent applications to protect intellectual property that we believe is important to our business, including intellectual property related to digital engagement technology, and/or web and mobile based consumer-facing services. We believe the duration of our patents is adequate relative to the expected lives of our products and services. We pursue the registration of our domain names, trademarks and trade names in the U.S. and in certain locations outside the U.S. We also own copyrights, including in our software, publications and other documents authored by us. These intellectual property rights are important to our business and marketing efforts. We seek to protect our intellectual property rights by relying on federal, state, and common law rights, including registration, or otherwise in the U.S. and certain foreign jurisdictions, as well as contractual restrictions. However, we believe that factors such as the technological and creative skills of our personnel, new service developments, frequent enhancements and reliable maintenance are more essential to establishing and maintaining a competitive advantage. Others may develop technologies that are similar or superior to our technology. We enter into confidentiality and other written agreements (including invention assignment agreements) with our employees, consultants, customers, potential customers, strategic partners, and other third parties, and through these and other written agreements, we seek to control access to and distribution of our software, documentation and other proprietary information. Despite our efforts to protect our proprietary rights, third parties may, in an unauthorized manner, attempt to use, copy or otherwise obtain and market or distribute our intellectual property rights or technology or otherwise develop a service with the same functionality as our services. Policing unauthorized use of our services and intellectual property rights is difficult, and we cannot be certain that the steps we have taken will prevent misappropriation of our technology or intellectual property rights, particularly in foreign countries where we do business, where our services are sold or used, where the laws may not protect proprietary rights as fully as do the laws of the U.S. or where enforcement of laws protecting proprietary rights is not common or effective.

The duration of the protection afforded to our intellectual property depends on the type of property in question, the laws and regulations of the relevant jurisdiction and the terms of its license agreements with others. With respect to our trademarks and trade names, trademark laws and rights are generally territorial in scope and limited to those countries where a mark has been registered or protected. While trademark registrations may generally be maintained in effect for as long as the mark is in use in the respective jurisdictions, there may be occasions where a mark or title is not registrable or protectable or cannot be used in a particular country. In addition, a trademark registration may be canceled or invalidated if challenged by others based on certain use requirements or other limited grounds. The duration of property rights in trademarks, service marks and trade names in the U.S., whether registered or not, is predicated on our continued use.

It is possible that:

- any issued patent or patents issued in the future may not be broad enough to protect our intellectual property rights;
- any issued patent or any patents issued in the future could be successfully challenged by one or more third parties, which could result in our loss of the right to prevent others from exploiting the inventions claimed in the patents;
- current and future competitors may independently develop similar technologies, duplicate our services or design around any patents we may have; and
- effective intellectual property protection may not be available in every country in which we do business, where our services are sold or used, where the laws may not protect proprietary rights as fully as do the laws of the United States or where enforcement of laws protecting proprietary rights is not common or effective.

Further, to the extent that the invention described in any U.S. patent was made public prior to the filing of the patent application, we may not be able to obtain patent protection in certain countries. We also rely upon copyright, trade secret, trademark and other common law in the U.S. and other jurisdictions, as well as confidentiality procedures and contractual provisions, to protect our proprietary technology, processes and other intellectual property. Any steps we might take may not be adequate to protect against infringement and misappropriation of our intellectual property by third parties. Similarly, third parties may be able to independently develop similar or superior technology, processes or other intellectual property. Third parties may register marks that are confusingly similar to the trademarks or services marks that we have used in the U.S. and our failure to monitor foreign registrations or mark usage may impact our rights in certain trademarks or services marks. Policing unauthorized use of our services and intellectual property rights is difficult, and we cannot be certain that the steps we have taken will prevent misappropriation of our technology or intellectual property rights, particularly in foreign countries where we do business, where our services are sold or used, where the laws may not protect proprietary rights as fully as do the laws of the U.S. or where enforcement of laws protecting proprietary rights is not common or effective. The unauthorized reproduction or other misappropriation of our intellectual property rights could enable third parties to benefit from our technology without paying us for it. If this occurs, our business, results of operations, and financial condition could be materially and adversely affected. In addition, disputes concerning the ownership or rights to use intellectual property could be costly and time-consuming to litigate, may distract management from operating our business and may result in our loss of significant rights.

Issues in the use of AI in our product offerings may result in reputational harm, regulatory compliance issues or liability.

We have built, and expect to continue to build, AI into many of our product offerings and we expect this element of our business to grow. We envision a future in which AI operating in our devices, applications and the cloud helps our customers be more productive in their business activities and interactions with consumers. As with many disruptive innovations, AI presents risks and challenges that could affect its adoption, and therefore our business. AI algorithms and models may be flawed, including in ways that may be difficult to anticipate, detect or control. Datasets may be insufficient or contain biased information. Content generated by AI systems may be offensive, illegal, or harmful. Inappropriate or controversial data practices by us or others could impair the acceptance of AI solutions. These deficiencies could undermine the decisions, predictions, or analysis AI applications produce. As a result of these and other challenges associated with innovative technologies, our use of AI systems could subject us to competitive harm, regulatory action, legal liability, including under current and proposed legislation regulating AI in jurisdictions such as the E.U., applications of existing data protection, privacy, intellectual property, and other laws, and brand or reputational harm. Social and ethical issues relating to new and evolving uses of AI that we may offer may result in reputational harm and liability and may cause us to incur additional research and development (“R&D”) costs to resolve such issues.

These risks may be heightened as AI applications are integrated into a broader range of our products and services. The regulatory landscape regarding AI is evolving globally. Potential government regulation related to AI use and ethics may also increase the burden and cost of operations and R&D efforts in this area, and the risk of regulatory compliance issues or other liabilities. Failure to properly remediate AI usage, legal or ethics issues may cause public confidence in AI to be undermined, which could slow adoption of AI in our offerings. The rapid evolution of AI will require the application of resources to develop, test and maintain our products and services to help ensure that AI is implemented ethically in order to minimize unintended, harmful impact. Inadequate or ineffective AI development, testing, deployment, content labeling, governance, monitoring or oversight, whether by us or others, could result in our solutions not operating as intended or with reduced functionality, reduced acceptance of our products and services or diminished confidence in the decisions, predictions, analysis or other content that our AI applications produce. If we enable or offer AI solutions that have unintended consequences, unintended usage, or are controversial because of their impact on human rights, privacy, employment, intellectual property, or other social issues, we may experience a material adverse effect on our business, results of operations and cash flows.

We may be subject to legal liability and/or negative publicity for the services provided to consumers via our technology platforms.

Our technology platforms enable representatives of our customers as well as individual service providers to communicate with consumers and other persons seeking information or advice on the web or via mobile devices. The law relating to the liability of online platform providers, such as us, for the activities of users of their online platforms is often challenged in the U.S. and internationally. We may be unable to prevent users of our technology platforms from providing negligent, unlawful or inappropriate advice, information or content via our technology platforms, or from behaving in an unlawful manner, and we may be subject to allegations of civil or criminal liability for negligent, fraudulent, unlawful or inappropriate activities carried out by users of our technology platforms.

Claims could be made against online services companies under both U.S. and foreign law, such as fraud, defamation, libel, invasion of privacy, negligence, data breach, copyright or trademark infringement, or other theories based on the nature and content of the materials disseminated by users of our technology platforms. In addition, domestic and foreign legislation has been proposed that could prohibit or impose liability for the transmission over the internet of certain types of information. Our defense of any of these actions could be costly and involve significant time and attention of our management and other resources.

The Digital Millennium Copyright Act (“DMCA”) is intended, among other things, to reduce the liability of online service providers for transmitting or storing materials that infringe copyrights of others or referring, listing or linking to third party web properties that include materials that infringe copyrights of others. Additionally, Section 230 of the Communications Decency Act (“CDA”), is intended to provide statutory protections to online service providers who host or distribute third party content. A safe harbor for copyright infringement is also available under the DMCA to certain online service providers that provide specific services, if the providers take certain affirmative steps as set forth in the DMCA. There are various Congressional efforts to restrict the scope of the protections from liability for service providers in certain circumstances. Important questions regarding the safe harbor under the DMCA and the CDA have yet to be litigated, and there can be no assurance that we will meet the safe harbor requirements of the DMCA or of the CDA. If we are not covered by a safe harbor, for any reason, we could be exposed to claims, which could be costly and time-consuming to defend.

If we become liable for information provided by our users and carried via our service in any jurisdiction in which we operate, we could be directly harmed, and we may be forced to implement new measures to reduce our exposure to this liability. In addition, the increased attention focused upon liability issues as a result of these lawsuits and legislative proposals could harm our reputation or otherwise impact our business, results of operations and financial condition. Any costs incurred as a result of this potential liability could harm our business.

In addition, negative publicity and user sentiment generated as a result of fraudulent or deceptive conduct by customers of our technology platforms could damage our reputation, reduce our ability to attract new users or retain our current customers, and diminish the value of our brand.

In the future, we may be required to spend substantial resources to take additional protective measures or discontinue certain service offerings, either of which could harm our business. Any costs incurred as a result of potential liability relating to the sale of unlawful services or the unlawful sale of services could harm our business. In addition to legislation and regulations relating to privacy and data security and collection, we may be subject to consumer protection laws that are enforced by regulators such as the FTC and private parties and include statutes that regulate the collection and use of information for marketing purposes. Any new legislation or regulations regarding the internet, mobile devices, software sales or export and/or the cloud or SaaS industry, and/or the application of existing laws and regulations to the internet, mobile devices, software sales or export and/or the cloud or SaaS industry, could create new legal or regulatory burdens on our business that could have a material adverse effect on our business, results of operations, and financial condition. Additionally, as we operate outside the U.S., the international regulatory environment relating to the internet, mobile devices, software sales or export, and/or the cloud or SaaS industry could have a material adverse effect on our business, results of operations, and financial condition.

Risks Related to our International Operations and Tax Issues

Our results of operations may be adversely impacted due to our exposure to foreign currency exchange rate fluctuations.

We conduct business in currencies other than the U.S. dollar in Europe, Australia, Japan and Israel. Because we conduct business in currencies other than the U.S. dollar but report our financial results in U.S. dollars, fluctuations in currency exchange rates could adversely affect our results of operations. Fluctuations in the value of the U.S. dollar relative to other foreign currencies could materially affect our revenue, cost of revenue and operating expenses, and result in foreign currency transaction gains and losses. Expansion of our international operations increases our exposure to such fluctuations in currency exchange rates. We may seek to enter into hedging transactions or to use financial instruments, such as derivative financial instruments, to mitigate risk, but we may be unable to enter into them successfully, on acceptable terms or at all. Additionally, these programs rely on our ability to forecast accurately and could expose us to additional risks that could adversely affect our financial condition and results of operations. We cannot predict whether or not we will incur foreign exchange losses. Further, as geopolitical volatility around the world increases, there is increasing risk of the imposition of exchange or price controls, or other restrictions on the conversion of foreign currencies, which could have a material adverse effect on our business.

We may be unsuccessful in expanding our operations internationally due to additional regulatory requirements, tax liabilities, currency exchange rate fluctuations, and other risks, which could adversely affect our results of operations.

In addition to our operations in the U.S., we have operations in Australia, Bulgaria, Canada, France, Germany, Israel, India, Italy, Japan, Mexico, the Netherlands, Singapore, Spain, and the U.K. We have also invested in global messaging initiatives and in acquisitions. Our ability to expand into international markets is subject to risks, including the possibility that returns on such investments will not be achieved in the near future, or ever, and the difficulty of competing in markets with which we are unfamiliar.

Our international operations may subject us to other risks inherent in foreign operations, including:

- varied, unfamiliar, unclear and changing legal and regulatory restrictions, including different legal and regulatory standards applicable to internet or mobile services, communications, privacy, data protection, and AI;
- difficulties in staffing and managing foreign operations;
- differing intellectual property laws that may not provide sufficient protection for our intellectual property;
- adverse tax consequences or additional tax liabilities;
- difficulty in addressing country-specific business requirements and regulations including, for instance, data privacy laws;
- fluctuations in currency exchange rates;
- strains on financial and other systems to properly administer value-added tax (“VAT”) and other taxes;
- different consumer preferences and requirements in specific international markets;
- international legal, compliance, political, regulatory or systemic restrictions, or other international governmental scrutiny, applicable to U.S. companies with sales and operations in foreign countries, including, but not limited

to, possible compliance issues involving the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act, and similar laws in other jurisdictions;

- the imposition of tariffs, quotas, import duties or other market barriers (including the implementation of tariffs on U.S. imports and potential retaliatory tariffs); and
- local instability and shifting political, economic, and military conditions including armed conflict and terrorist activity.

In addition, we rely in part on third-party service providers with international operations. If the third party's operations were disrupted or discontinued due to local instability or political, economic or military conditions or cyber-attacks, including in connection with the Israel-Hamas war, the Russia-Ukraine war or the conflict between the United States and Israel and Iran, then our ability to provide services to some of our customers and the development of new products or enhancement of existing products could be delayed, and our results of operations could be adversely affected.

Our current and any future international expansion plans will require management attention and resources and may be unsuccessful. We may find it impossible or prohibitively expensive to continue expanding internationally or we may be unsuccessful in our efforts to do so, and our results of operations could be adversely impacted. In addition, violations of any foreign laws or regulations could result in fines, criminal sanctions against us, our officers or our employees, prohibitions on the conduct of our business and damage to our reputation.

Our operations may expose us to greater than anticipated income, non-income, and transactional tax liabilities, which could harm our financial condition and results of operations.

There is heightened scrutiny by fiscal authorities in many jurisdictions on the potential taxation of e-commerce businesses. The Organization for Economic Co-operation and Development ("OECD") has issued guidelines, referred to as the Base Erosion and Profit Shifting project, to its member-nations aimed at encouraging broad-based legislative initiatives intended to prevent perceived base erosion transactions and income shifting in a tax-advantaged manner. Further, for the past several years, the OECD has had a specific focus on the taxation implications of e-commerce business, generally referred to by the OECD as the "digital economy." In the fourth quarter of 2019, the OECD released details on its proposed approach which would, among other changes, create a new right to tax certain "digital economy" income not necessarily based on traditional nexus concepts nor on the "arm's length principle." At this point, there is a lack of consensus among the key members, particularly the United States, with the latest OECD proposal. The United States has expressed that it would generally support a solution along the lines proposed by the OECD only if the solution was in the form of a "safe-harbor" rather than a mandatory requirement. A failure to reach full consensus on an executable plan within the tight time frame under which the OECD is operating could result in individual jurisdictions legislating digital tax provisions in an uncoordinated and unilateral manner, and further result in greater or even double taxation that companies may not have sufficient means to remedy. For example, a number of jurisdictions, including the U.K., France and Italy, have already adopted or have formally proposed legislation that would affect the taxation of certain e-commerce businesses based on differing criteria and metrics. Efforts to alleviate this increased tax burden will increase the cost of structuring and compliance as well as the cost of doing business internationally. Any changes to the taxation of our international activities may increase our worldwide effective tax rate and adversely impact our financial position and results of operations.

Further, the prospective taxation by multiple jurisdictions of e-commerce businesses could subject us to exposure to withholding, sales, VAT and/or other transaction taxes on our past and future transactions in such jurisdictions where we currently or in the future may be required to report taxable transactions. A successful assertion by any jurisdiction that we failed to pay such withholding, sales, VAT or other transaction taxes, or the imposition of new laws requiring the registration for, collection of, and payment of such taxes, could result in substantial tax liabilities related to past, current and future sales, create increased administrative burdens and costs, discourage customers from purchasing content from us, or otherwise substantially harm our business and results of operations. We are currently subject to and in the future may become subject to additional compliance requirements for certain of these taxes. Changes in our exposure to withholding, sales, VAT and/or other transaction taxes could have an adverse impact on our financial condition in the future.

In addition, an increasing number of states have considered or adopted laws that attempt to impose tax collection obligations on out-of-state companies. In June 2018, the Supreme Court of the United States issued its decision in the matter of South Dakota v. Wayfair, Inc. This decision effectively reversed the 25-year-old "physical presence doctrine" previously established by the Supreme Court in Quill Corp. v. North Dakota, which required a minimum level of physical presence within a state before the state could impose an obligation to register and remit sales tax on revenue derived within that state. This decision may significantly increase the effort, resources and costs associated with the sales tax collection and compliance burden. Since the decision, a number of states have enacted sales tax enabling legislation which has had the effect of significantly expanding the liability of e-commerce companies to register, collect and remit state sales taxes from customers. A successful assertion by one or more states requiring us to collect taxes where we presently do not do so, or to collect more taxes in a jurisdiction in which we currently do collect some taxes, could result in substantial tax liabilities, including taxes on past sales, as well as penalties and interest. The imposition by state governments or local governments of sales tax collection obligations on out-of-state sellers could also create additional administrative burdens for us, put us at a competitive disadvantage if they do not impose similar obligations on our competitors, and decrease our future sales, which could have a material adverse effect on our business and results of operations.

Our ability to use our net operating losses to offset future taxable income may be subject to certain limitations.

As of December 31, 2025, we had federal net operating loss carryforwards ("NOLs") of $646.0 million which are available to offset future federal taxable income. In general, under Section 382 of the Internal Revenue Code of 1986, as amended (the "Code"), a corporation that undergoes an "ownership change" (generally defined as a greater than 50-percentage-point cumulative change (by value) in the equity ownership of certain stockholders over a rolling three-year period) is subject to limitations on its ability to utilize its pre-change NOLs to offset post-change taxable income. Under Section 382 of the Code, our existing NOLs may be subject to limitations arising from previous ownership changes, and if we undergo an ownership change in the future, our ability to utilize NOLs could be further limited by Section 382 of the Code, or as a result of a corresponding provision of state law. Future changes in our stock ownership, some of which may be outside of our control, could result in an ownership change under Section 382 of the Code. The use of NOLs from acquired businesses may also be limited under Section 382. Federal NOLs generated in taxable years ending on or before December 31, 2017, are eligible to be carried forward for up to 20 tax years (and carried back up to two tax years) following their incurrence. Federal NOLs generated in taxable years ending after December 31, 2017, are eligible to be carried forward indefinitely, but generally may only offset up to 80% of federal taxable income earned in a taxable year. As of December 31, 2025, $67.7 million of our $646.0 million of federal NOLs were generated in taxable years ending on or before December 31, 2017. If our ability to utilize federal NOLs were limited by Section 382 of the Code, it could result in NOLs generated on or before December 31, 2017, expiring unused. Our ability to utilize our NOLs is conditioned upon our maintaining profitability in the future and generating U.S. federal taxable income.

We have entered into a Tax Benefits Preservation Plan (the "Tax Benefits Preservation Plan"), which is designed to reduce the risk of substantial impairment to our NOLs that could result from an "ownership change" within the meaning of Section 382 of the Code. Although the Tax Benefits Preservation Plan is intended to reduce the risk of an "ownership change" within the meaning of Section 382 of the Code, the Company cannot provide any assurance that the Company will not experience such an ownership change or that the Company will otherwise be able to utilize, in full or in part, the Company's NOLs. Additionally, the Tax Benefits Preservation Plan could deter or prevent a third party from acquiring us even when the acquisition may be favorable to you, make the Company's common stock less attractive to large institutional holders or otherwise adversely affect the market price of our common stock.

Political, economic, and military conditions in Israel could negatively impact our Israeli operations.

A substantial portion of our product development staff, help desk and online sales support operations are located in Israel. As of December 31, 2025, we had 39 full-time employees in Israel. Although substantially all of our sales to date have been made to customers outside Israel, we are directly influenced by the political, economic and military conditions affecting Israel. Since the establishment of the State of Israel in 1948, a number of armed conflicts have taken place between Israel and its neighboring countries, Hamas, Hezbollah and other armed groups, including the Israel-Hamas war and the ongoing conflict between the United States and Israel and Iran. Furthermore, Iran may be developing nuclear weapons.

In addition, the State of Israel and Israeli companies have been subject to economic boycotts. Several countries and international organizations still restrict business with the State of Israel and with Israeli companies or support and advocate for the implementation of such boycotts. These restrictive laws and policies may have an adverse impact on our results of operations, financial condition or the expansion of our business. A campaign of boycotts, divestment, and sanctions has been undertaken against Israel, which could also adversely affect our business. Actual or perceived political instability in Israel or any negative changes in the political environment, may individually or in the aggregate adversely affect the Israeli economy and, in turn, our business, financial condition and results of operations.

Parties with whom we do business may sometimes decline to travel to Israel during periods of heightened unrest or tension, forcing us to make alternative arrangements when necessary in order to meet our business partners face to face. In addition, the political and security situation in Israel may result in parties with whom we have agreements involving performance in Israel claiming that they are not obligated to perform their commitments under those agreements pursuant to force majeure provisions in such agreements.

Further, shifting economic and political conditions in the U.S. and in other countries may result in changes in how the U.S. and other countries conduct business and other relations with Israel, which may have an adverse impact on our Israeli operations and a material adverse impact on our business.

Our commercial insurance may not cover losses that could occur as a result of events associated with the security situation in the Middle East. Any losses or damages incurred by us could have a material adverse effect on our business. Armed conflicts or political instability in the region could negatively affect our business and could harm our results of operations.

Continued hostilities and both current and any future armed conflict, terrorist activity or political instability in the region could adversely affect our operations in Israel and adversely affect the market price of our securities. In addition, escalation of tensions or violence might require more widespread military reserve service by some of our Israeli employees and could result in a significant downturn in the economic or financial condition of Israel, either of which could have a material adverse effect on our operations in Israel and our business.

Risks Related to our Outstanding Convertible Notes

Servicing our debt may require a significant amount of cash, and we may not have sufficient cash flow from our business to pay our indebtedness.

We have outstanding $20.1 million in aggregate principal amount of 0% Convertible Notes due in December 2026 (“2026 Notes”), $221.9 million in aggregate principal amount of First Lien Convertible Senior Notes due 2029 (“2029 Notes”) and $182.0 million in aggregate principal amount of Second Lien Senior Subordinated Notes due 2029 (the “Second Lien Notes”). The 2029 Notes bear cash interest depending on time- and event-based conditions at a rate ranging from 4.375% to 5%, and paid-in-kind interest at a rate ranging from 7% to 8%. The Second Lien Notes accrue interest at a rate of 10.0% per annum. Prior to March 15, 2027, all of the interest on the Second Lien Notes is payable in-kind. On and after March 15, 2027 and until June 15, 2028, interest will be payable, at our option, in cash or in-kind or partially in cash and partially in-kind. On and after June 15, 2028, until the maturity of the Second Lien Notes, interest on the Second Lien Notes will be payable in cash, or at our option, up to 6.0% per annum in-kind.

Our ability to make scheduled payments of the principal of, to pay interest on or to refinance our outstanding Notes or any additional future indebtedness depends on our future performance, which is subject to economic, financial, competitive and other factors beyond our control. Our business may not generate cash flow from operations in the future sufficient to service our debt and make necessary capital expenditures. If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as selling assets, restructuring debt or obtaining additional debt financing or equity capital on terms that may be onerous or highly dilutive. Our ability to refinance our current or any future indebtedness will depend on the capital markets and our financial condition at such time. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on our debt obligations. In addition, any of our future debt agreements may contain restrictive covenants that may prohibit us from adopting any of these alternatives. Our failure to comply with these covenants could result in an event of default which, if not cured or waived, could result in the acceleration of our debt.

The terms of our First Lien Convertible Senior Notes due 2029 and 10.0% Second Lien Senior Subordinated Secured Notes require us to meet certain operating and financial covenants and place restrictions on our operating and financial flexibility. If we raise additional capital through debt financing, the terms of any new debt could further restrict our ability to operate our business.

The 2029 Notes and Second Lien Notes are guaranteed on a senior basis by certain of our direct and indirect domestic and foreign subsidiaries and secured by first priority security interests in substantially all of the assets of the Company and the subsidiary guarantors, subject to customary exceptions.

The indentures governing the 2029 Notes and Second Lien Notes restrict our ability to, among other things, pursue certain dispositions, mergers or acquisitions, encumber our intellectual property, incur debt, preferred stock or liens, pay dividends or make other payments in respect of our capital stock, or make investments and engage in certain business transactions. The indenture governing the 2029 Notes also includes a financial covenant that requires us at all times to maintain a minimum cash balance of $60.0 million (excluding proceeds of the 2029 Notes). Our failure to comply with these covenants could result in an event of default which, if not cured or waived, could result in the acceleration of our debt.

If we raise any additional debt financing, the terms of such additional debt could further restrict our operating and financial flexibility.

We may not have the ability to raise the funds necessary to settle conversions of our outstanding convertible debt securities and cash-settled warrants in cash or to repurchase our outstanding convertible debt securities upon a fundamental change, and any future debt may contain limitations on our ability to pay cash upon conversion or repurchase of our outstanding convertible debt securities and cash-settled warrants.

Holders of our outstanding Notes have the right to require us to repurchase all or a portion of their Notes upon the occurrence of a fundamental change before the maturity date at a fundamental change repurchase price equal to 100% of the principal amount of the Notes to be repurchased, plus accrued and unpaid interest, (including cash and PIK components thereof in the case of the 2029 Notes), if any, plus, in the case of the 2029 Notes, an amount equal to 66% of the remaining future interest payments (including cash and PIK components thereof) that would have been payable through June 15, 2029, discounted at a rate equal to the comparable treasury rate plus 50 basis points. In addition, upon conversion of the 2026 Notes or the 2029 Notes, we are required to make cash payments in respect of the Notes being converted (except, in the case of the 2026 Notes, if we elect to deliver solely shares of our common stock to settle such conversion (other than paying cash in lieu of delivering any fractional share)). Further, upon the exercise of the cash-settled warrants, we are required to make cash payments in respect of the cash-settled warrants being exercised (except to the extent that, following payment, we would have “available cash” (as defined therein) of less than $100.0 million, in which case we may defer payment of the settlement amount at an annualized interest rate of 6.0%, compounded monthly).

However, we may not have enough available cash or be able to obtain financing at the time we are required to make repurchases of the Notes surrendered therefor, to pay cash with respect to the Notes being converted or to pay cash with respect to the cash-settled warrants being exercised. In addition, our ability to repurchase Notes, to pay cash upon conversions of Notes or to pay cash upon exercises of cash-settled warrants may be limited by law, regulatory authority, or agreements governing our indebtedness. Our failure to repurchase Notes at a time when the repurchase is required by the governing indenture or to pay any cash upon conversions of Notes as required by the governing indenture would constitute a default under the governing indenture. A default under the governing indenture or the fundamental change itself could also lead to a default under the indenture governing the other series of Notes or agreements governing any future indebtedness. If the payment of any Series of Notes were to be accelerated after any applicable notice or grace periods, we may not have sufficient funds available to repay the Notes, to repurchase the Notes or to pay cash upon conversions of the Notes.

Provisions in the indentures for our outstanding convertible debt securities may deter or prevent a business combination that may be favorable to securityholders.

If a fundamental change occurs prior to the maturity date of the outstanding Notes, the holders of such Notes will have the right, at their option, to require us to repurchase all or a portion of their Notes. In addition, if a make-whole fundamental change occurs prior to the maturity date of a series of Notes, we will in some cases be required to increase the conversion rate for a holder that elects to convert its Notes of such series in connection with such make-whole fundamental change. Furthermore, the indentures governing the outstanding Notes prohibit us from engaging in certain mergers or acquisitions unless, among other things, the surviving entity assumes our obligations under the relevant series of Notes. These and other provisions in the indentures governing the Notes could deter or prevent a third party from acquiring us even when the acquisition may be favorable to securityholders.

The conditional conversion feature of our outstanding convertible debt securities, if triggered, may adversely affect our financial condition and operating results.

In the event the conditional conversion feature of an outstanding series of Notes is triggered, holders of the relevant series of Notes will be entitled to convert their Notes of such series at any time during specified periods at their option. If one or more holders elect to convert their Notes (unless, in the case of the 2026 Notes, we elect to satisfy our conversion obligation by delivering solely shares of our common stock (other than paying cash in lieu of delivering any fractional share)), we would be required to settle a portion or all of our conversion obligation through the payment of cash, which could adversely affect our liquidity. In addition, even if holders of the relevant series of Notes do not elect to convert their Notes of such series, we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the Notes of such series as a current rather than long-term liability, which would result in a material reduction of our net working capital.

Risks Related to our Common Stock

Our stock price has been, and may continue to be, highly volatile, which could reduce the value of your investment and subject us to litigation.

The price of our common stock has fluctuated significantly in the past and may continue to be highly volatile, with extreme price and volume fluctuations. Our trading price could fluctuate substantially in the future, including in response to the following factors, some of which are beyond our control:

- quarterly variations in our operating results or those of our competitors;
- earnings announcements that are not in line with analyst expectations;
- changes in recommendations or financial estimates by securities analysts;
- announcements or rumors about mergers or strategic acquisitions by us or by our competitors;
- announcements about customer additions and cancellations or failure to complete significant sales;
- changes in market valuations of companies that investors believe are comparable to us;
- additions or departures of key personnel;
- consequences of unexpected geopolitical events, natural disasters, acts of war or climate change;
- pandemics, epidemics or similar widespread public health concerns; and
- general economic, political and market conditions, such as recessions, political unrest or terrorist attacks, or in the specific locations where we operate, such as the United States and Israel.

In addition, extreme price and volume fluctuations in the stock markets generally, and in the markets for technology companies in particular, could cause the market price for our common stock to decline. As a result of such volatility in the market price of our common stock, we have been the subject of securities class action litigation and may in the future be the target of similar litigation, which could result in substantial costs and distract management’s attention and resources.

Our failure to comply with the continued listing requirements of The Nasdaq Global Select Market could result in a delisting of our common stock.

Our common stock currently is listed on The Nasdaq Global Select Market. We are required to meet specified financial requirements in order to maintain such listing, including a closing bid price of at least $1.00 and a minimum required market value of our publicly-held shares of $15 million. On October 13, 2025, we effected a 1-for-15 reverse stock split of our common stock in order to regain compliance with the minimum bid price requirement.

We can provide no assurance that we will be able to prevent future non-compliance with the listing requirements or that any actions taken by us in an effort to maintain or restore our compliance, including the reverse stock split, will stabilize the market price of our common stock, improve the liquidity of our common stock, prevent our common stock from again dropping below the minimum bid price requirement, prevent future non-compliance with the listing requirements or allow our common stock to remain listed. If we fail to satisfy the minimum bid price requirement again at any time before or on October 13, 2026, we will not be eligible for a 180-day compliance period to regain compliance with the minimum bid price requirement and Nasdaq will take steps to delist our common stock. In addition to satisfying the minimum bid price requirement, we must satisfy minimum financial and other continued listing requirements and standards to maintain a listing with Nasdaq, including those regarding minimum stockholders’ equity, and certain corporate governance requirements. If we are unable to satisfy these requirements or standards, we could be subject to delisting, which would have a negative effect on the price of our common stock and would impair your ability to sell or purchase our common stock when you wish to do so. Further, the failure of our common stock to be listed or quoted on any of The Nasdaq Global Select Market, The Nasdaq Global Market or The New York Stock Exchange would constitute a “fundamental change” under the indentures governing the 2026 Notes, the 2029 Notes and the Second Lien Notes which could accelerate the payment of such notes.

If our common stock is delisted from Nasdaq, it is unlikely that our common stock would qualify for listing on another national securities exchange in the United States, and trading of our common stock would most likely take place on an over-the-counter market established for unlisted securities, such as the OTCQX, the OTCQB or the Pink Market maintained by OTC Markets Group Inc. We cannot assure you that our common stock, if delisted from Nasdaq, will ever be listed on another securities exchange or quoted on an over-the-counter quotation system. An investor would likely find it less convenient to sell, or to obtain accurate quotations in seeking to buy, our common stock on an over-the-counter market, and many investors would likely not buy or sell our common stock due to difficulty in accessing over-the-counter markets, policies preventing them from trading in securities not listed on a national exchange or other reasons. Accordingly, delisting from Nasdaq could make trading our common stock more difficult for investors, likely leading to declines in our share price, trading volume and liquidity. Delisting from Nasdaq could also result in negative publicity and make it more difficult for us to raise additional capital. The absence of such a listing may adversely affect the acceptance of our common stock as transaction consideration or the value accorded our common stock by other parties. Further, if we are delisted, we would also incur additional costs under state blue sky laws in connection with any sales of our securities. These requirements could severely limit the market liquidity of our common stock and the ability of our stockholders to sell our common stock in the secondary market.

If our common stock is delisted, it may come within the definition of “penny stock” as defined in the Exchange Act and would be covered by Rule 15g-9 of the Exchange Act. This rule imposes additional sales practice requirements on broker-dealers who sell securities to persons other than established customers and accredited investors which may further limit the market liquidity of our common stock and the ability of our stockholders to sell our common stock in the secondary market. The regulations relating to penny stocks, coupled with the typically higher cost per trade to the investor of penny stocks due to factors such as broker commissions generally representing a higher percentage of the price of a penny stock than of a higher-priced stock, would further limit the ability of investors to trade in our common stock.

Our common stock is traded on more than one market and this may result in price variations.

Our common stock is currently traded on The Nasdaq Global Select Market and the TASE. Trading in our common stock on these markets takes place in different currencies (U.S. dollars on The Nasdaq Global Select Market and New Israeli Shekels (“NIS”) on the TASE) and at different times (due to different time zones, trading days and public holidays in the United States and Israel). The trading prices of our common stock on these two markets may differ due to these and other factors. Any decrease in the trading price of our common stock on one of these markets could cause a decrease in the trading price of our common stock on the other market. Differences in trading prices on the two markets could negatively impact our trading price.

Future sales of substantial amounts of our common stock may negatively affect our stock price.

If we or our stockholders sell substantial amounts of our common stock, including shares issuable upon the exercise of outstanding options and warrants, or upon the conversion of 2026 Notes or 2029 Notes, in the public market, or if the market perceives that these sales might occur, the market price of our common stock could fall. These sales also might make it more difficult for us to sell equity securities in the future at a time and price that we deem appropriate. No prediction can be made as to the effect, if any, that market sales of our common stock will have on the market price of our common stock.

Provisions in our charter documents and Delaware law could discourage, delay, or prevent a takeover that stockholders may consider favorable.

Provisions in our amended and restated certificate of incorporation and amended and restated bylaws may have the effect of discouraging, delaying or preventing a change in control or changes in our management that stockholders may deem advantageous. These provisions include the following:

- Our board of directors is divided into three classes, with each class serving three-year staggered terms, which prevents stockholders from electing an entirely new board of directors at any annual meeting;
- Vacancies on our board of directors may only be filled by a vote of a majority of directors then in office, even if less than a quorum;
- Our amended and restated certificate of incorporation prohibits cumulative voting in the election of directors or any other matters. This limits the ability of minority stockholders to elect director candidates;
- Our stockholders may only act at a duly called annual or special meeting and may not act by written consent;

- Stockholders must provide advance notice to nominate individuals for election to our board of directors or to propose other matters that can be acted upon at a stockholders' meeting;
- We require supermajority voting by stockholders to amend certain provisions in our amended and restated certificate of incorporation and to amend our amended and restated bylaws; and
- Our amended and restated bylaws expressly authorize a supermajority of the board of directors to amend our amended and restated bylaws.

As a Delaware corporation, we are also subject to Section 203 of the Delaware General Corporation Law, which generally prohibits a Delaware corporation from engaging in any of a broad range of business combinations with an interested stockholder for a period of three years following the date on which the stockholder became an interested stockholder, unless certain conditions are met. These anti-takeover provisions could discourage, delay or prevent a change in control of our company, whether or not it is desired by or beneficial to our stockholders, which in turn could have a material adverse effect on the market price of our common stock.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

The Company has implemented and maintains a cybersecurity program governed by an information security team responsible for managing and directing strategy, policy, standards, architecture, controls, and processes. The cybersecurity program is underpinned by a cybersecurity risk management framework designed to identify and prioritize cybersecurity risks to the Company and is overseen by our Board of Directors.

Risk management and strategy

Our cybersecurity program is designed to protect our information systems from cyber threats and to ensure the confidentiality, integrity and availability of systems and information used, owned or managed by the Company related to our employees, our customers and their users. This involves an ongoing effort to protect against, detect and respond to cybersecurity threats and vulnerabilities. LivePerson maintains a security risk management program that is tasked with determining the cybersecurity threats that pose the greatest risk to the Company. This program is managed by the Security Risk Committee, chaired by the Head of Security ("HOS"), as well as representative members from security, operations, and internal audit leadership. The committee meets at least twice annually. A resultant risk assessment produced by the committee is leveraged to inform senior leadership and our Board of Directors on top areas of risk, as well as to shape the security and technology team's roadmap.

Our cybersecurity program includes a number of components, such as:

- regular cybersecurity risk assessments, audits, and penetration tests;
- policies generally aligned with industry standards such as Information Security Standard ("ISO") / International Electrotechnical Commission –27001 and the PCI Data Security Standard;
- measures to block and prevent certain malicious activity, such as endpoint detection and response controls;
- measures to block and prevent certain network attacks, such as firewalls and Distributed Denial of Service mitigation tools;
- measures to secure remote access, such as virtual private networks and multi-factor authentication;
- cybersecurity training programs for employees, contractors and agents, including regular phishing simulations;
- a vulnerability disclosure program to compensate researchers for responsible disclosure of vulnerabilities in our platform;
- the maintenance of a Security Incident Response Plan with periodic tabletop testing; and
- third-party risk management processes designed to manage risks associated with vendors and suppliers.

The goal of the Company's information security program is to manage risks in a prioritized fashion; however, control gaps and/or their related control effectiveness, resource constraints, and execution failure can pose cybersecurity risk to the Company. In the event of a cyber incident, the Company has a process in place whereby the information security team will alert the appropriate levels of management, as well as the legal and finance departments so that the materiality of any such event can be determined.

The Company actively engages with key vendors and industry participants, and monitors and analyzes intelligence and law enforcement community security publications as part of its continuing efforts to obtain current threat intelligence, collaborate on security enhancements, and evaluate and improve the effectiveness of its cybersecurity processes. The Company also regularly engages with external parties to perform:

- periodic cybersecurity assessments, such as maturity assessments against the National Institute of Standards and Technology Cybersecurity Framework;
- managed detection and response for certain public cloud environments;
- penetration testing; and
- audits against industry standards including Systems and Organization Controls 2 ("SOC 2"), ISO 27001, PCI, and the HITRUST CST.

In the ordinary course of our business, our third-party service providers ("TPSPs") collect, process and store certain information and other data related to us or our customers and their users. We assess the cybersecurity practices of our TPSPs through a variety of measures, including a due diligence process designed to assess and manage the potential risks of such TPSPs to the Company. This process involves evaluation of security questionnaires, review of available SOC 2 reports, and performance of interviews prior to onboarding TPSPs over certain risk thresholds, with annual re-reviews for our highest risk tier TPSPs. Despite these measures, we are reliant on the security practices of our TPSPs, which may be outside of our direct control.

We experience cyber-attacks of varying degrees on a regular basis in the ordinary course of our business. As of the date of this report and for the time period of January 1, 2025, through December 31, 2025, the Company is not aware of any risks from cybersecurity threats that have materially affected or are reasonably likely to materially affect the Company, including its business strategy, results of operations, or financial condition. However, there can be no assurance that we will not be materially affected by such risks in the future. For information on the cybersecurity threats and risks we face and the potential impacts on the business related thereto, see Item 1A. *Risk Factors – Risks Related to Security Vulnerabilities and Service Reliability*.

Governance

Our information security team is led by our HOS. Mr. Tinwala has over 15 years of information security experience at organizations across multiple industries, including financial services, and holds industry security certifications including Certified Information Systems Security Professional ("CISSP") and Certified Information Systems Auditor ("CISA"). Many members of the information security team also hold CISSP, CISA and other security related certifications. The information security team is made aware of security risks and incidents through a number of channels and activities:

- performance of risk assessments on at least an annual basis by the Security Risk Committee;
- providing SOC capabilities for the detection and response of cyber incidents;
- serving as the point of contact for reporting actual or suspected cyber incidents;
- managing compliance and certification for in-scope security related compliance frameworks and regulations;
- managing internal and external penetration tests, vulnerability scans, and the Company's vulnerability disclosure program; and
- monitoring of cyber threat intelligence and evaluation and analysis of the potential impact of "zero day" vulnerabilities.

Our Board of Directors takes an active role in overseeing the management of cybersecurity risks to the Company. The information security team provides periodic reports to the Board, the Company's Chief Executive Officer and other members of senior management, as appropriate. These reports include updates on the Company's cyber risks and threats, the status of projects to strengthen its information security systems, assessments of the cybersecurity program and the emerging threat landscape. The cybersecurity program is periodically evaluated by internal and external experts with the results of those reviews reported to senior management and the Board of Directors.

Item 2. Properties

We maintain a globally distributed, remote workforce. The Company primarily operates under an "employee-centric" workforce model, leveraging its expertise in AI and asynchronous communication to support operations, culture and productivity in this new environment. Under this model, the Company occupies certain leased space to provide its employees with the option of working in an office space environment.

As of December 31, 2025, we utilize third-party data centers in the United States, Australia and Europe. We believe that our current facilities properties are in good condition and provide adequate capacity to meet our current needs. If required, we believe that we will be able to obtain suitable additional space on commercially reasonable terms.

Item 3. Legal Proceedings

The material set forth in Note 13 – *Legal Matters* in the Notes to the Consolidated Financial Statements under Item 8 of this Annual Report on Form 10-K is incorporated herein by reference.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

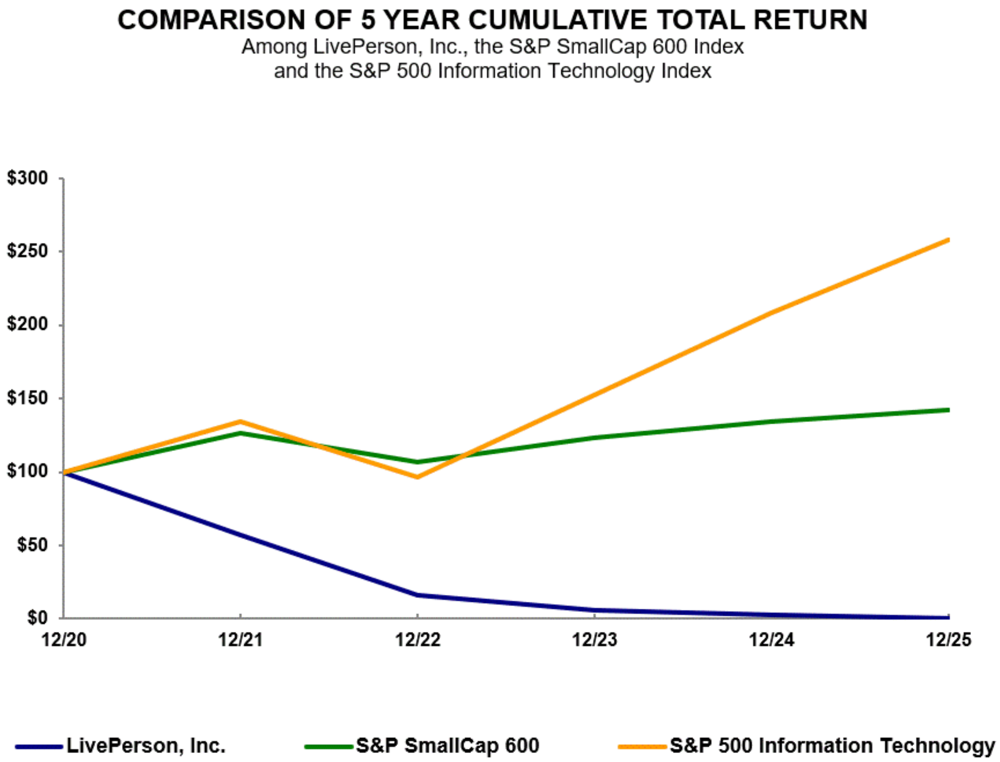
Price Range of Common Stock. The principal United States market on which our common stock is traded is The Nasdaq Global Select Market under the symbol "LPSN". Our shares of common stock are also traded on the TASE under the symbol "LPSN TA".

Holders. As of March 6, 2026, there were approximately 127 holders of record of our common stock.

Dividends. We have not declared or paid any cash dividends on our capital stock since our inception. We intend to retain earnings, if any, to finance the operation and expansion of our business and do not anticipate paying any cash dividends in the foreseeable future.

Issuer Purchases of Equity Securities. There were no repurchases of the Company's equity securities during the three months ended December 31, 2025.

Stock Performance Graph. The graph depicted below compares the annual percentage changes in LivePerson's cumulative total stockholder return with the cumulative total return of the Standard & Poor's SmallCap 600 Index and the Standard & Poor's Information Technology Index.



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(1) The graph covers the period from December 31, 2020 to December 31, 2025.

(2) The graph assumes that $100 was invested at the market close on December 31, 2020 in LivePerson's Common Stock, in the Standard & Poor's SmallCap 600 Index and in the Standard & Poor's Information Technology Index, and that all dividends were reinvested. No cash dividends have been declared on LivePerson's Common Stock.

(3) Stockholder returns over the indicated period should not be considered indicative of future stockholder returns.

Notwithstanding anything to the contrary set forth in any of our previous or future filings under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, that might incorporate by reference this Annual Report on Form 10-K or future filings made by the Company under those statutes, the Stock Performance Graph above is not deemed filed with the SEC, is not deemed soliciting material and shall not be deemed incorporated by reference into any of those prior filings or into any future filings made by us under those statutes, except to the extent that we specifically incorporate such information by reference into a previous or future filing, or specifically request that such information be treated as soliciting material, in each case under those statutes.

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

General

You should read the following discussion of our financial condition and results of operations in conjunction with the financial statements and the notes thereto included elsewhere in this report. The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to these differences include those discussed below and elsewhere in this report, particularly in "Risk Factors."

This section of this Form 10-K generally discusses 2025 and 2024 items and year over year comparisons between 2025 and 2024. Discussions of 2023 items and the year over year comparisons between 2024 and 2023 that are not included in this Form 10-K can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2024.

Key Metrics and Current Trends

Average Annual Revenue Per Enterprise and Mid-market Customer ("ARPC") and revenue retention are currently the key performance metrics our management uses to assess the health and trajectory of the Company. These metrics should be viewed independently of revenue, deferred revenue and remaining performance obligations. ARPC is a measure of the average recurring revenue per enterprise and mid-market customer over the trailing twelve months. ARPC increased to $680,000 in 2025, as compared to $625,000 in 2024. Revenue retention for our enterprise and mid-market customers on the LivePerson Platform, which represents the trailing-twelve-month change in total revenue from existing customers after upsells, downsells and attrition, was 78%, below our long-range target of 105% to 115%, a decline from the 82% retention rate in 2024.

We continue to observe slower than anticipated renewals and new business bookings, primarily driven by customer uncertainty regarding our financial stability as well as broader macroeconomic and industry factors extending enterprise buying cycles, including for high-value AI solutions, which can require additional approvals related to compliance reviews and other factors, with a corresponding impact on the Company's revenue.

Critical Accounting Policies and Estimates

Our consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States (“GAAP”). As such, we are required to make certain estimates, judgments and assumptions that management believes are reasonable based upon the information available. We base these estimates on our historical experience, future expectations and various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for our judgments that may not be readily apparent from other sources. We evaluate these estimates on an annual basis. Actual results could differ from those estimates under different assumptions or conditions, and any differences could be material. For further information on our significant accounting policies, see Note 1 – *Description of Business and Summary of Significant Accounting Policies* in the Notes to the Consolidated Financial Statements under Item 8 of this Annual Report on Form 10-K.

The critical accounting policies, estimates, assumptions, and judgments that we believe have the most significant impact on our consolidated financial statements are described below.

Revenue Recognition

The majority of our revenue is generated from hosted service revenues, including platform access, usage and related professional services. Revenues are recognized when control of these services is transferred to our customers, in an amount that reflects the consideration we expect to be entitled to in exchange for those services.

Hosted Services Revenue

Hosted services revenue is reported at the amount that reflects the ultimate consideration expected to be received and primarily consists of fees that provide customers access to the LivePerson Platform. We have determined such access represents a stand-ready service provided continually throughout the contract term. As such, control and satisfaction of this stand-ready performance obligation is deemed to occur over time. We recognize this revenue over time on a ratable basis over the contract term, beginning on the date that access to the LivePerson Platform is made available to the customer. The passage of time is deemed to be the most faithful depiction of the transfer of control of the services as the customer simultaneously receives and consumes the benefit provided by our performance. Subscription contracts are generally one year or longer in length, billed monthly, quarterly or annually in advance.

Professional Services Revenue

Professional Services revenue is reported at the amount that reflects the ultimate consideration we expect to receive in exchange for such services. The Company’s professional services revenue consists of fees that provide customers with product support and updates during the term of the arrangement, which is typically one year or longer in length, billed monthly, quarterly or annually in advance. Revenue is generally recognized ratably over the contract term. The Company’s professional services revenue also includes custom support services, which differ from the Company’s standard product support. These custom support revenues are recognized as the services are completed.

Goodwill and Long-lived Assets Impairments

Goodwill represents the excess of the aggregate purchase price over the fair value of net identifiable assets acquired in a business combination. We evaluate goodwill for impairment on an annual basis on October 1, and more frequently whenever events or substantive changes in circumstances indicate that it is more likely than not that the carrying value of a reporting unit exceeds its fair value. In performing the goodwill impairment test, we first assess qualitative factors to determine the existence of impairment. If the qualitative factors indicate that the carrying value of a reporting unit more likely than not exceeds its fair value, we proceed to a quantitative test to measure the existence and amount, if any, of goodwill impairment. We may also choose to bypass the qualitative assessment and proceed directly to the quantitative test. In performing the quantitative test, impairment loss is recorded to the extent that the carrying value of the reporting unit exceeds its assessed fair value. In connection with the annual impairment test performed as of October 1, 2025 and the interim test performed as of December 31, 2025 using the quantitative “Step 1” assessment, we determined the fair value of our reporting unit, using both an income approach and a market approach. The fair value determination using an income approach requires management to make significant estimates and assumptions related to forecasts of future revenues, EBITDA and the discount rate. The fair value determination using a market approach requires management to make significant assumptions related to marketplace multiples from within a peer public company group.

Prior to testing goodwill for impairment, the Company first tests its long-lived assets for impairment. The carrying values are adjusted, if necessary, for the result of each impairment test prior to performing the next test. Recoverability of these assets is measured by a comparison of the carrying amounts to the future undiscounted cash flows the assets are expected to generate from their use and eventual disposition. If such review indicates that the carrying amount of an asset is not recoverable and the asset's fair value is less than the carrying amount, an impairment charge is recognized.

See Note 1 - *Description of Business and Summary of Significant Accounting Policies, N*ote 5 – *Goodwill and Intangible Assets, Net* and Note 6 - *Property and Equipment, Net* in the Notes to the Consolidated Financial Statements under Item 8 of this Annual Report on Form 10-K for additional information.

Senior Notes and Warrants

Convertible Senior Notes due 2029

We account for convertible debt and related transactions in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 470, *Debt*, ASC 815, *Derivatives and Hedging*, and ASC 480, *Distinguishing Liabilities from Equity*. We evaluate convertible debt instruments and related transactions at inception to determine if those contracts include embedded features that should be bifurcated as an embedded derivative.

The 2029 Notes issued during 2024 were accounted for as a liability. The transaction was accounted for as a debt extinguishment and a gain on extinguishment was recorded. The Company paid third party fees in connection with the transaction, which were capitalized as debt issuance costs. Unamortized debt issuance costs incurred in connection with securing the Company's financing arrangements are presented in the consolidated balance sheets as a direct deduction from the carrying amount of the outstanding borrowings, consistent with debt discounts. All deferred financing costs are amortized to interest expense. The 2029 Notes include certain embedded features requiring bifurcation. The Company estimates the fair value of these features on a quarterly basis by assessing the likelihood of triggering events. The features do not have material values as of December 31, 2025, but they may have value in the future, should the estimates change, with any change in fair value recorded in the Company's consolidated statements of operations.

Second Lien Senior Subordinated Secured Notes due 2029

We issued Second Lien Notes as part of our troubled debt restructuring in 2025. They are accounted for as a liability and a troubled debt restructuring gain was recorded in other income (expense), net. The Company paid third party fees in connection with the transaction, which reduced the gain recorded.

Warrants

The cash-settled and share-settled warrants (together, "Warrants") issued by the Company are classified as current liabilities in the consolidated balance sheets and recorded at their fair value. Changes in fair value are recorded in Other income (expense), net in the Company's consolidated statements of operations.

See Note 8 – *Senior Notes, Capped Call Transactions, Warrants and Preferred Stock* and Note 9 - *Fair Value Measurements* in the Notes to the Consolidated Financial Statements under Item 8 of this Annual Report on Form 10-K for additional information.

Recently Issued Accounting Standards

See Note 1 – *Description of Business and Summary of Significant Accounting Policies* in the Notes to the Consolidated Financial Statements under Item 8 of this Annual Report on Form 10-K for additional information about recent accounting guidance not yet adopted and recently adopted accounting pronouncements.

Results of Operations

We enable brands to leverage the LivePerson Platform's sophisticated intelligence engine to connect with consumers through an integrated suite of mobile and online business messaging technologies. Our platform enables businesses to have conversations with millions of consumers as personally as they would with one consumer.

Revenue

The following tables set forth our results of operations for the years presented and as a percentage of our revenues for those periods. The period-to-period comparison of financial results is not necessarily indicative of future results.

	Year Ended December 31,			
	2025	**2024**	**$ Change**	**% Change**
	(Dollars in thousands)			
Revenue	$ 243,742	$ 312,474	$ (68,732)	(22)%

Revenue decreased by 22% to $243.7 million for the year ended December 31, 2025, from $312.5 million for the year ended December 31, 2024. Hosted services decreased by $54.1 million, primarily driven by customer cancellations and a decrease in customer commitments upon renewal of existing contracts. Included in hosted services is a decrease of $12.0 million in revenue that is variable based on interactions and usage for the year ended December 31, 2025. In addition, Professional Services decreased by $14.7 million for the year ended December 31, 2025. Refer to *Key Metrics and Current Trends* within Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations* for further discussion of revenue trends.

Cost of Revenue (exclusive of depreciation and amortization shown separately below)

Cost of revenue consists of compensation costs relating to employees who provide customer service to our customers, compensation costs relating to our network support staff, outside labor provider costs, the cost of supporting our server and network infrastructure, and allocated occupancy costs and related overhead.

	Year Ended December 31,			
	2025	**2024**	**$ Change**	**% Change**
	(Dollars in thousands)			
Cost of revenue	$ 69,392	$ 77,395	$ (8,003)	(10)%
Percentage of total revenue	28%	25%		
Headcount (at period end)	146	187		(22)%

Cost of revenue decreased by 10% to $69.4 million for the year ended December 31, 2025, from $77.4 million for the year ended December 31, 2024. This decrease in expense is primarily attributable to a decrease in salary, stock-based compensation and employee-related expenses of $6.7 million due to restructuring activities, and a decrease in business services and outsourced expenses of $5.1 million, partially offset by an increase in software and hosting expenses of $5.3 million.

Sales and Marketing

Sales and marketing expenses consist of compensation and related expenses for sales and marketing personnel, as well as advertising, marketing events, public relations, trade show exhibit expenses and allocated occupancy costs and related overhead.

	Year Ended December 31,			
	2025	**2024**	**$ Change**	**% Change**
	(Dollars in thousands)			
Sales and marketing	$ 75,800	$ 97,337	$ (21,537)	(22)%
Percentage of total revenue	31%	31%		
Headcount (at period end)	129	224		(42)%

Sales and marketing expenses decreased by 22% to $75.8 million for the year ended December 31, 2025, from $97.3 million for the year ended December 31, 2024. This decrease was primarily attributable to a decrease in salary, stock-based compensation expense and employee-related expenses of $13.0 million due to restructuring activities, a decrease in marketing expenses of $3.3 million, a decrease in software and hosting expenses of $3.0 million, and a decrease in business services and outsourced expenses of $2.2 million.

General and Administrative

Our general and administrative expenses consist of compensation and related expenses for executive, accounting, legal, human resources and administrative personnel, professional fees and other general corporate expenses.

	Year Ended December 31,			
	2025	**2024**	**$ Change**	**% Change**
	(Dollars in thousands)			
General and administrative	$ 44,441	$ 79,761	$ (35,320)	(44)%
Percentage of total revenue	18%	26%		
Headcount (at period end)	101	132		(23)%

General and administrative expenses decreased by 44% to $44.4 million for the year ended December 31, 2025, from $79.8 million for the year ended December 31, 2024. This is primarily attributable to a decrease in bad debt expense of $14.1 million, a decrease in legal and insurance costs of $12.1 million, a decrease in salary, stock-based compensation expense and employee-related expenses of $4.8 million due to restructuring activities, a decrease in leadership transition costs of $3.0 million, and a decrease in business services and outsourced expenses of $1.0 million, partially offset by an increase in software expenses of $0.5 million. In addition, the Company recognized $1.8 million of post-closing adjustments related to the Kasamba divestiture in 2024 that did not recur in 2025.

Product Development

Our product development expenses consist of compensation and related expenses for product development personnel as well as allocated occupancy costs and related overhead and outsourced labor and expenses for testing new versions of our software.

	Year Ended December 31,			
	2025	**2024**	**% Change**	**% Change**
	(Dollars in thousands)			
Product development	$ 54,706	$ 79,784	$ (25,078)	(31)%
Percentage of total revenue	22%	26%		
Headcount (at period end)	239	405		(41)%

Product development costs decreased by 31% to $54.7 million for the year ended December 31, 2025, from $79.8 million for the year ended December 31, 2024. This decrease is primarily related to a decrease in salary, stock-based compensation expense and employee-related expenses of $11.5 million due to restructuring activities, a decrease in software and hosting expenses of $6.8 million, and a decrease in business services and outsourced expenses of $5.5 million.

We continued to make investments in public cloud migration, and in the LivePerson Platform. While innovation remains a core component of our strategy, we are operating in a competitive environment characterized by aggressive investment in artificial intelligence and other technological innovation by competitors with significant resources and investment capital. During the years ended December 31, 2025 and 2024, $11.3 million and $19.3 million was capitalized, respectively.

Depreciation and Amortization

Our depreciation and amortization relates to depreciation and amortization of our property and equipment and to amortization of our intangible assets and finance leases.

	Year Ended December 31,			
	2025	**2024**	**$ Change**	**% Change**
	(Dollars in thousands)			
Depreciation and amortization	$ 22,732	$ 42,272	$ (19,540)	(46)%
Percentage of total revenue	9 %	14 %		

Depreciation and amortization costs decreased by 46% to $22.7 million for the year ended December 31, 2025, from $42.3 million for the year ended December 31, 2024. This decrease is primarily related to the reduction in asset balances due to impairments in 2024 of $37.4 million related to intangible assets and $9.5 million related to internal-use software development costs. Refer to Note 5 - *Goodwill and Intangible Assets, Net* and Note 6 - *Property and Equipment, Net* for additional information on the impairment charges.

Restructuring Costs

We maintain restructuring initiatives to realign our cost structure with our current business model, in which we have flattened the Company's organizational structure to align to more efficient sales and service support. While the Company's restructuring efforts are ongoing, the 2024 restructuring activities were substantially completed by December 31, 2024, and the 2025 restructuring activities were substantially completed by December 31, 2025.

	Year Ended December 31,			
	2025	**2024**	**$ Change**	**% Change**
	(Dollars in thousands)			
Restructuring costs	$ 11,667	$ 11,139	$ 528	5 %
Percentage of total revenue	5%	4%		

Restructuring costs increased by 5% to $11.7 million for the year ended December 31, 2025, from $11.1 million for the year ended December 31, 2024. This increase is attributable to a reversal of IT contract termination costs of $1.2 million in the comparable year which did not recur in the current year, partially offset by a decrease in severance and other associated costs of $0.7 million due to fewer reductions in our workforce compared to the year ended December 31, 2024. Refer to Note 12 – *Restructuring* for additional information about the restructuring initiative.

Impairment of Goodwill

	Year Ended December 31,			
	2025	2024	$ Change	% Change
	(Dollars in thousands)			
Impairment of goodwill	$ 41,595	$ 60,551	$ (18,956)	(31)%
Percentage of total revenue	17%	19%		

Goodwill impairment was $41.6 million for the year ended December 31, 2025, as a result of our interim impairment test during the fourth quarter of fiscal 2025. Goodwill impairment was $60.6 million for the year ended December 31, 2024, primarily related to goodwill impairment of $56.9 million as a result of our impairment test on October 1, 2024, and to a lesser extent, goodwill impairment of $3.6 million related to the WildHealth business, which was sold during the second quarter of 2024. Refer to Note 5 - *Goodwill and Intangible Assets, Net,* for additional information about the impairments.

Impairment of Intangibles and Other Assets

	Year Ended December 31,			
	2025	2024	$ Change	% Change
	(Dollars in thousands)			
Impairment of intangibles and other assets	$ 2,108	$ 46,872	$ (44,764)	(96)%
Percentage of total revenue	1%	15%		

Impairment of intangibles and other assets was $2.1 million for the year ended December 31, 2025, related to pending patents. Impairment of intangibles and other assets was $46.9 million and consisted of non-cash charges of $23.7 million related to developed technology, $11.0 million related to customer relationships, $0.5 million related to trademarks, $9.5 million related to property and equipment - internal-use software development costs, and $2.2 million attributable to the intangible assets associated with our WildHealth reporting unit, which was fully divested during 2024. Refer to Note 5 - *Goodwill and Intangible Assets, net,* for additional information about the impairments.

Total Other Income, net

Interest expense represents interest expense from our senior notes, and amortization of debt issuance costs and debt discount. Interest income represents interest earned from cash deposits. Other income (expense), net consists primarily of fair value adjustments for our Warrants and foreign currency gains and losses.

	Year Ended December 31,			
	2025	2024	$ Change	% Change
	(Dollars in thousands)			
Interest expense	$ (31,530)	$ (14,486)	$ (17,044)	(118)%
Interest income	4,751	5,860	(1,109)	(19)%
Gain on troubled debt restructuring	27,720	—	27,720	—%
Gain on debt extinguishment	—	73,083	(73,083)	(100)%
Other income (expense), net	13,977	(12,800)	26,777	209%
Total other income, net	$ 14,918	$ 51,657	$ (36,739)	(71)%

Total other income, net decreased by $36.7 million to $14.9 million for the year ended December 31, 2025 from $51.7 million for the year ended December 31, 2024. The decrease is primarily due to a gain of $27.7 million on the troubled debt restructuring in the current period compared to a gain on debt extinguishment of $73.1 million in the comparable period. In addition, interest expense was higher in the current period by $17.0 million, primarily related to the issuance of the 2029 Notes in June 2024 and Delayed Draw Notes in December 2024. These were partially offset by a $13.2 million favorable adjustment to the fair value of our Warrants in the current period, compared to an unfavorable adjustment of $12.2 million in the comparable period. The remaining amount of total other income, net, is attributable to interest income on our money market accounts, and the impact of currency rate fluctuations.

Provision For Income Taxes

	Year Ended December 31,			
	2025	2024	$ Change	% Change
	(Dollars in thousands)			
Provision for income taxes	$ 3,452	$ 2,735	$ 717	26%

We had a provision for income taxes of $3.5 million and $2.7 million for the years ended December 31, 2025 and 2024, respectively. Our consolidated effective tax rate was impacted by the statutory income tax rates applicable to each of the jurisdictions in which we operate, valuation allowance recorded against losses generated in the U.S. and Germany, a tax benefit related to an increase in tax receivables, and changes to unrecognized tax benefits in Israel. The overall tax provision recorded represents tax on non-U.S. earnings in the various jurisdictions in which we operate and the provision for U.S. state and local impacts. The total tax expense associated with non-U.S. jurisdictions is relatively consistent between periods.

Liquidity and Capital Resources

The following describes the Company's cash flows for the years ended December 31, 2025 and 2024:

	Year Ended December 31,	
	2025	2024
	(In thousands)	
Net cash used in operating activities	$ (30,435)	$ (15,130)
Net cash used in investing activities	(13,727)	(28,216)
Net cash (used in) provided by financing activities	(45,503)	14,972

As of December 31, 2025, we had $95.0 million in cash and cash equivalents, a decrease of $88.2 million from December 31, 2024. The decrease is primarily attributable to cash paid of $45.0 million related to the troubled debt restructuring, various uses of cash for operating purposes, and purchases of property and equipment and capitalization of internal-use software development costs of $12.1 million.

Cash Flows from Operating Activities

Net cash used in operating activities was $30.4 million in the year ended December 31, 2025. Our net loss was $67.2 million, which includes the effect of non-cash expenses related to goodwill impairment of $41.6 million, depreciation and amortization of $22.0 million, non-cash interest expense of $15.3 million, stock-based compensation of $14.3 million, and amortization of debt issuance costs and accretion of discount of $7.6 million. These items were partially offset by a gain on troubled debt restructuring of $42.4 million and a gain on change in fair value of Warrants of $13.2 million. Net cash used in operating activities was further driven by a decrease in accounts payable, accrued expenses and other current liabilities of $19.8 million, a decrease in deferred revenue of $4.3 million, and a decrease in other liabilities of $3.7 million, partially offset by a decrease in contract acquisition costs of $10.4 million and a decrease in prepaid expenses and other current assets of $3.6 million.

Net cash used in operating activities was $15.1 million in the year ended December 31, 2024. Our net loss was $134.3 million, which includes the effect of non-cash expenses related to depreciation and amortization of $30.3 million, amortization of intangible assets and finance leases of $12.0 million, change in the fair value of Warrants of $12.2 million, non-cash interest expense of $5.8 million, amortization of debt issuance costs and accretion of discount of $4.5 million, allowance for credit losses of $15.0 million, and stock-based compensation of $22.0 million. In addition, we recorded a goodwill impairment of $60.6 million, and intangible and other assets impairments of $46.9 million primarily related to our developed technology and customer relationships, and to a lesser extent, related to our WildHealth reporting unit and internal-use software development costs. These items were partially offset by a gain on repurchase of convertible notes of $73.1 million. Net cash used in operating activities was further driven by a decrease in accounts payable, accrued expenses and other current liabilities of $44.5 million and a decrease in deferred revenue of $23.1 million, partially offset by a decrease in accounts receivable of $37.5 million, a decrease in prepaid expenses and other current assets of $7.3 million, and a decrease in contract acquisition costs of $3.3 million.

Cash Flows from Investing Activities

Net cash used in investing activities was $13.7 million in the year ended December 31, 2025 which was primarily driven by purchases of property and equipment and capitalization of internal-use software development costs.

Net cash used in investing activities was $28.2 million in the year ended December 31, 2024 which was primarily driven by purchases of property and equipment and capitalization of internal-use software development costs.

Cash Flows from Financing Activities

Net cash used in financing activities was $45.5 million in the year ended December 31, 2025 which was primarily driven by payments to lenders of $45.0 million related to the troubled debt restructuring.

Net cash provided by financing activities was $15.0 million in the year ended December 31, 2024, which was primarily driven by proceeds from issuance of 2029 Notes of $50.0 million, and proceeds from the Delayed Draw Notes of $50.0 million. These proceeds were partially offset by full repayment of the 0.750% Convertible Senior Notes due 2024 (the "2024 Notes") of $72.5 million, repurchases of the 2026 Notes of $4.9 million, and payment of debt issuance costs of $7.6 million.

We have incurred significant expenses to develop our technology and services and to hire employees in our customer service and sales and marketing departments, as well as acquisition costs and non-cash compensation costs. Historically, we have incurred net losses and negative cash flows for various quarterly and annual periods since our inception, including during numerous quarters and annual periods in the past several years. As of December 31, 2025, we had an accumulated deficit of $1,058.5 million.

Our principal sources of liquidity are the net proceeds from the issuance of our convertible senior notes, after deducting purchaser discounts as applicable and debt issuance costs paid by us, and payments received from customers using our products. We anticipate that our current cash and cash equivalents will be sufficient to satisfy our working capital and capital requirements for at least the next 12 months. However, we cannot assure you that we will not require additional funds prior to such time, and we would then seek to sell additional equity or debt securities through public financings, or seek alternative sources of financing. We cannot assure you that additional funding will be available on favorable terms, when needed, if at all. If we are unable to obtain any necessary financing, we may be required to further reduce the scope of our planned sales and marketing and product development efforts, which could materially adversely affect our financial condition and operating results. In addition, we may require additional funds in order to fund more rapid expansion, to develop new or enhanced services or products or to invest in or acquire complementary businesses, technologies, services or products.

The indenture governing the 2029 Notes includes a financial covenant that requires the Company to maintain a minimum cash balance of $60.0 million (excluding the proceeds of the 2029 Notes) at all times. Proceeds of the 2029 Notes may be used only to (i) pay interest, or cash settle, the 2029 Notes, (ii) cash settle the Warrants, (iii) exchange, repurchase, redeem, replace or otherwise refinance 2026 Notes (or refund or replenish cash of the Company or any of its subsidiaries used to do so), or (iv) pay or reimburse certain fees, costs and expenses related to the foregoing and the other transactions contemplated by the Exchange and Purchase Agreement as amended or otherwise modified from time to time.

Upon conversion or exercise, the 2029 Notes and cash-settled warrants would be settled for cash. In addition, the 2026 Notes, the 2029 Notes and the Second Lien Notes are subject to repurchase at the option of holders if the Company undergoes a "Fundamental Change" (as defined in the indentures governing the 2026 Notes, the 2029 Notes and the Second Lien Notes, as applicable), and the 2026 Notes, the 2029 Notes and the Second Lien Notes are subject to events of default customary for notes issued in connection with similar transactions, which could result in the acceleration of amounts owed. See Note 8 – *Senior Notes, Capped Call Transactions, Warrants and Preferred Stock* for additional information.

The Company may from time to time, subject to board authorization and any applicable restrictions under contracts to which it may be or become a party, depending upon market conditions and the Company's financing needs, use available funds to refinance or repurchase its outstanding debt or equity securities in privately negotiated or open market transactions, by tender offer or otherwise, in compliance with applicable laws, rules and regulations, at prices and on terms the Company deems appropriate (which, in the case of debt securities, may be below par) and subject to the Company's cash requirements for other purposes and other factors management deems relevant.

We do not engage in off-balance sheet financing arrangements.

Capital Expenditures

Total capital expenditures in 2025 were $12.1 million, primarily related to internal-use software development costs. We anticipate that our current cash and cash equivalents and cash from operations will be sufficient to fund our capital expenditures for at least the next 12 months.

Indemnifications

We enter into service and license agreements in the ordinary course of business. Pursuant to some of these agreements, we agree to indemnify certain customers from and against certain types of claims and losses suffered or incurred by them as a result of using our products.

We also have agreements whereby certain of our officers and our directors are indemnified for certain events or occurrences. The maximum potential amount of future payments we could be required to make under these indemnification agreements is unlimited; however, we have a directors and officers insurance policy that reduces our exposure and enables us to recover a portion of any future amounts paid subject to customary deductibles. As a result of our insurance policy coverage, we believe the estimated fair value of these indemnification agreements is minimal. Currently, we have no liabilities recorded for these agreements as of December 31, 2025.

Contractual Obligations

Our purchase obligations consist of agreements to purchase goods and services entered into in the ordinary course of business. As of December 31, 2025, the value of our non-cancelable unconditional purchase obligations was $74.4 million, primarily relating to contracts with vendors in connection with IT infrastructure. See Note 10 – *Commitments and Contingencies* in the Notes to the Consolidated Financial Statements under Item 8 of this Annual Report on Form 10-K for additional information regarding our purchase obligations.

We also lease certain facilities under non-cancelable operating lease arrangements that expire at various dates through 2027. See Note 1 – *Description of Business and Summary of Significant Accounting Policies* in the Notes to the Consolidated Financial Statements under Item 8 of this Annual Report on Form 10-K for additional information regarding our lease obligations.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Foreign Currency Exchange Risks

We actively monitor the movement of the U.S. dollar against the NIS, Pound Sterling, Euro, Australian dollar, and Japanese Yen and have considered the use of financial instruments, including but not limited to derivative financial instruments, which could mitigate such risk. If we determine that our risk of exposure materially exceeds the potential cost of derivative financial instruments, we may in the future enter into these types of arrangements.

Collection Risks

Our accounts receivable are subject, in the normal course of business, to collection risks. We regularly assess these risks and have established policies and business practices to protect against the adverse effects of collection risks. During 2025, we reduced our allowance for credit losses from $8.6 million to $4.5 million. During 2024, we reduced our allowance for credit losses from $9.3 million to $8.6 million. A large proportion of our receivables are due from larger corporate customers that typically have longer payment cycles. We base our allowance for credit losses on specifically identified credit risks of customers, historical trends and other information that we believe to be reasonable. Receivables are written off and charged against the applicable recorded allowance when we have exhausted collection efforts without success. We adjust our allowance for credit losses when accounts previously reserved have been collected.

An allowance for credit losses is established for losses expected to be incurred on accounts receivable balances. Judgment is required in the estimation of the allowance and we evaluate the collectability of our accounts receivable and contract assets based on a combination of factors. If we become aware of a customer's inability to meet its financial obligations, a specific allowance is recorded to reduce the net receivable to the amount reasonably believed to be collectible from the customer. For all other customers, we use an aging schedule and recognize allowances for credit losses based on the creditworthiness of the debtor, the age and status of outstanding receivables, the current business environment and our historical collection experience adjusted for current expectations for the customer or industry.

Interest Rate Risk

Our investments consist of cash and cash equivalents. Therefore, changes in market interest rates do not affect in any material respect the value of the investments as recorded by us.

Inflation Risk

We do not believe that inflation has had a material effect on our business, financial conditions or results of operations. If our costs were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through price increases. Our inability or failure to do so could harm our business, financial condition and results of operations.

Item 8. Financial Statements and Supplementary Data

LIVEPERSON, INC.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders
LivePerson, Inc.
New York, New York

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of LivePerson, Inc. (the "Company") as of December 31, 2025 and 2024, the related consolidated statements of operations, comprehensive loss, stockholders' equity (deficit), and cash flows for each of the three years in the period ended December 31, 2025, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025**,** in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and our report dated March 13, 2026 expressed an unqualified opinion thereon.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of the critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Evaluation of Embedded Features in Second Lien Notes

As described in Notes 1 and 8 to the consolidated financial statements, on the Exchange Closing Date, the Company issued $115.0 million in aggregate principal amount of Second Lien Notes as part of the September 2025 Debt Exchange transaction.

The Company evaluates convertible debt instruments and related transactions at inception to determine if those contracts include embedded features that should be bifurcated as an embedded derivative.

The terms of the Second Lien Notes provide for redemption at the option of the Company or the Holder in certain circumstances.

No embedded features were bifurcated from the Second Lien Notes as the September 2025 Debt Exchange was accounted for as a troubled debt restructuring and the Company recognized a gain in connection with the issuance of the Second Lien Notes.

We identified the evaluation of whether the embedded redemption features included in the Second Lien Notes should be bifurcated as embedded derivatives as a critical audit matter. Determining whether the embedded features included in the Second Lien Notes should be bifurcated and accounted for separately as derivatives involved the use of significant judgment in the application of highly complex accounting standards. Auditing these elements involved especially complex auditor judgment due to the nature and extent of audit effort required to evaluate management's application of complex accounting standards.

The primary procedures we performed to address this critical audit matter included:

- Reading and analyzing the relevant agreements to identify relevant terms and conditions that affect whether the embedded redemption features in the Second Lien Notes should be bifurcated.

- With the assistance of professionals in our firm having expertise in the relevant technical accounting, we evaluated the Company's conclusions regarding whether the embedded features should be bifurcated and accounted for as derivatives under accounting principles generally accepted in the United States of America.

Impairment Testing of Goodwill

As described in Note 5 to the consolidated financial statements, the Company's consolidated goodwill, net balance as of December 31, 2025 was $184.9 million. In connection with the annual impairment test completed as of October 1, 2025 and the interim impairment test performed at December 31, 2025, the Company determined the fair value of its reporting unit using both an income approach and a market approach. The fair value determination using an income approach requires management to make significant estimates and assumptions related to forecasts of future revenues, earnings before interest, taxes, depreciation, and amortization ("EBITDA") and the discount rate. The discount rate used in the income approach model in connection with the interim impairment testing included a risk premium. As a result of the annual impairment test, no impairment was identified, as the fair value of the Company's reporting unit exceeded its carrying value. As a result of the interim impairment test, the Company recorded a non-cash impairment charge of $41.6 million in the consolidated statements of operations during the year ended December 31, 2025, to recognize the impairment of goodwill in the Company's one reporting unit.

We identified the annual impairment test and interim impairment test as critical audit matters. Determining the fair value of the reporting unit for the annual impairment test and interim impairment test using an income approach required significant judgment due to the subjectivity and uncertainty involved in making significant assumptions related to (i) forecasts of future revenues for certain years used in the annual impairment test and the (ii) discount rates used in both the annual and December 31, 2025 interim impairment tests. Auditing these elements involved especially challenging and subjective auditor judgment due to the nature and extent of audit effort required to address these matters, including the extent of specialized skills and knowledge needed.

The primary procedures we performed to address these critical audit matters included:

- Evaluating the reasonableness of the assumptions regarding forecasts of future revenues for certain years used in the annual impairment test by evaluating the assumptions for consistency with: (i) historical results and recent experience, taking into account changes in conditions and events affecting the Company and (ii) the Company's objectives and strategies and by recomputing forecasted revenue.

- Testing the accuracy and completeness of expiring customer contracts on a sample basis by agreeing the information to the customer contracts used by management to determine the forecasts of future revenues for certain years used in the annual impairment test.

- Utilizing personnel with specialized knowledge and skills in valuation to evaluate the reasonableness of the discount rates utilized in the income approach in connection with the annual impairment testing and interim impairment testing by (i) using certain market information to develop an expectation of the discount rate for comparison to management's selected discount rate, and (ii) assessing the risk premium based on qualitative facts and circumstances.

/s/ BDO USA, P.C.

We have served as the Company's auditor since 2005.
New York, New York
March 13, 2026

LIVEPERSON, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except share amounts)

	December 31,	
	2025	**2024**
ASSETS		
Current assets:		
Cash and cash equivalents	$ 95,004	$ 183,237
Accounts receivable, net of allowances of $4,451 and $8,627 as of December 31, 2025 and 2024, respectively	27,014	28,737
Prepaid expenses and other current assets (Note 1)	15,100	19,250
Total current assets	137,118	231,224
Property and equipment, net (Note 6)	90,389	100,557
Contract acquisition costs, net (Note 2)	23,951	33,559
Intangible assets, net (Note 5)	13,409	15,070
Goodwill, net (Note 5)	184,902	222,554
Deferred tax assets, net (Note 14)	4,511	4,411
Other assets	387	403
Total assets	$ 454,667	$ 607,778
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable	$ 9,522	$ 15,378
Accrued expenses and other current liabilities (Note 7)	38,700	66,582
Deferred revenue (Note 2)	54,295	57,980
Current portion of long-term debt (Note 8)	20,052	—
Total current liabilities	122,569	139,940
Senior notes, net of current portion (Note 8)	371,732	527,070
Deferred tax liabilities (Note 14)	4,196	3,542
Other liabilities	665	4,542
Total liabilities	499,162	675,094
Commitments and contingencies (Notes 10 and 13)		
Stockholders' equity (deficit):		
Preferred stock, $0.001 par value - 5,000,000 shares authorized; none issued and outstanding as of both December 31, 2025 and 2024	—	—
Common stock, $0.001 par value - 20,000,000 and 13,333,333 shares authorized; 12,223,729 and 6,263,782 shares issued, and 12,039,325 and 6,079,378 shares outstanding as of December 31, 2025 and 2024, respectively	173	94
Treasury stock, at cost; 184,404 shares as of December 31, 2025 and 2024	(3)	(3)
Additional paid-in capital	1,021,076	936,047
Accumulated deficit	(1,058,494)	(991,261)
Accumulated other comprehensive loss	(7,247)	(12,193)
Total stockholders' equity (deficit)	(44,495)	(67,316)
Total liabilities and stockholders' equity (deficit)	$ 454,667	$ 607,778

See accompanying notes to consolidated financial statements.

LIVEPERSON, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except share and per share amounts)

	Year Ended December 31,		
	2025	2024	2023
Revenue	$ 243,742	$ 312,474	$ 401,983
Costs, expenses and other:			
Cost of revenue (exclusive of depreciation and amortization shown separately below)	69,392	77,395	116,060
Sales and marketing	75,800	97,337	122,574
General and administrative	44,441	79,761	91,166
Product development	54,706	79,784	103,863
Depreciation and amortization	22,732	42,272	54,753
Restructuring costs	11,667	11,139	22,664
Impairment of goodwill	41,595	60,551	11,895
Impairment of intangibles and other assets	2,108	46,872	7,974
Loss (gain) on divestiture	—	558	(17,591)
Total costs, expenses and other	322,441	495,669	513,358
Loss from operations	(78,699)	(183,195)	(111,375)
Other income, net:			
Interest expense	(31,530)	(14,486)	(4,882)
Interest income	4,751	5,860	9,551
Gain on troubled debt restructuring	27,720	—	—
Gain on debt extinguishment	—	73,083	7,200
Other income (expense), net	13,977	(12,800)	3,234
Total other income, net	14,918	51,657	15,103
Loss before provision for income taxes	(63,781)	(131,538)	(96,272)
Provision for income taxes	3,452	2,735	4,163
Net loss	$ (67,233)	$ (134,273)	$ (100,435)
Net loss per share of common stock:			
Basic	$ (8.57)	$ (22.70)	$ (19.17)
Diluted	$ (12.39)	$ (22.70)	$ (19.17)
Weighted-average shares used to compute net loss per share:			
Basic	7,843,700	5,914,344	5,239,552
Diluted	8,640,730	5,914,344	5,239,552

See accompanying notes to consolidated financial statements.

LIVEPERSON, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(in thousands)

	Year Ended December 31,		
	2025	**2024**	**2023**
Net loss	$ (67,233)	$ (134,273)	$ (100,435)
Foreign currency translation adjustment	4,946	(3,709)	2,193
Total comprehensive loss	$ (62,287)	$ (137,982)	$ (98,242)

See accompanying notes to consolidated financial statements.

LIVEPERSON, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
(in thousands, except share amounts)

	Common Stock		Treasury Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Equity (Deficit)
	Shares	Amount	Shares	Amount				
Balance at December 31, 2022	5,223,399	$ 78	(184,404)	$ (3)	$ 771,052	$ (692,362)	$ (10,677)	$ 68,088
Common stock issued upon exercise of stock options	4,449	—	—	—	175	—	—	175
Common stock issued upon vesting of restricted stock units	102,214	2	—	—	(2)	—	—	—
Stock-based compensation	—	—	—	—	35,483	—	—	35,483
Issuance of common stock in connection with acquisitions	686,492	10	—	—	38,418	—	—	38,428
Common stock issued under Employee Stock Purchase Plan ("ESPP")	23,680	1	—	—	1,715	—	—	1,716
Activity related to divestiture	—	—	—	—	66,681	(64,191)	57	2,547
Net loss	—	—	—	—	—	(100,435)	—	(100,435)
Other comprehensive income	—	—	—	—	—	—	2,136	2,136
Balance at December 31, 2023	6,040,234	$ 91	(184,404)	$ (3)	$ 913,522	$ (856,988)	$ (8,484)	$ 48,138
Common stock issued upon exercise of stock options	1	—	—	—	—	—	—	—
Common stock issued upon vesting of restricted stock units	201,232	3	—	—	(3)	—	—	—
Stock-based compensation	—	—	—	—	21,989	—	—	21,989
Common stock issued under ESPP	22,315	—	—	—	419	—	—	419
Other	—	—	—	—	120	—	—	120
Net loss	—	—	—	—	—	(134,273)	—	(134,273)
Other comprehensive loss	—	—	—	—	—	—	(3,709)	(3,709)
Balance at December 31, 2024	6,263,782	$ 94	(184,404)	$ (3)	$ 936,047	$ (991,261)	$ (12,193)	$ (67,316)
Common stock issued in connection with debt transaction	3,698,788	56	—	—	49,325	—	—	49,381
Conversion of preferred stock to common stock	1,547,840	15	—	—	20,648	—	—	20,663
Common stock issued upon vesting of restricted stock units	592,507	7	—	—	(7)	—	—	—
Stock-based compensation	—	—	—	—	14,105	—	—	14,105
Common stock issued under ESPP	120,812	1	—	—	958	—	—	959
Net loss	—	—	—	—	—	(67,233)	—	(67,233)
Other comprehensive income	—	—	—	—	—	—	4,946	4,946
Balance at December 31, 2025	12,223,729	$ 173	(184,404)	$ (3)	$ 1,021,076	$ (1,058,494)	$ (7,247)	$ (44,495)

See accompanying notes to consolidated financial statements.

LIVEPERSON, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

	Year Ended December 31,		
	2025	**2024**	**2023**
OPERATING ACTIVITIES:			
Net loss	$ (67,233)	$ (134,273)	$ (100,435)
Adjustments to reconcile net loss to net cash used in operating activities:			
Stock-based compensation expense	14,256	21,989	11,854
Depreciation and amortization	21,975	30,310	32,557
Reduction of operating lease right-of-use assets	17	4,059	—
Amortization of purchased intangible assets and finance leases	757	11,962	22,196
Amortization of debt issuance costs and accretion of debt discount	7,614	4,513	4,043
Impairment of goodwill	41,595	60,551	11,895
Impairment of intangibles and other assets	2,108	46,872	7,974
Change in fair value of Warrants	(13,202)	12,232	—
Change in fair value of contingent consideration	—	—	4,629
Gain on troubled debt restructuring	(42,429)	—	—
Gain on debt extinguishment	—	(73,083)	(7,200)
Non-cash interest expense	15,263	5,810	—
Allowance for credit losses	866	14,959	3,319
Loss (gain) on divestiture	—	558	(17,591)
Deferred income taxes	622	623	1,046
Equity loss in joint venture	—	—	2,264
Changes in operating assets and liabilities:			
Accounts receivable	1,160	37,548	1,457
Prepaid expenses and other current assets	3,591	7,300	(3,411)
Contract acquisition costs	10,383	3,331	4,992
Other assets	34	652	1,361
Accounts payable, accrued expenses and other current liabilities	(19,823)	(44,518)	10,773
Deferred revenue	(4,315)	(23,058)	(3,169)
Operating lease liabilities	(14)	(4,868)	(523)
Other liabilities	(3,660)	1,401	(7,796)
Net cash used in operating activities	(30,435)	(15,130)	(19,765)
INVESTING ACTIVITIES:			
Purchases of property and equipment, including capitalized internal-use software development costs	(12,088)	(25,142)	(28,657)
Proceeds from divestiture	—	—	13,819
Purchases of intangible assets	(1,639)	(3,074)	(4,004)
Net cash used in investing activities	(13,727)	(28,216)	(18,842)
FINANCING ACTIVITIES:			
Payment on settlement of warrants	(1,297)	—	—
Payment in connection with troubled debt restructuring	(45,000)	—	—
Proceeds from issuance of 2029 convertible senior notes	—	100,000	—
Payment for repurchase of 2024 convertible senior notes	—	(72,492)	(149,702)
Payment for repurchase of 2026 convertible senior notes	—	(4,901)	—
Payment of debt issuance costs	—	(7,584)	—
Principal payments for finance leases	(26)	(401)	(3,330)

	Year Ended December 31,		
	2025	2024	2023
Proceeds from issuance of common stock in connection with the exercise of options and ESPP	820	350	1,890
Net cash (used in) provided by financing activities	(45,503)	14,972	(151,142)
Effect of foreign exchange rate changes on cash and cash equivalents	1,432	(1,314)	465
Net decrease in cash, cash equivalents, and restricted cash	(88,233)	(29,688)	(189,284)
Cash classified within current assets held for sale	—	—	10,011
Cash, cash equivalents, and restricted cash - beginning of year	183,237	212,925	392,198
Cash, cash equivalents, and restricted cash - end of year	$ 95,004	$ 183,237	$ 212,925
Reconciliation of cash, cash equivalents, and restricted cash to consolidated balance sheets:			
Cash and cash equivalents	$ 95,004	$ 183,237	$ 210,782
Restricted cash	—	—	2,143
Total cash, cash equivalents, and restricted cash	$ 95,004	$ 183,237	$ 212,925
Supplemental disclosure of other cash flow information:			
Cash paid for income taxes, net	$ 1,207	$ 1,886	$ 1,858
Cash paid for interest	9,220	3,710	1,235
Supplemental disclosure of non-cash investing and financing activities:			
Issuance of Second Lien Notes due 2029 in connection with troubled debt restructuring	$ 115,000	$ —	$ —
Issuance of preferred stock in connection with troubled debt restructuring	20,664	—	—
Issuance of common stock in connection with troubled debt restructuring	49,380	—	—
Purchase of property and equipment and intangible assets in accounts payable	264	1,093	2,088
Right-of-use assets obtained in exchange for operating lease liabilities	—	100	5,198
Right-of-use assets obtained in exchange for finance lease liabilities	—	—	3,693

See accompanying notes to consolidated financial statements.

Note 1. Description of Business and Summary of Significant Accounting Policies

LivePerson, Inc. (the “Company”) is a leader in digital customer conversation. Since 1998, LivePerson has enabled meaningful connections between consumers and its customers through digital and artificial intelligence (“AI”)-powered conversations. Our customers’ existing investments in Generative AI and Large Language Models (“LLMs”) are fully compatible with LivePerson’s enterprise-class digital customer conversation platform (the “LivePerson Platform”).

The LivePerson Platform powers conversations across each of a brand’s primary digital channels, including mobile apps, mobile and desktop web browsers, short messaging service, social media and third-party consumer messaging platforms. Brands can also use the LivePerson Platform to connect conversations across voice and digital channels to give customers additional options and ensure their interactions with brands are integrated no matter where they choose to reach out.

The LivePerson Platform enables what the Company calls “the tango” of humans, LivePerson bots, third-party bots and LLMs, in which humans oversee and are assisted by AI and can seamlessly step into conversations as needed. Agents become highly efficient, as they are able to leverage the AI engine (including generative AI capabilities) to surface relevant content, define next-best actions and take over repetitive transactional work so that the agent can focus on relationship building. By integrating customer engagement channels, LivePerson’s proprietary AI, and third-party bots and AI, the LivePerson Platform offers brands a comprehensive approach to scaling automations across customer conversations.

Basis of Presentation

In October 2025, the Company effected a 1-for-15 reverse stock split (the “Reverse Stock Split”) of its issued common stock. As a result, every 15 shares of its issued common stock were combined into one share of common stock. No fractional shares of the Company’s common stock were issued as a result of the Reverse Stock Split. Each stockholder who would otherwise have been entitled to receive a fractional share as a result of the Reverse Stock Split received a cash payment equal to the product obtained by multiplying the number of shares of common stock held by such stockholder before the Reverse Stock Split that would otherwise have been exchanged for such fractional share interest by the closing price per share of the common stock as reported on the Nasdaq Global Select Market on October 10, 2025. As a result of the Reverse Stock Split, proportionate adjustments were made to the per share exercise price and the number of shares issuable upon the exercise of, or notional shares underlying, all outstanding warrants to purchase shares of the Company’s common stock. In addition, the number of authorized shares of common stock was proportionately reduced. Proportionate adjustments were also made to (i) the number of shares of common stock available for issuance under the Company’s equity plans, (ii) the number of shares underlying, and the exercise prices of, outstanding equity awards, as applicable, that have been previously granted under such equity plans or other arrangements, (iii) the number of shares or notional shares underlying, and the exercise prices of, the Company’s outstanding warrants, (iv) the number of shares or notional shares underlying, and the conversion prices of, the Company’s outstanding convertible notes and (v) the number of rights outstanding pursuant to the Company’s Tax Benefits Preservation Plan, in each case in accordance with their respective terms. The Reverse Stock Split did not affect the par value of the common stock or the number of shares of preferred stock that the Company is authorized to issue under its certificate of incorporation. These notes to the consolidated financial statements and the accompanying consolidated financial statements give retroactive effect to the Reverse Stock Split for all periods presented.

Principles of Consolidation

The consolidated financial statements reflect the operations of LivePerson and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation. Certain prior period amounts have been reclassified to conform to current period presentation. These reclassifications had no effect on previously reported net loss or equity.

Related Parties

Related parties include entities related to the Company’s directors or main stockholders as well as, in the past, equity method affiliates. During the year ended December 31, 2023, the Company provided services to Claire Holdings, Inc. (“Claire”), an equity method affiliate, in exchange for fees through certain commercial arrangements. These arrangements facilitated Claire’s build out and operations.

In connection with the joint venture agreement relating to the formation of Claire, the Company entered into commercial agreements with Claire, under which the Company agreed to provide custom software development and managed services in exchange for fees governed by the terms and conditions set forth therein. In accordance with guidance under ASC 606, Claire was considered a customer of the Company. No services were provided to Claire for the years ended December 31, 2025 or 2024, compared to revenues of $3.8 million for the year ended December 31, 2023.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. These estimates are based on information available as of the date of the consolidated financial statements. On a regular basis, management evaluates these estimates and assumptions.

Items subject to such estimates and assumptions include, but are not limited to:

- stock-based compensation expense;
- allowance for credit losses;
- the period of benefit for deferred contract acquisition costs;
- valuation of goodwill;
- valuation and useful lives of long-lived assets;
- valuation of the cash-settled and share-settled warrants (together, "Warrants");
- valuation of features embedded in the 2029 Notes (as defined below);
- income taxes; and
- recognition, measurement, and disclosure of contingent liabilities.

As of the date of issuance of the financial statements, the Company is not aware of any material specific events or circumstances that would require it to update its estimates, judgments, or to revise the carrying values of its assets or liabilities. These estimates may change, as new events occur and additional information is obtained, and are recognized in the consolidated financial statements as soon as they become known. Actual results could differ from those estimates and any such differences may be material to the Company's consolidated financial statements.

Foreign Currency Translation

The Company's operations are conducted in various countries around the world and the financial statements of its foreign subsidiaries are reported in the applicable foreign currencies (functional currencies). Financial information is translated from the applicable functional currency to the United States of America ("U.S.") dollar (the reporting currency) for inclusion in the Company's consolidated financial statements. Income, expenses, and cash flows are translated at weighted average exchange rates prevailing during the fiscal period, and assets and liabilities are translated at fiscal period-end exchange rates. Resulting translation adjustments are included as a component of accumulated other comprehensive loss in stockholders' equity (deficit). Foreign exchange transaction gains or losses are included in Other income (expense), net in the accompanying consolidated statements of operations, and were not material for the years ended December 31, 2025, 2024 and 2023.

Cash, Cash Equivalents and Restricted Cash

The Company considers all highly liquid securities with original maturities of three months or less when acquired to be cash equivalents. Cash equivalents, which primarily consist of money market funds, are recorded at cost, which approximates fair value. Restricted cash primarily related to funds held in connection with the divestiture of Kasamba. Risks associated with cash and cash equivalents are mitigated by banking with creditworthy institutions. Such balances with any one institution may, at times, be in excess of federally insured amounts.

Prepaid Expenses and Other Current Assets

The following table presents the detail of prepaid expenses and other current assets as of the dates presented:

	December 31,	
	2025	2024
	(In thousands)	
Prepaid software maintenance	$ 8,788	$ 9,868
VAT receivable	3,279	2,452
Other prepaid expenses	1,550	2,910
Other current assets	1,483	4,020
Total prepaid expenses and other current assets	$ 15,100	$ 19,250

Goodwill

Goodwill represents the excess of the aggregate purchase price over the fair value of net identifiable assets acquired in a business combination. The Company evaluates goodwill for impairment on an annual basis on October 1, and more frequently whenever events or substantive changes in circumstances indicate that it is more likely than not that the carrying value of a reporting unit exceeds its fair value in accordance with ASC 820, *Fair Value Measurement*. In performing the goodwill impairment test, the Company first assesses qualitative factors to determine the existence of impairment. If the qualitative factors indicate that the carrying value of a reporting unit more likely than not exceeds its fair value, the Company proceeds to a quantitative test to measure the existence and amount, if any, of goodwill impairment. The Company may also choose to bypass the qualitative assessment and proceed directly to the quantitative test. In performing the quantitative test, impairment loss is recorded to the extent that the carrying value of the reporting unit exceeds its assessed fair value.

In connection with the annual impairment test performed as of October 1, 2025 and the interim test performed as of December 31, 2025 using the quantitative “Step 1” assessment, the Company determined the fair value of its reporting unit, using both an income approach and a market approach. The income approach uses a discounted cash flow model that reflects our assumptions regarding revenue growth rates, operating margins, risk-adjusted discount rate, economic and market trends and other expectations about the anticipated operating results of the reporting unit. Under the market approach, we estimate the fair value based on market multiples of revenues derived from comparable publicly traded companies with operating characteristics similar to the reporting unit. See Note 5 – *Goodwill and Intangible Assets, Net* for additional information.

Long-lived Assets

Intangible assets

Intangible assets with estimable useful lives are amortized over their respective estimated useful lives to their estimated residual values, and reviewed for impairment in accordance with ASC 360-10-35, *Accounting for Impairment or Disposal of Long-Lived Assets*. The Company’s capitalized patents are stated at cost, which approximates fair value at inception, and are amortized on a straight-line basis over their estimated economic lives, which is approximately 11 years on a weighted average basis. See Note 5 – *Goodwill and Intangible Assets, Net* for additional information.

Property and Equipment, Net

Property and equipment are stated at cost, net of accumulated depreciation and amortization. Depreciation and amortization is calculated using the straight-line method over the estimated useful lives of the related assets. Leasehold improvements are amortized using the straight-line method over the shorter of the lease term or the estimated useful life of the asset. The Company reviews the estimated useful lives of its property and equipment on an annual basis.

Internal-Use Software Development Costs

The Company capitalizes its costs to develop its internal-use software when preliminary development efforts are successfully completed, management has authorized and committed project funding, and it is probable that the project will be completed and the software will be used as intended. These costs are included in Property and equipment in the Company’s consolidated balance sheets and are amortized on a straight-line basis over the estimated useful life of the related asset, which approximates five years. Costs incurred prior to meeting these criteria, together with costs incurred for training and maintenance, are expensed as incurred. Management evaluates the useful lives of these assets and tests for impairment whenever events or changes in circumstances occur that could impact the recoverability of these assets. See Note 6 – *Property and Equipment, Net* for additional information.

Long-lived assets, such as property and equipment including internal-use software development costs, right of use assets and intangible assets subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated undiscounted future cash flows, an impairment charge is recognized at the amount by which the carrying amount of the asset exceeds its fair value. Assets to be disposed of would be separately presented in the consolidated balance sheets and reported at the lower of the carrying amount or fair value less costs to sell, and would no longer be depreciated.

Senior Notes and Warrants

Second Lien Senior Subordinated Secured Notes due 2029

The Company issued Second Lien Notes as part of the troubled debt restructuring in 2025. They are accounted for as a liability and a troubled debt restructuring gain was recorded in other income (expense), net. The Company paid third party fees in connection with the transaction, which reduced the gain recorded.

Convertible Notes

The Company accounts for convertible debt and related transactions in accordance with ASC 470, *Debt*, ASC 815, *Derivatives and Hedging*, and ASC 480, *Distinguishing Liabilities from Equity*. The Company evaluates convertible debt instruments and related transactions at inception to determine if those contracts include embedded features that should be bifurcated as an embedded derivative.

The First Lien Convertible Senior Notes due 2029 (the “2029 Notes”) issued during 2024 were accounted for as a liability. The transaction was accounted for as a debt extinguishment and a gain on extinguishment was recorded. The Company paid third party fees in connection with the transaction, which were capitalized as debt issuance costs. Unamortized debt issuance costs incurred in connection with securing the Company’s financing arrangements are presented in the consolidated balance sheets as a direct deduction from the carrying amount of the outstanding borrowings, consistent with debt discounts. All deferred financing costs are amortized to interest expense. The 2029 Notes include certain embedded features requiring bifurcation. The Company estimates the fair value of these features on a quarterly basis by assessing the likelihood of triggering events. The features do not have material values as of December 31, 2025 and 2024, but they may have value in the future, should the estimates change, with any change in fair value recorded in the Company’s consolidated statements of operations.

Warrants

The Company accounts for warrants as either stock-settled or cash-settled instruments based on an assessment of the specific terms of the warrants and applicable authoritative guidance in Financial Accounting Standards Board ASC 480, Distinguishing Liabilities from Equity and ASC 815-40, Contracts in Entity’s Own Equity. The assessment considers whether the warrants are freestanding financial instruments pursuant to ASC 480, meet the definition of a liability pursuant to ASC 480, and meet all of the requirements for equity classification under ASC 815-40, including whether the warrants are indexed to the Company’s own stock and whether the events where holders of the warrants could potentially require net cash settlement are within the Company’s control, among other conditions for equity classification. This assessment, which requires the use of professional judgment, is conducted at the time of warrant issuance. Warrants that meet all of the criteria for equity classification are recorded as a component of additional paid-in capital at the time of issuance and are not remeasured. Warrants that do not meet the required criteria for equity classification are classified as liabilities. The Company adjusts such warrants to fair value at each reporting period until the warrants are exercised or expire.

The Warrants issued by the Company are classified as current liabilities in the consolidated balance sheets and recorded at their fair value. Changes in fair value are recorded in the Company’s consolidated statements of operations.

See Note 8 – *Senior Notes, Capped Call Transactions, Warrants and Preferred Stock* and Note 9 – *Fair Value Measurements* for additional information.

Divestitures

The Company classifies long-lived assets and liabilities to be disposed of as held for sale in the period in which they are available for immediate sale in their present condition and the sale is probable and expected to be completed within one year. The Company initially measures assets and liabilities held for sale at the lower of their carrying value or fair value less costs to sell. When the divestiture represents a strategic shift that has (or will have) a major effect on the Company's operations and financial results, the disposal is presented as a discontinued operation.

Fiscal 2024 Divestiture

In the second quarter of 2024, the Company completed the sale to a third party of 100% of the equity in its WildHealth reporting unit ("WildHealth"), which was created by the acquisition of WildHealth, Inc. in 2022. Pursuant to ASC Subtopic 205-20*, Presentation of Financial Statements - Discontinued Operations*, the divestiture did not meet the criteria for presentation as a discontinued operation. WildHealth was part of the Business segment and was a separate reporting unit. The transaction resulted in a loss of $0.6 million which was recognized and presented separately in Loss (gain) on divestiture on the Company's consolidated statements of operations for the year ended December 31, 2024. Subsequent to the closing, the Company does not have ongoing involvement or arrangements with WildHealth.

Fiscal 2023 Divestiture

In the first quarter of 2023, the Company completed the sale of Kasamba, Inc. and Kasamba LTD (together, "Kasamba") to Ingenio, LLC, for $16.9 million which was received in cash upon closing; and $2.6 million deferred payment to be received within a year of the close transaction date. Cash of $2.0 million was classified as Cash and cash equivalents on the consolidated balance sheet as of December 31, 2024 and was released in June 2024. The transaction resulted in a gain of $17.6 million, which was presented separately in Loss (gain) on divestiture on the Company's consolidated statements of operations during the year ended December 31, 2023. During the year ended December 31, 2024, the Company recognized $1.8 million of post-closing adjustments pertaining to the final agreement amount which is recorded in General and administrative expenses in the consolidated statements of operations.

Advertising

The Company expenses the cost of advertising and promoting its services as incurred in Sales and marketing expense on the consolidated statements of operations. Such costs totaled $1.8 million, $5.1 million, and $10.9 million for the years ended December 31, 2025, 2024, and 2023, respectively.

Research and Development

Research and development ("R&D") costs are expensed when incurred, except for certain internal-use software development costs, which may be capitalized as noted above. R&D expenses consist primarily of personnel and related headcount costs, costs of professional services associated with the ongoing development of the Company's technology, and allocated overhead, and are included in Product development in the consolidated statements of operations.

Stock-Based Compensation

Compensation related to stock-based awards to employees and directors is measured and recognized in the Company's consolidated statements of operations based on the fair value of the awards granted. The Company estimates the fair value of its stock options using the Black Scholes option pricing model. The stock-based compensation expense relating to stock options is recognized on a straight-line basis over the period during which the employee or director is required to provide service in exchange for the award, usually the vesting period, which is generally one to four years.

Restricted stock units ("RSUs") are generally subject to a service-based vesting condition over one to four years. The valuation of these RSUs is based solely on the Company's stock price on the date of grant, and the corresponding compensation expense is amortized on a straight-line basis.

Performance-Vesting Restricted Stock Units ("PRSUs") granted are generally subject to both a service-based vesting condition and a performance-based vesting condition. PRSUs will vest upon the achievement of specified performance targets and subject to continued service through the applicable vesting dates. The associated compensation cost is recognized over the requisite service period when it is probable that the performance condition will be satisfied.

In accordance with ASC 718-10, *Compensation - Stock Compensation*, the Company measures stock-based awards at fair value and recognizes compensation expense for all stock-based payment awards made to its employees and directors, including employee stock options. See Note 11 – *Stockholders' Equity* for additional information.

Leases

The Company has non-cancelable operating and finance leases for its corporate offices and other service agreements. Its leases have remaining lease terms of approximately 1 year, some of which include options to extend. The Company uses the non-cancelable lease term when recognizing the right-of-use ("ROU") assets and lease liabilities, unless it is reasonably certain that a renewal or termination option will be exercised.

Lease costs were $9.4 million, $10.6 million and $15.3 million for the years ended December 31, 2025, 2024 and 2023, respectively. Weighted average remaining lease terms for operating leases were 1.1 years and 0.3 years as of December 31, 2025 and 2024, respectively, and for finance leases were 0.0 years and 0.8 years as of December 31, 2025 and 2024, respectively. The weighted average discount rates were 7% for operating and finance leases as of both December 31, 2025 and 2024.

Operating and finance ROU assets, and operating and finance lease liabilities were not material as of December 31, 2025 and 2024, and future minimum lease payments under non-cancelable operating and finance leases are not material.

Income Taxes

Income taxes are accounted for under the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in results of operations in the period that the tax change occurs. In evaluating the Company's ability to recover its deferred tax assets in the jurisdiction from which they arise, the Company considers all available positive and negative evidence, including scheduled reversals of deferred tax liabilities, projected future taxable income, tax-planning strategies, and results of recent operations. The Company includes interest accrued on the underpayment of income taxes and certain interest expense and penalties, if any, related to unrecognized tax benefits as a component of the income tax provision. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

Comprehensive Loss

In accordance with ASC 220, *Comprehensive Income*, the Company reports by major components and as a single total, the change in its net assets during the period from non-owner sources. Comprehensive loss consists of net loss and accumulated other comprehensive loss, which includes certain changes in equity that are excluded from net loss. The Company's comprehensive loss for all periods presented is related to the effect of foreign currency translation.

Recently Adopted Accounting Pronouncements

In December 2023, the FASB issued Accounting Standards Update ("ASU") 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures,* which modifies the rules on income tax disclosures to require entities to disclose (1) specific categories in the rate reconciliation, (2) the income or loss from continuing operations before income tax expense or benefit (separated between domestic and foreign) and (3) income tax expense or benefit from continuing operations (separated by federal, state and foreign). ASU 2023-09 also requires entities to disclose their income tax payments to international, federal, state and local jurisdictions, among other changes. The guidance is effective for annual periods beginning after December 15, 2024. The Company adopted this guidance in the fourth quarter of 2025 on a prospective basis, with disclosures related to the current year presented in accordance with the new standard. Adoption of the guidance did not have a material impact on the Company's consolidated financial statements; however the disclosures in Note 14 - *Income Taxes* have been expanded.

Recently Issued Accounting Pronouncements

In December 2025, the FASB issued ASU 2025-12, *Codification Improvements,* which seeks to make incremental improvements to GAAP on a broad range of topics arising from technical corrections, unintended application of guidance, clarifications and other minor improvements. The guidance is effective for interim reporting periods within annual reporting periods beginning after December 15, 2026, with early adoption permitted, and can be applied on an issue-by-issue basis, prospectively or retrospectively. The Company is currently evaluating the potential impact of adopting this new guidance on its consolidated financial statements and related disclosures.

In December 2025, the FASB issued ASU 2025-11, *Interim Reporting (Topic 270) - Narrow-Scope Improvements* which improves the navigability of the required interim disclosures and clarifies when that guidance is applicable. The guidance is effective for interim reporting periods within annual reporting periods beginning after December 15, 2027, with early adoption permitted, and can be applied prospectively or retrospectively. The Company is currently evaluating the potential impact of adopting this new guidance on its consolidated financial statements and related disclosures.

In September 2025, the FASB issued ASU 2025-06, *Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software,* which removes all references to project stages related to internal-use software development. An entity is required to start capitalizing software costs when both of the following occur: (1) management has authorized and committed to funding the software project and (2) it is probable that the project will be completed and the software will be used to perform the function intended. The guidance is effective for annual periods beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the potential impact of adopting this new guidance on its consolidated financial statements and related disclosures.

In July 2025, the FASB issued ASU 2025-05, *Financial Instruments - Credit Losses (Top 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*, which provides all entities with a practical expedient when estimating expected credit losses for current accounts receivable and current contract assets arising from certain transactions. In developing reasonable and supportable forecasts as part of estimating expected credit losses, all entities may elect a practical expedient that assumes that current conditions as of the balance sheet date do not change for the remaining life of the asset. The guidance is effective for annual periods beginning after December 15, 2025, with early adoption permitted. The Company is currently evaluating the potential impact of adopting this new guidance on its consolidated financial statements and related disclosures.

In November 2024, the FASB issued ASU 2024-04, *Debt - Debt with Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments*, which seeks to clarify the requirements for determining whether certain settlements of convertible debt instruments should be accounted for as an induced conversion. The amendments in this update are effective for annual periods beginning after December 15, 2025, and early adoption is permitted. ASU 2024-04 can be applied prospectively or retrospectively. The Company is currently evaluating the potential impact of adopting this new guidance on its consolidated financial statements and related disclosures.

In November 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40),* which seeks to expand disclosures about a public entity's expenses, including more detailed information about the types of expenses (including purchases of inventory, employee compensation, depreciation, amortization, and depletion) in commonly presented expense captions (such as cost of sales, sales and marketing, general and administrative, and research and development). The amendments in this update are effective for annual periods beginning after December 15, 2026, and interim periods beginning after December 15, 2027. Early adoption is permitted for both interim and annual financial statements that have not yet been issued or made available for issuance. ASU 2024-03 should be applied retrospectively. The Company is currently evaluating the potential impact of adopting this new guidance on its consolidated financial statements and related disclosures.

Note 2. Revenue Recognition

The Company's revenue is generated from hosted service revenues, including platform access, usage and related professional services. Revenues are recognized when control of these services is transferred to the Company's customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those services.

The Company determines revenue recognition through the following steps:

- identification of the contract, or contracts, with a customer;
- identification of the performance obligations in the contract;
- determination of the transaction price;
- allocation of the transaction price to the performance obligations in the contract; and
- recognition of revenue when, or as, the Company satisfies a performance obligation.

Total revenue of $243.7 million, $312.5 million, and $402.0 million was recognized during the years ended December 31, 2025, 2024, and 2023, respectively. No single customer accounted for 10% or more of total revenue for the years ended December 31, 2025, 2024 and 2023.

None of the Company's contracts contain a significant financing component.

Hosted Services Revenue

Hosted services revenue is reported at the amount that reflects the ultimate consideration expected to be received and primarily consists of fees that provide customers access to the LivePerson Platform, the Company's enterprise-class digital customer conversation platform. The Company has determined such access represents a stand-ready service provided continually throughout the contract term. As such, control and satisfaction of this stand-ready performance obligation is deemed to occur over time. The Company recognizes this revenue over time on a ratable basis over the contract term, beginning on the date that access to the LivePerson Platform is made available to the customer. The passage of time is deemed to be the most faithful depiction of the transfer of control of the services as the customer simultaneously receives and consumes the benefit provided by the Company's performance. Subscription contracts are generally one year or longer in length, billed monthly, quarterly or annually in advance.

Professional Services Revenue

Professional Services revenue is reported at the amount that reflects the ultimate consideration the Company expects to receive in exchange for such services. The Company's professional services revenue consists of fees that provide customers with product support and updates during the term of the arrangement, which is typically one year or longer in length, billed monthly, quarterly, or annually in advance. Revenue is generally recognized ratably over the contract term. Professional services revenue also includes custom support services, which differ from standard product support. The professional services revenues are recognized as the services are completed.

Disaggregated Revenue

The following table presents the Company's revenues disaggregated by revenue source:

	Year Ended December 31,		
	2025	2024	2023
		(In thousands)	
Revenue:			
Hosted services [1]	$ 207,603	$ 261,682	$ 332,971
Professional services	36,139	50,792	69,012
Total revenue	$ 243,742	$ 312,474	$ 401,983

[1] On March 20, 2023, the Company completed the sale of Kasamba and therefore ceased recognizing revenue related to Kasamba effective on the transaction close date. This sale eliminated the entire Consumer segment, as a result of which revenue is presented within a single consolidated segment. Hosted services included $7.1 million for the year ended December 31, 2023 relating to Kasamba.

Remaining Performance Obligation

As of December 31, 2025, the aggregate amount of the transaction price allocated to remaining performance obligations was $175.6 million. Approximately 98% of the Company's remaining performance obligations are expected to be recognized during the next 24 months, with the balance recognized thereafter. The disclosed amount represents contracted revenue that has not yet been recognized and does not include contract amounts that are cancelable by the customer, amounts associated with optional renewal periods, and amounts related to performance obligations that are billed and recognized as performed.

Contracts with Multiple Performance Obligations

Most of the Company's contracts with customers contain multiple performance obligations. For these contracts, the Company accounts for individual performance obligations separately if they are distinct. The transaction price is allocated to the separate performance obligations on a relative standalone selling price ("SSP") basis. Judgment is required to determine the SSP for each distinct performance obligation. The Company determines SSP based on observable prices at which the performance obligations are sold separately. When not directly observable, SSP is estimated using an adjusted market assessment approach, which considers market conditions and other entity-specific factors.

Revenue by Geographic Location

The Company is domiciled in the United States and has international operations around the globe. The following table presents the Company's revenues attributable to operations by region for the periods presented:

	Year Ended December 31,		
	2025	2024	2023
		(In thousands)	
Americas [1]	$ 134,431	$ 219,288	$ 286,924
EMEA [2]	70,068	57,698	62,613
APAC [3]	39,243	35,488	52,446
Total revenue	$ 243,742	$ 312,474	$ 401,983

(1) United States, Canada, Latin America and South America ("Americas").

(2) Europe, the Middle East and Africa ("EMEA").

(3) Asia-Pacific ("APAC").

Information about Contract Balances

The Company defers all incremental commission costs incurred to obtain the contract. These contract acquisition costs, which are comprised of sales commissions, have balances at December 31, 2025 and 2024 of $24.0 million and $33.6 million, respectively. The Company amortizes these costs over the related period of benefit using the customer expected life that the Company determined to be four years, which is consistent with the transfer to the customer of the services to which the asset relates. Commissions earned for renewal contracts are amortized over the contractual term of the renewals. The Company classifies contract acquisition costs as long-term.

The deferred revenue balance consists of services, which have been invoiced upfront, and are recognized as revenue only when the revenue recognition criteria are met.

In some arrangements, the Company allows customers to pay for access to the LivePerson Platform over the term of the software subscription. Amounts recognized as revenue in excess of amounts billed are recorded as unbilled receivables. Unbilled receivables, anticipated to be invoiced in the next twelve months, are included in Accounts receivable, net of allowances for credit losses on the consolidated balance sheets.

The Company recognized revenue of $57.9 million, $81.4 million and $86.8 million for the fiscal years ended December 31, 2025, 2024 and 2023, respectively, which was included in the corresponding deferred revenue balance at the beginning of the year.

The Company's long-term deferred revenues are included in Other liabilities on the consolidated balance sheets. The opening and closing balances of the Company's contract acquisition costs, net, and deferred revenues are as follows:

	Contract Acquisition Costs (Non-current)	Deferred Revenue (Current)	Deferred Revenue (Non-current)
		(In thousands)	
Balance as of December 31, 2023	$ 37,354	$ 81,858	$ 183
(Decrease) increase, net	(3,795)	(23,878)	140
Balance as of December 31, 2024	$ 33,559	$ 57,980	$ 323
Decrease, net	(9,608)	(3,685)	(233)
Balance as of December 31, 2025	$ 23,951	$ 54,295	$ 90

The changes in deferred revenue during both periods presented were primarily driven by changes in customer renewal patterns and contract structures, including the timing of renewals and shifts in service commitments. Amortization expense in connection with contract acquisition cost was $17.3 million, $18.3 million and $27.6 million for the years ended December 31, 2025, 2024 and 2023, respectively, and was included in Sales and marketing expense in the consolidated statements of operations.

Accounts Receivable, Net

Accounts receivable are recorded at the invoiced amount and do not bear interest. The allowance for credit losses is the Company’s best estimate of the amount of expected credit losses in the Company’s existing accounts receivable, based on both specific and general reserves. The Company maintains general reserves on a collective basis by considering factors such as historical experience, creditworthiness, the age of the trade receivable balances, and current economic conditions. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. The Company does not have any off-balance sheet credit exposure related to its customers. The activity in the allowance for credit losses as of the dates presented is as follows:

	December 31,		
	2025	2024	2023
		(In thousands)	
Balance, beginning of year	$ 8,627	$ 9,290	$ 9,239
Additions charged to costs and expenses	866	14,959	3,319
Deductions/write-offs	(5,042)	(15,622)	(3,268)
Balance, end of year	$ 4,451	$ 8,627	$ 9,290

Note 3. Net Loss Per Share

Basic net loss per share is computed by dividing net loss by the weighted-average number of shares of common stock outstanding during the period.

Diluted net loss per share is computed by giving effect to all potentially dilutive common stock equivalents outstanding for the period. For diluted net loss per share, the numerator is decreased to reverse the gain on troubled debt restructuring associated with the exchange transaction of the 0% Convertible Senior Notes due 2026 (the “2026 Notes”) and the denominator is increased to include the number of the shares issuable upon the conversion of the 2026 Notes. For purposes of this calculation, stock options, restricted stock units, 0.750% Convertible Senior Notes due 2024 (the “2024 Notes”), and 0% Convertible Senior Notes due 2026 (the “2026 Notes”) are considered to be common stock equivalents but are excluded from the calculation of diluted net loss per share when including them has an anti-dilutive effect.

The share-settled warrants and cash-settled warrants are not participating securities. As the average market price of the Company’s common stock over the year ended December 31, 2025 exceeds the warrants’ exercise price, the share-settled warrants are included in diluted EPS. For diluted net loss per share, the numerator is adjusted for any changes in fair value and the denominator is increased to include the number of potential exercise of warrants. The cash-settled warrants are not included in the calculation of diluted EPS due to the cash-settlement requirement.

The Company uses the treasury stock method for stock options, restricted stock units, and share-settled warrants, and uses the if-converted method for convertible debt. As the average market price of the Company’s common stock is below the conversion price of the Company’s 2024 Notes, the impact of conversion is anti-dilutive. See Note 8 – *Senior Notes, Capped Call Transactions, Warrants and Preferred Stock* for additional information about the 2024 Notes, 2026 Notes, 2029 Notes, and Second Lien Senior Subordinated Secured Notes due 2029 (the “Second Lien Notes”) and together with the 2024 Notes, the 2026 Notes, and the 2029 Notes, the “Notes”).

Reconciliation of shares used in calculating basic and diluted net loss per share for the years ended December 31, 2025, 2024, and 2023, were as follows:

	Year Ended December 31,		
	2025	**2024**	**2023**
	(In thousands, except number of shares and per share amounts)		
Numerator:			
Net loss	$ (67,233)	$ (134,273)	$ (100,435)
Gain on troubled debt restructuring, net of amortization	(26,670)	—	—
Gain on change in fair value of share-settled warrants	(13,184)	—	—
Net loss available to shareholders for diluted net loss per share	$ (107,087)	$ (134,273)	$ (100,435)
Denominator:			
Weighted average number of shares outstanding used to compute basic net loss per share	7,843,700	5,914,344	5,239,552
Conversion option of the 2026 Notes	228,932	—	—
Impact of potential exercise of warrants	568,098	—	—
Weighted average number of shares outstanding used to compute diluted net loss per share	8,640,730	5,914,344	5,239,552
Net loss per share, basic	$ (8.57)	$ (22.70)	$ (19.17)
Net loss per share, diluted	$ (12.39)	$ (22.70)	$ (19.17)

The securities listed below were excluded from the computation of diluted net loss per share for all periods presented, as their effect would have been anti-dilutive:

	Year Ended December 31,		
	2025	2024	2023
Shares subject to outstanding common stock options and ESPP	186,369	180,824	212,422
Restricted stock units	819,875	834,792	337,603
Convertible preferred stock	110,257	—	—
Conversion option of the 2024 Notes	—	20,245	125,257
Conversion option of the 2026 Notes	—	378,773	458,619
Share-settled warrants	—	705,412	—
Total	1,116,501	2,120,046	1,133,901

Note 4. Segment Information

The Company accounts for its segment information in accordance with the provisions of ASC 280-10, *Segment Reporting*. ASC 280-10 establishes annual and interim reporting standards for operating segments of a company. ASC 280-10 requires disclosures of selected segment-related financial information about products, major customers, and geographic areas based on the Company's internal accounting methods. The chief operating decision maker ("CODM"), who is the Company's Chief Executive Officer, evaluates performance, makes operating decisions, and allocates resources based on the financial information presented on a consolidated basis using net loss. Expenses are reviewed by the nature of the cost (Cost of revenue, Sales and marketing, General and administrative and Product development), consistent with the Company's presentation on its consolidated statements of operations. There are no segment managers who are held accountable by the CODM, or anyone else, for operations, operating results and planning for levels or components below the consolidated unit level. Accordingly, management has determined that the Company operates as one operating and reportable segment. The Company identifies net loss as its required measure of segment operating profit or loss. Significant expenses within loss from operations, as well as within net loss are separately presented on the Company's consolidated statements of operations. Other segment items within net loss include Interest expense, Interest income, Gain on troubled debt restructuring, Gain on debt extinguishment, Other income (expense), net, and Provision for income taxes.

Geographic Information

The following table presents the Company's long-lived assets by geographic region as of the dates set forth below:

	December 31,	
	2025	2024
	(In thousands)	
United States	$ 266,695	$ 316,975
Germany	26,147	29,925
Australia	9,721	10,830
Netherlands	4,678	5,036
Other [(1)]	10,308	13,788
Total long-lived assets	$ 317,549	$ 376,554

(1) Israel, United Kingdom, Japan, France, Italy, Spain, Canada, and Singapore.

Note 5. Goodwill and Intangible Assets, Net

Goodwill

Goodwill represents the excess of the aggregate purchase price over the fair value of net identifiable assets acquired in a business combination. The Company evaluates goodwill for impairment on an annual basis, and more frequently whenever events or substantive changes in circumstances indicate that it is more likely than not that the carrying value of a reporting unit exceeds its fair value. Assumptions used in an impairment test require significant judgment, therefore, they are subject to change based on facts and circumstances present at each date goodwill is evaluated for impairment.

In connection with the annual impairment test completed as of October 1, 2025, using the quantitative "Step 1" assessment, the Company determined the fair value of its reporting unit using both an income approach and a market approach. The Company applied an equal weighting to the value conclusions resulting from the two employed approaches, because there was sufficient information to estimate the fair value of the reporting unit under both methods. The estimated fair value of the reporting unit is a Level 3 measure in the fair value hierarchy. The fair value determination using an income approach requires management to make significant estimates and assumptions related to forecasts of future revenues, earnings before interest, taxes, depreciation, and amortization (EBITDA) and the discount rate. The Company's projections were used as a key input into the annual goodwill impairment test performed. The discount rate used in the income approach model was 12.5%. The fair value determination using a market approach requires management to make significant assumptions related to marketplace multiples from within a peer public company group. As a result of the October 1, 2025 impairment test, no impairment was identified, as the fair value of the Company's reporting unit exceeded its carrying value.

During the fourth quarter of 2025, the Company performed its quarterly triggering event assessment and concluded that a triggering event was present due to the decrease in the stock price. As a result, the Company performed an interim impairment test as of December 31, 2025 using the quantitative "Step 1" assessment. The Company determined the fair value of its reporting unit using both an income approach and a market approach. The Company applied an equal weighting to the value conclusions resulting from the two employed approaches, because there was sufficient information to estimate the fair value of the reporting unit under both methods. The estimated fair value of the reporting unit is a Level 3 measure in the fair value hierarchy. The fair value determination using an income approach requires management to make significant estimates and assumptions related to forecasts of future revenues, EBITDA and the discount rate. The Company's projections were used as a key input into the goodwill impairment test performed. The discount rate used in the income approach model was 13.5%, which included a 1% risk premium. The fair value determination using a market approach requires management to make significant assumptions related to marketplace multiples from within a peer public company group. As a result of this impairment test, the Company recorded a non-cash impairment charge of $41.6 million in the consolidated statements of operations during the year ended December 31, 2025, to recognize the impairment of goodwill in the Company's one reporting unit.

If, in future periods, the financial performance of the reporting unit does not meet expectations, or a prolonged decline occurs in the market place of our common stock, it may cause a material change in the results of the impairment assessment and result in future impairment to goodwill.

The changes in the carrying amount of goodwill for the years ended December 31, 2025 and 2024 are as follows:

	Goodwill, net
	(In thousands)
Balance as of December 31, 2023 [(1)]	$ 285,631
Goodwill impairment	(60,551)
Foreign exchange adjustment	(2,526)
Balance as of December 31, 2024 [(1)]	222,554
Goodwill impairment	(41,595)
Foreign exchange adjustment	3,943
Balance as of December 31, 2025 [(1)]	$ 184,902

(1) The accumulated impairment balance was $11.9 million, $72.4 million and $114.0 million as of December 31, 2023, 2024 and 2025, respectively.

In connection with the annual impairment test completed on October 1, 2024, using the quantitative “Step 1” assessment, the Company determined the fair value of its reporting unit using both an income approach and a market approach. The Company applied an equal weighting to the value conclusions resulting from the two employed approaches, because there was sufficient information to estimate the fair value of the reporting unit under both methods. The estimated fair value of the reporting unit is a Level 3 measure in the fair value hierarchy. The fair value determination using an income approach requires management to make significant estimates and assumptions related to forecasts of future revenues, EBITDA and the discount rate. The discount rate used in the income approach model was 13%. The fair value determination using a market approach requires management to make significant assumptions related to marketplace multiples from within a peer public company group. In connection with the Company’s annual budget process in the fourth quarter of 2024, management completed a comprehensive review of the Company’s operations, which resulted in reduced estimated future cash flows. The revised projections were used as a key input into the annual goodwill impairment test performed in the fourth quarter of 2024. As a result, the Company recorded a non-cash impairment charge of $56.9 million in the consolidated statements of operations during the year ended December 31, 2024, to recognize the impairment of goodwill in the Company’s one reporting unit.

In addition, during the first quarter of 2024, the Company recorded a non-cash impairment charge of $3.6 million in the consolidated statements of operations, to recognize a full impairment of goodwill associated with its WildHealth reporting unit, which was sold during the second quarter of fiscal 2024.

Intangible Assets, Net

Patents

Legal costs incurred to establish patents are capitalized. When patents are issued, capitalized costs are amortized on the straight-line method over the related patent term. We review our patent portfolio on a periodic basis to determine whether events and circumstances would indicate impairment. In the event a patent is abandoned, the net book value of the patent is written off.

In connection with the Company’s review process in the fourth quarter of 2025, management completed a comprehensive review of the Company operations and decided to cease pursuit of a portion of its pending patents. As a result, the Company recorded a non-cash impairment charge of $2.1 million, which was classified as Impairment of intangibles and other assets in the consolidated statements of operations during the year ended December 31, 2025.

The changes in the carrying amount of intangible assets, net for the years ended December 31, 2025 and 2024 are as follows:

	December 31, 2025	December 31, 2024
	(In thousands)	
Patents:		
Gross carrying amount	$ 16,639	$ 17,609
Accumulated amortization	(3,230)	(2,539)
Net carrying amount	$ 13,409	$ 15,070
Weighted average amortization period	11.0 years	12.7 years

Amortization expense is recognized over the estimated useful life of the asset. Aggregate amortization expense for intangible assets and finance leases, net was $0.7 million, $12.0 million, and $22.2 million for the years ended December 31, 2025, 2024, and 2023, respectively.

As a result of the impairment test in 2024, the Company recognized a non-cash impairment charge of $35.2 million included in Impairment of intangibles and other assets in the consolidated statements of operations. The fair value was determined using a combination of income and market approach. This non-cash charge resulted in a full impairment of the following intangible assets acquired in connection with historical business combination transactions: developed technology in the amount of $23.7 million, customer relationships in the amount of $11.0 million and trademarks in the amount of $0.5 million.

During the first quarter of 2024, the Company recognized a non-cash impairment charge related to WildHealth of $2.2 million included in Impairment of intangibles and other assets in the consolidated statements of operations.

During the year ended December 31, 2023, the Company recognized a non-cash impairment charge of $3.0 million included in Impairment of intangibles and other assets in the consolidated statements of operations related to developed technology associated with WildHealth.

As of December 31, 2025, estimated annual amortization expense for the next five years and thereafter is as follows:

	Estimated Amortization Expense
	(In thousands)
2026	$ 654
2027	618
2028	611
2029	595
2030	573
Thereafter	10,358
Total	$ 13,409

Note 6. Property and Equipment, Net

The following table presents the detail of property and equipment, net as of the dates presented:

		December 31,	
	Useful Life (Years)	2025	2024
		(In thousands)	
Computer equipment and software	3 to 5	$ 133,858	$ 134,647
Internal-use software development costs	5	187,470	176,725
Finance lease right-of-use assets	2	—	62
Furniture, equipment and building improvements	The lesser of 5 or estimated useful life	333	234
Property and equipment, at cost		321,661	311,668
Less: accumulated depreciation and amortization		(231,272)	(211,111)
Total Property and equipment, net		$ 90,389	$ 100,557

There were no impairment charges related to property and equipment during the year ended December 31, 2025. The Company recorded non-cash impairment charges of $9.5 million and $5.0 million related to internal-use software development costs during the years ended December 31, 2024 and 2023, respectively. The impairment charges were included in Impairment of intangibles and other assets in the consolidated statements of operations for the years ended December 31, 2024 and 2023 and pertained to internal-use software that was discontinued and had no future economic benefit.

Expenditures for routine maintenance and repairs are charged to operating expense as incurred. Major renewals and improvements are capitalized and depreciated over their estimated useful lives. The following table presents total depreciation and amortization included in the consolidated statements of operations for the periods presented:

	Year ended December 31,		
	2025	2024	2023
		(In thousands)	
Cost of revenue	$ 5,377	$ 6,792	$ 8,072
Sales and marketing	2,423	3,138	3,103
General and administrative	235	247	453
Product development	13,940	20,133	20,929
Total depreciation and amortization	$ 21,975	$ 30,310	$ 32,557

Note 7. Accrued Expenses and Other Current Liabilities

The following table presents the detail of accrued expenses and other current liabilities as of the dates presented:

	December 31,	
	2025	2024
	(In thousands)	
Professional services and consulting and other vendor fees	$ 17,404	$ 30,302
Payroll and other employee-related costs	7,735	10,061
Warrants liability (Note 9)	2,999	17,498
Accrued interest	1,122	998
Restructuring (Note 12)	1,387	3,028
Sales commissions	1,787	2,207
Non-income tax	280	644
Other	5,986	1,844
Total accrued expenses and other current liabilities	$ 38,700	$ 66,582

Note 8. Senior Notes, Capped Call Transactions, Warrants and Preferred Stock

Convertible Senior Notes due 2024 and Capped Calls

In March 2019, the Company issued $230.0 million aggregate principal amount of its 0.750% Convertible Senior Notes due 2024 in a private placement. Interest on the 2024 Notes was payable semi-annually in arrears on March 1 and September 1 of each year.

On March 21, 2023, the Company entered into individual privately negotiated transactions (the “Note Repurchase Agreements”) with certain holders of its 2024 Notes, pursuant to which the Company agreed to pay an aggregate of $149.7 million in cash for the repurchase of $157.5 million in aggregate principal amount of the 2024 Notes (the “Note Repurchases”). During the year ended December 31, 2023, the Company recognized a $7.2 million gain, net of transaction costs of $0.5 million on debt extinguishment, which represented the difference between the carrying value and the fair value of the 2024 Notes just prior to the Note Repurchases, which was recorded in Gain on debt extinguishment in the consolidated statements of operations.

Upon completion of the Note Repurchases, the aggregate principal amount of the 2024 Notes was reduced by $157.5 million to $72.5 million and the carrying amount of the 2024 Notes reduced by $228.3 million to $72.0 million. A corresponding portion of the 2024 capped calls were terminated in connection following the Note Repurchases as required by their terms for minimal consideration.

The remaining 2024 Notes matured on March 1, 2024, on which date the Company repaid in full the outstanding $72.5 million in aggregate principal amount and the associated 2024 capped calls expired unexercised.

Convertible Senior Notes due 2026 and Capped Calls

In December 2020, the Company issued $517.5 million aggregate principal amount of its 2026 Notes in a private placement, of which $20.1 million aggregate principal amount was outstanding as of December 31, 2025 and are senior unsecured obligations of the Company. The 2026 Notes will mature on December 15, 2026, unless earlier repurchased or redeemed by the Company or converted pursuant to their terms. The total net proceeds from the offering of the 2026 Notes, after deducting debt issuance costs, was $505.3 million.

Each $1,000 in principal amount of the 2026 Notes is convertible into 0.8862 shares of the Company’s common stock, which is equivalent to a conversion price of $1,128.39 per share. The conversion rate is subject to adjustment upon the occurrence of certain specified events but will not be adjusted for any accrued and unpaid special interest. In addition, following certain corporate events that occur prior to the maturity date, the Company will increase the conversion rate for a holder who elects to convert its 2026 Notes in connection with such a corporate event. The 2026 Notes are not redeemable prior to the maturity date of the 2026 Notes and no sinking fund is provided for the 2026 Notes. The indenture governing the 2026 Notes contains events of default customary for convertible notes issued in connection with similar transactions. If the Company undergoes a “Fundamental Change” (as defined in the indenture governing the 2026 Notes) which includes a change of control or the failure of the Company’s common stock to be listed or quoted on any of The Nasdaq Global Select Market, The Nasdaq Global Market or the New York Stock Exchange, holders may require the Company to repurchase for cash all or any portion of their 2026 Notes in principal amounts of $1,000 or a multiple thereof at a Fundamental Change repurchase price equal to 100% of the principal amount of the 2026 Notes to be repurchased, plus accrued and unpaid special interest to, but excluding, the Fundamental Change repurchase date.

Holders of the 2026 Notes may convert their 2026 Notes at their option at any time prior to the close of business on the business day immediately preceding August 15, 2026, in multiples of $1,000 principal amount, only under the following circumstances: (1) during any calendar quarter commencing after the calendar quarter ending on March 31, 2021 (and only during such calendar quarter), if the last reported sale price of the Company’s common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price for the 2026 Notes on each applicable trading day as determined by the Company; (2) during the five business day period after any five consecutive trading day period (the “2026 Notes measurement period”) in which the “trading price” (as defined in the indenture governing the 2026 Notes) per $1,000 principal amount of 2026 Notes for each trading day of the 2026 Notes measurement period was less than 98% of the product of the last reported sale price of the Company’s common stock and the conversion rate for the 2026 Notes on each such trading day; (3) with respect to any 2026 Notes that the Company calls for redemption, at any time prior to the close of business on the scheduled trading day immediately preceding the redemption date; or (4) upon the occurrence of specified corporate events. On or after August 15, 2026, holders may convert all or any portion of their 2026 Notes at any time prior to the close of business on the second scheduled trading day immediately preceding the maturity date, regardless of the foregoing circumstances. Upon conversion, the Company will pay or deliver, as the case may be, cash, shares of its common stock or a combination of cash and shares of its common stock, at the Company’s election.

During the year ended December 31, 2025, the conditions allowing holders of the 2026 Notes to convert were not met.

In connection with the offering of the 2026 Notes, the Company entered into privately-negotiated capped call option transactions with certain counterparties (the “2026 capped calls”). The 2026 capped calls each have a strike price of $1,128.39 per share, subject to certain adjustments, which corresponds to the conversion price of the 2026 Notes. The 2026 capped calls have initial cap prices of $1,583.70 per share, subject to certain adjustment events. The 2026 capped calls cover, subject to anti-dilution adjustments, approximately 0.11 million shares of common stock. The 2026 capped calls are generally intended to reduce or offset the potential dilution to the common stock upon any conversion of the 2026 Notes with such reduction or offset, as the case may be, subject to a cap based on the cap price. The 2026 capped calls expire on December 15, 2026, subject to earlier exercise. The 2026 capped calls are subject to either adjustment or termination upon the occurrence of specified extraordinary events affecting the Company, including a merger event, a tender offer, and a nationalization, insolvency or delisting involving the Company. In addition, the 2026 capped calls are subject to certain specified additional disruption events that may give rise to a termination of the 2026 capped calls, including changes in law, failure to deliver, and hedging disruptions. The 2026 capped calls are recorded in stockholders’ equity and are not accounted for as derivatives. The net cost of $46.1 million incurred to purchase the 2026 capped calls was recorded as a reduction to additional paid-in capital in the accompanying consolidated balance sheets.

Pursuant to a privately negotiated exchange and purchase agreement (the "Exchange and Purchase Agreement"), on June 3, 2024, the Company exchanged $146.0 million principal amount of the 2026 Notes then held by an investor for $100.0 million principal amount of new 2029 Notes, and the same investor purchased an additional $50.0 million principal amount of the 2029 Notes for cash. In connection with the exchange and purchase, the Company also issued the Warrants to the investor, and the investor agreed to purchase up to $50.0 million of additional 2029 Notes upon the Company's request and subject to certain conditions (the "Delayed Draw Notes"). As a result of the exchange and purchase transactions, during the second quarter of 2024, the Company recognized a $68.1 million gain on debt extinguishment which represented the difference between the carrying value of the 2026 Notes so exchanged and the collective fair value of the 2029 Notes and the Warrants, net of the cash payment received from the investor. The extinguishment gain was recorded in Gain on debt extinguishment in the consolidated statements of operations in fiscal 2024, and a corresponding portion of capped calls were terminated following the exchange and purchase as required by their terms for minimal consideration.

On June 13, 2024, the Company repurchased $10.3 million principal amount of the 2026 Notes for $4.9 million in cash. As a result of the transaction, during the second quarter of 2024, the Company recognized a $5.0 million gain on debt extinguishment, which was recorded in Gain on debt extinguishment in the consolidated statements of operations. In addition, a corresponding portion of the 2026 capped calls were terminated following the repurchase as required by their terms for no consideration.

The 2026 Notes were classified as long-term liabilities in the consolidated balance sheets as of December 31, 2024. After the completion of the exchange and repurchase, the aggregate principal amount of the 2026 Notes was reduced to $361.2 million and the carrying amount of the 2026 Notes was reduced to $357.8 million. A corresponding portion of the 2026 capped calls were terminated in connection following the transactions as required by their terms for no consideration.

September 2025 Debt Exchange

On September 12, 2025 (the "Exchange Closing Date"), the Company consummated an exchange of the $341.1 million in aggregate principal amount of 2026 Notes held by certain former holders of the Company's outstanding 2026 Notes (the "Noteholders") for (i) an aggregate payment of $45.0 million in cash, (ii) $115.0 million in aggregate principal amount of the Company's 10.0% Second Lien Senior Subordinated Secured Notes due 2029 (the "Second Lien Notes"), (iii) 3,555,596 shares of common stock and (iv) 26,551 shares of Series B Fixed Rate Convertible Perpetual Preferred Stock, par value $0.001 (the "Series B Preferred Stock"). On September 25, 2025, the Company issued an additional 143,192 shares of common stock to certain of the Noteholders, which shares were issued on a deferred basis due to a beneficial ownership limitation preventing such Noteholders from owning in excess of 9.90% of the outstanding common stock of the Company. In addition, a corresponding portion of the 2026 capped calls were terminated following the exchange as required by their terms for no consideration. This September 2025 Debt Exchange was accounted for as a Troubled Debt Restructuring ("TDR") in accordance with ASC 470-60, *Troubled Debt Restructuring by Debtors*. The Company recognized a TDR gain of $27.7 million, which is presented as Gain on troubled debt restructuring in the consolidated statements of operations for the year ended December 31, 2025.

On the Exchange Closing Date, the principal amount of the exchanged 2026 Notes was $341.1 million with a discount of $1.7 million for a net carrying value of $339.4 million. The Company recognized the Second Lien Notes at a carrying value of $182.0 million. Under the TDR accounting treatment, the carrying value of the Second Lien Notes of $182.0 million was comprised of the total future undiscounted cash flows which included principal of $115.0 million, the maximum interest of $58.7 million as well as a redemption premium of $8.3 million. The redemption premium is related to the contingent redemption feature where the lenders can redeem the Second Lien Notes immediately prior to their maturity upon the occurrence of a Fundamental Change as defined in the indenture governing the Second Lien Notes at 105% of the principal plus accrued but unpaid interest as discussed further below. The Company assumes contingent future payments will have to be paid and those amounts shall be included in the total future cash payments. If, in future periods, the contingency is resolved so that a contingent payment does not have to be made, the Company will recognize a gain in the period when the contingency has been resolved. Subsequently, no interest expense on the Second Lien Notes will be recorded, as all future interest payments will reduce the carrying value of the restructured debt.

The unexchanged 2026 Notes, due December 15, 2026, are classified as Current portion of long-term debt in the consolidated balance sheets as of December 31, 2025. The aggregate principal amount of the unexchanged 2026 Notes was $20.1 million and the carrying amount of the unexchanged 2026 Notes was $20.0 million as of December 31, 2025. The remaining term over which the unexchanged 2026 Notes' debt issuance costs will be amortized is 0.92 years at an effective interest rate of 0.40%.

Second Lien Senior Subordinated Secured Notes due 2029

On the Exchange Closing Date, the Company issued $115.0 million in aggregate principal amount of Second Lien Notes as part of the September 2025 Debt Exchange transaction. The Second Lien Notes accrue interest at a rate of 10.0% per annum. Prior to March 15, 2027, all of the interest on the Second Lien Notes is payable in-kind ("PIK"). On and after March 15, 2027 and until June 15, 2028, interest will be payable, at the Company's option, in cash or in-kind or partially in cash and partially in-kind. On and after June 15, 2028, until the maturity of the Second Lien Notes, interest on the Second Lien Notes will be payable in cash, or at the Company's option, up to 6.0% per annum in-kind. Unless earlier repurchased or redeemed by the Company, the Second Lien Notes will mature on December 15, 2029.

The Company may, at its option, redeem the Second Lien Notes, in whole or in part, prior to September 12, 2026 at a price equal to the sum of (i) 105% of the accrued and unpaid interest (including cash and PIK components thereof), (ii) 105% of the aggregate principal amount of the Second Lien Notes (including, without duplication of any amounts described in item (i), all increases to the principal amount as the result of previous payments of PIK interest) and (iii) the present value of the remaining future interest payments (including cash and PIK components thereof) through September 12, 2026, computed using a discount rate of T + 50 (such amount, the "Make Whole Amount"). On or after September 12, 2026, and prior to September 12, 2027, the Company may, at its option, redeem the Second Lien Notes, in whole or in part for an amount of cash equal to the sum of (i) 105% of the aggregate principal amount of the Second Lien Notes (including all increases to the principal amount as the result of previous payments of PIK interest) plus (ii) 105% of all accrued and unpaid interest (including, without duplication of any amounts described in item (i), cash and PIK components thereof). On or after September 12, 2027, and prior to September 12, 2028, the Company may, at its option, redeem the Second Lien Notes, in whole or in part for an amount of cash equal to the sum of (i) 102.5% of the aggregate principal amount of the Second Lien Notes (including all increases to the principal amount as the result of previous payments of PIK interest) plus (ii) 102.5% of all accrued and unpaid interest (including, without duplication of any amounts described in item (i), cash and PIK components thereof). From September 12, 2028 until maturity, the Company may, at its option, redeem the Second Lien Notes, in whole or in part for an amount of cash equal to the sum of (i) 100% of the aggregate principal amount of the Second Lien Notes (including all increases to the principal amount as the result of previous payments of PIK interest) plus (ii) 100% of all accrued and unpaid interest (including, without duplication of any amounts described in item (i), cash and PIK components thereof). No sinking fund is provided for the Second Lien Notes.

The Second Lien Notes are guaranteed on a senior subordinated basis by certain of the Company's direct and indirect domestic and foreign subsidiaries and secured by second lien priority security interests in substantially all of the assets of the Company and such subsidiary guarantors, subject to customary exceptions. Pursuant to an intercreditor agreement, the Second Lien Notes are subordinated in right of payment and to collateral, in each case, to the 2029 Notes. The indenture governing the Second Lien Notes contains affirmative and negative covenants and events of default customary for senior secured notes issued in connection with similar transactions. The negative covenants include limitations on asset sales, the incurrence of debt, preferred stock and liens, fundamental changes, investments, dividends and other payment restrictions affecting subsidiaries, restricted payments and transactions with affiliates. Among other things, these covenants generally prohibit the payment of cash dividends on the Company's common stock. Our failure to comply with these covenants could result in an event of default which, if not cured or waived, could result in the acceleration of the Second Lien Notes. In the event the Second Lien Notes are accelerated prior to September 12, 2028, the applicable acceleration premium set forth in the indenture governing the Second Lien Notes will become due. The indenture governing the Second Lien Notes permits the Company and its subsidiaries to incur, subject to certain requirements, up to (i) $150.0 million of debt that is junior in lien priority and subordinated in right of payment to the Second Lien Notes, and (ii) up to $20.1 million as exchange consideration for, or the proceeds of which are used to repay, the remaining $20.1 million aggregate principal amount of 2026 Notes, which debt may be in the form of additional Second Lien Notes. No embedded derivatives were bifurcated from the Second Lien Notes as the September 2025 Debt Exchange was accounted for as a troubled debt restructuring and the Company recognized a gain in connection with the issuance of the Second Lien Notes.

If the Company undergoes a "Fundamental Change" as defined in the indenture governing the Second Lien Notes, which includes a change of control or the failure of the Company's common stock to be listed or quoted on any of The Nasdaq Global Select Market, The Nasdaq Global Market or the New York Stock Exchange, holders may require the Company to repurchase all or any portion of their Second Lien Notes at a repurchase price equal to (i) to the Make Whole Amount, if such Fundamental Change occurs prior to September 12, 2026, or (ii) the sum of (A) 105% of the aggregate principal amount of the Second Lien Notes (including all increases to the principal amount as the result of previous payments of PIK interest) plus (B) 105% of all accrued and unpaid interest, if such Fundamental Change occurs on or after September 12, 2026.

Series B Preferred Stock

On the Exchange Closing Date, the Company filed a Certificate of Designation with respect to the Series B Preferred Stock (the "Series B Certificate of Designation") with the Secretary of State of the State of Delaware and issued to the

Noteholders an aggregate 26,551 shares of Series B Preferred Stock. Each share of Series B Preferred Stock had an initial stated value ("Stated Value") of $1,000 per share, subject to adjustment for (i) any splits, combinations, or similar adjustment and (ii) accrued unpaid dividends. The Series B Preferred Stock did not have a stated maturity and were not subject to mandatory redemption or any sinking fund, and would have remained outstanding indefinitely unless earlier converted, repurchased or redeemed.

On October 2, 2025, the stockholders of the Company approved the Stock Increase Charter Amendment Proposal to increase the authorized common stock share capital of the Company from 13,333,333 shares to 20,000,000 shares. The Stock Increase Charter Amendment was filed with the Secretary of State of the State of Delaware on October 3, 2025. As a result, all of the outstanding shares of Series B Preferred Stock automatically converted pursuant to the terms of the Series B Certificate of Designation, and on October 7, 2025, an aggregate 1,547,840 shares of common stock were issued to holders of the Series B Preferred Stock.

First Lien Convertible Senior Notes due 2029

In June 2024, the Company issued $150.0 million aggregate principal amount of its 2029 Notes pursuant to the Exchange and Purchase Agreement including $100.0 million aggregate principal amount issued in exchange for $146.0 million aggregate principal amount of 2026 Notes and $50.0 million aggregate principal amount issued for cash. The Company paid third parties $7.6 million in connection with the transaction, which was capitalized as debt issuance costs. At the time of the exchange, the fair value of the 2029 Notes approximated $118.1 million, and the Company recognized a debt discount of $31.9 million.

In December 2024, the Company issued $50.0 million aggregate principal amount of its 2029 Notes, constituting the Delayed Draw Notes, for $50.0 million cash.

Unless earlier repurchased or redeemed by the Company or converted pursuant to their terms, the 2029 Notes will mature on the earlier of (a) June 15, 2029 and (b) 91 days before the maturity of the 2026 Notes, if greater than $60.0 million principal amount of 2026 Notes remains outstanding on such date. The amount payable by the Company if the 2029 Notes mature pursuant to clause (b) will be equal to 100% of the aggregate principal amount of the 2029 Notes, plus accrued and unpaid interest, plus the remaining future interest payments that would have been payable through June 15, 2029, discounted at a rate equal to the comparable treasury rate plus 50 basis points (the "Make-Whole Amount").

From June 3, 2024, until the date of issuance of the Delayed Draw Notes, interest on the 2029 Notes accrued at a rate of 10.83% (consisting of 4.17% cash and 6.66% PIK) per annum. From the date of issuance of the Delayed Draw Notes and prior to December 15, 2026, interest on the 2029 Notes has increased and accrues at a rate of 11.375% (consisting of 4.375% cash and 7.00% PIK) per annum. On and after December 15, 2026, interest on the 2029 Notes will further increase and accrue at a rate of 13% (consisting of 5% cash and 8% PIK) per annum.

The Company may, at its option, redeem the 2029 Notes, in whole or in part, prior to June 15, 2025 at a price equal to the Make-Whole Amount. On or after June 15, 2025, and prior to June 15, 2026, the Company may, at its option, redeem the 2029 Notes, in whole or in part for an amount of cash equal to the sum of (i) 106.50% of the aggregate principal amount of the 2029 Notes (including all increases to the principal amount as the result of previous payments of PIK interest) plus (ii) 106.50% of all accrued and unpaid PIK interest plus (iii) all accrued and unpaid cash interest. On or after June 15, 2026, and prior to December 15, 2026, the Company may, at its option, redeem the 2029 Notes, in whole or in part for an amount of cash equal to the sum of (i) 103.25% of the aggregate principal amount of the 2029 Notes (including all increases to the principal amount as the result of previous payments of PIK interest) plus (ii) 103.25% of all accrued and unpaid PIK interest plus (iii) all accrued and unpaid cash interest. From December 15, 2026 until maturity, the Company may, at its option, redeem the 2029 Notes, in whole or in part for an amount of cash equal to the sum of (i) 113% of the aggregate principal amount of the 2029 Notes (including all increases to the principal amount as the result of previous payments of PIK interest) plus (ii) 113% of all accrued and unpaid PIK interest plus (iii) all accrued and unpaid cash interest. No sinking fund is provided for the 2029 Notes.

The 2029 Notes are guaranteed on a senior basis by certain of the Company's direct and indirect domestic and foreign subsidiaries and secured by first priority security interests in substantially all of the assets of the Company and such subsidiary guarantors, subject to customary exceptions. The indenture governing the 2029 Notes contains affirmative and negative covenants and events of default customary for senior secured notes issued in connection with similar transactions. The negative covenants include limitations on asset sales, the incurrence of debt, preferred stock and liens, fundamental changes, investments, dividends and other payment restrictions affecting subsidiaries, restricted payments and transactions with affiliates. Among other things, these covenants generally prohibit the payment of cash dividends on the Company's common stock. The Make-Whole Amount will be payable in the event of an acceleration of the 2029 Notes or repurchase triggered by certain asset sales. The indenture governing the 2029 Notes permits the Company and its subsidiaries to incur, subject to certain requirements, up to $150.0 million of debt that is junior in lien priority and subordinated in right of payment to the 2029 Notes. The indenture governing the 2029 Notes also includes a financial covenant that requires the Company at all times to maintain a minimum cash balance of $60.0 million (excluding proceeds of the 2029 Notes). Upon request of the investor, the indenture governing the 2029 Notes requires the Company to enter into a registration rights agreement with respect to the 2029 Notes containing customary terms including demand, shelf and piggyback registration rights. The Company was in compliance with its financial covenants as of December 31, 2025.

If the Company undergoes a "Fundamental Change" (as defined in the indenture governing the 2029 Notes), which includes a change of control or the failure of the Company's common stock to be listed or quoted on any of The Nasdaq Global Select Market, The Nasdaq Global Market or the New York Stock Exchange, holders may require the Company to repurchase all or any portion of their 2029 Notes at a repurchase price equal to 100% of the aggregate principal amount of the 2029 Notes to be repurchased, plus accrued and unpaid interest, plus an amount equal to 66% of the remaining future interest payments (including PIK interest) that would have been payable through June 15, 2029, discounted at a rate equal to the comparable treasury rate plus 50 basis points.

Holders of the 2029 Notes may convert their 2029 Notes at their option at any time prior to the close of business on the business day immediately preceding February 15, 2029 only under the following circumstances: (1) during any calendar quarter commencing after the calendar quarter ending on September 30, 2024 (and only during such calendar quarter), if the last reported sale price of the Company's common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price for the 2029 Notes on each applicable trading day as determined by the Company; (2) during the five business day period after any five consecutive trading day period (the "2029 Notes measurement period") in which the "trading price" (as defined in the indenture governing the 2029 Notes) per $1,000 principal amount of 2029 Notes for each trading day of the 2029 Notes measurement period was less than 98% of the product of the last reported sale price of the Company's common stock and the product of (x) the quotient of (i) the "conversion amount" (as defined in the Indenture) in respect of $1,000 principal amount of the 2029 Notes on such trading day divided by (ii) 1,000 times (y) the conversion rate for the 2029 Notes on each such trading day; (3) with respect to any 2029 Notes that the Company calls for redemption, at any time prior to the close of business on the scheduled trading day immediately preceding the redemption date; (4) upon the occurrence of specified corporate events; or (5) during the period from August 17, 2026 through September 14, 2026, if the aggregate principal amount of 2026 Notes exceeds $60.0 million on August 16, 2026. On or after February 15, 2029, holders may convert all or any portion of their 2029 Notes at any time prior to the close of business on June 13, 2029, regardless of the foregoing circumstances. The 2029 Notes include certain embedded features requiring bifurcation, which did not have material values as of December 31, 2025 due to management's estimates of the likelihood of triggering events, but that may have value in the future should those estimates change, with any change in fair value recorded in the Company's consolidated statements of operations.

The 2029 Notes (including all accrued and unpaid interest) are convertible at the option of the holders at certain times into cash based on a daily conversion value calculated on a proportionate basis for each trading day in a 50 trading day observation period, corresponding to 0.8862 shares of the Company's common stock per $1,000 principal amount of 2029 Notes. The Company is not required to deliver its common stock upon conversion under any circumstances. The conversion rate for the 2029 Notes is subject to adjustment if certain events occur and contains customary anti-dilution protections. During the three months ended December 31, 2025, the conditions allowing holders of the 2029 Notes to convert were not met.

The 2029 Notes, including the Delayed Draw Notes, are accounted for as a single liability, and the combined carrying amount is $189.8 million as of December 31, 2025, consisting of principal of $221.9 million, net of unamortized issuance costs of $6.1 million and debt discount of $26.0 million. The 2029 Notes were classified as long-term liabilities in the consolidated balance sheets as of December 31, 2025. The remaining term over which the 2029 Notes' debt issuance costs will be amortized is 3.46 years at an effective interest rate of 19.13% for the 2029 Notes and 13.28% for the Delayed Draw Notes as of December 31, 2025. The 2029 Notes and the Delayed Draw Notes had an effective interest rate of 19.18% and 13.25%, respectively, as of December 31, 2024.

Unamortized debt issuance costs incurred in connection with securing the Company's financing arrangements are presented in the consolidated balance sheets as a direct deduction from the carrying amount of the outstanding borrowings, consistent with debt discounts. All deferred financing costs are amortized to interest expense. The net carrying amount of the liability component of the Notes as of December 31, 2025 and 2024 was as follows:

	December 31, 2025				December 31, 2024		
	2026 Notes	2029 Notes	Second Lien Notes [1]	Total	2026 Notes	2029 Notes	Total
	(In thousands)				(In thousands)		
Principal	$ 20,125	$ 221,877	$ 181,952	$ 423,954	$ 361,204	207,125	$ 568,329
Unamortized debt discount	—	(25,955)	—	(25,955)	—	(31,137)	(31,137)
Unamortized issuance costs	(73)	(6,142)	—	(6,215)	(2,757)	(7,365)	(10,122)
Total net carrying value	20,052	189,780	181,952	391,784	358,447	168,623	527,070
Less: Current portion of long-term debt	(20,052)	—	—	(20,052)	—	—	—
Carrying value of long-term debt, net	$ —	$ 189,780	$ 181,952	$ 371,732	$ 358,447	$ 168,623	$ 527,070

[1] Represents $115.0 million of outstanding principal amount of Second Lien Notes, plus the maximum interest of $58.7 million as well as a redemption premium of $8.3 million.

The following table sets forth the interest expense recognized related to the Notes:

	Year Ended December 31,		
	2025	2024	2023
	(In thousands)		
Contractual interest expense	$ 23,916	$ 9,973	$ 839
Amortization of debt issuance costs	2,285	2,106	4,043
Amortization of debt discount	5,329	2,407	—
Total interest expense related to the Notes	$ 31,530	$ 14,486	$ 4,882

Warrants

On June 3, 2024, pursuant to the Exchange and Purchase Agreement, the Company issued to the investor 10-year warrants with a strike price of $11.25 per share, exercisable for 649,782 shares of the Company's common stock and 10-year warrants with a strike price of $11.25 per share, exercisable with respect to a notional amount of 156,318 shares of the Company's common stock for cash payments equal to the excess of "fair market value" (as defined therein) per share over the strike price, fully diluted subject to certain adjustments. In August 2025, Warrants with a notional amount of 200,000 shares were settled and a gain of $1.3 million related to the fair value adjustment on settlement date was recognized in Other income (expense), net in the consolidated statements of operations for the year ended December 31, 2025.

The cash-settled warrants will permit the Company, subject to certain conditions (including to the extent that the Company, following payment, would have "available cash" (as defined therein) of less than $100.0 million), to defer payment of the settlement amount at an annualized interest rate of 6.0%, compounded monthly. Warrants outstanding at the 10-year expiration will be exercised automatically (and in the case of the share-settled warrants, will be exercised on a cashless basis) if, immediately prior to the expiration, the fair market value per share is greater than the strike price.

The Warrants contain customary anti-dilution protections. The triggers for the anti-dilution adjustments include (a) subdivision, combination or reclassification of the outstanding shares of common stock into a greater or smaller number of shares, (b) certain below market issuances of common stock, (c) certain issuances of common stock at a price that is less than the strike price of the Warrant, (d) certain issuances of a dividend or distribution to all holders of common stock, (e) an above market tender offer or exchange offer by the Company for common stock. Pursuant to the anti-dilution terms of the Warrants, and giving effect to the settlement of Warrants with respect to a notional amount of 200,000 shares, the aggregate notional amount of the Warrants increased to 1,025,935 shares and the strike price was $6.92 as of December 31, 2025.

In the event of a "Cash/Public Acquisition" (as defined therein), the Warrants may be automatically exercised, cash settled or expire, depending on the fair market value per share. The Warrants contain a beneficial ownership limitation on the investor's ownership of the Company's common stock, on a post-exercise basis (aggregating all securities convertible into or exercisable for the Company's common stock), of 4.99%, subject to increase upon 61 days' notice by the investor, but not to exceed 9.99%.

The Warrants were classified as current liabilities under ASC 480, *Distinguishing Liabilities from Equity*, in the Company's consolidated balance sheets and recorded at fair value of $5.3 million at the issuance date with subsequent changes in fair value recorded in the Company's consolidated statements of operations. As of December 31, 2025, the Warrants had a fair value of $3.0 million. A gain of $13.2 million and a loss of $12.2 million for the change in fair value were recorded in Other income (expense), net, in the Company's consolidated statements of operations for the years ended December 31, 2025 and 2024, respectively.

Note 9. Fair Value Measurements

The Company measures its cash equivalents at fair value based on an expected exit price as defined by the authoritative guidance on fair value measurements, which represents the amount that would be received on the sale of an asset or paid to transfer a liability, as the case may be, in an orderly transaction between market participants. As such, fair value may be based on assumptions that market participants would use in pricing an asset or liability. The authoritative guidance on fair value measurements establishes a consistent framework for measuring fair value on either a recurring or nonrecurring basis whereby inputs, used in valuation techniques, are assigned a hierarchical level. The following are the hierarchical levels of inputs to measure fair value:

- Level 1: Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2: Inputs reflect: quoted prices for identical assets or liabilities in markets that are not active; quoted prices for similar assets or liabilities in active markets; inputs other than quoted prices that are observable for the assets or liabilities; or inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3: Unobservable inputs reflecting the Company's assumptions incorporated in valuation techniques used to determine fair value. These assumptions are required to be consistent with market participant assumptions that are reasonably available.

Financial Assets and Liabilities

The carrying amount of cash, accounts receivable, and accounts payable approximate their fair value due to their short-term nature. The Company's assets and liabilities that are measured at fair value on a recurring basis, by level, within the fair value hierarchy as of December 31, 2025 and 2024, are summarized as follows:

	December 31, 2025			
	Level 1	Level 2	Level 3	Total
	(In thousands)			
Assets:				
Cash equivalents - money market funds	$ 43,000	$ —	$ —	$ 43,000
Total assets	$ 43,000	$ —	$ —	$ 43,000
Liabilities:				
Warrants liability	$ —	$ —	$ 2,999	$ 2,999
Total liabilities	$ —	$ —	$ 2,999	$ 2,999

	December 31, 2024			
	Level 1	Level 2	Level 3	Total
	(In thousands)			
Assets:				
Cash equivalents - money market funds	$ 105,772	$ —	$ —	$ 105,772
Total assets	$ 105,772	$ —	$ —	$ 105,772
Liabilities:				
Warrants liability	$ —	$ —	$ 17,498	$ 17,498
Total liabilities	$ —	$ —	$ 17,498	$ 17,498

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 as well as considers counterparty credit risk in its assessment of fair value. 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's money market funds are measured at fair value on a recurring basis based on quoted market prices in active markets and are classified as Level 1 within the fair value hierarchy. The Company's Warrants liability was measured at fair value on a recurring basis and was classified as Level 3 within the fair value hierarchy. Significant changes in unobservable inputs could result in significantly lower or higher fair value measurements.

On a nonrecurring basis, the Company uses fair value measures when analyzing asset impairment. Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If it is determined such indicators are present and the review indicates that the assets will not be fully recoverable, based on undiscounted estimated cash flows over the remaining amortization periods, their carrying values are reduced to estimated fair value. Estimated fair values are Level 3 measures in the fair value hierarchy.

The estimated fair value of outstanding balances of the Notes as of the dates presented are as follows:

	Level of Hierarchy	Fair Value	Principal Balance	Unamortized Debt Discount	Unamortized Debt Issuance Costs	Net Carrying Value
				(In thousands)		
December 31, 2025						
2026 Notes	2	$ 8,175	$ 20,125	$ —	$ (73)	$ 20,052
2029 Notes	3	$ 200,601	$ 221,877	$ (25,955)	$ (6,142)	$ 189,780
Second Lien Notes	3	$ 61,497	$ 181,952	$ —	$ —	$ 181,952
December 31, 2024						
2026 Notes	2	$ 164,348	$ 361,204	$ —	$ (2,757)	$ 358,447
2029 Notes	3	$ 180,360	$ 207,125	$ (31,137)	$ (7,365)	$ 168,623

Management determined the fair value of 2026 Notes by using Level 2 inputs based on observable market prices for the instrument and similar instruments. Management determined the fair value of the 2029 Notes as of December 31, 2025 by using Level 3 inputs, including the volatility of 15%, yield of 16%, risk-free rate of 3.59% and credit spread of 12.81%. Management determined the fair value of the Second Lien Notes as of December 31, 2025 by using Level 3 inputs, including volatility of 15.00%, yield of 30.00%, risk-free rate of 3.64% and credit spread of 24.60%. A change in those inputs to a different amount might result in a significantly higher or lower fair value measurement. Management determined the fair value of the 2029 Notes and Delayed Draw Notes as of December 31, 2024 by using Level 3 inputs, including the yield of 16%, risk-free rate of 4.35%, and credit spread of 11.42%.

Warrants

The Company recorded the fair value of the Warrants upon issuance using the Black-Scholes valuation model and is required to revalue these Warrants at each reporting date with any changes in fair value recorded on the Company's consolidated statements of operations. The valuation of the Warrants was classified as Level 3 within the fair value hierarchy and is influenced by the fair value of the underlying, or notional amount of, common stock of the Company. A summary of the Black-Scholes pricing model assumptions used to record the fair value of the Warrants as of December 31, 2025 and 2024 is as follows:

	December 31,	
	2025	2024
Stock price	$3.87	$1.52
Risk free rate	4.05%	4.56%
Expected life (in years)	8.43	9.43
Expected volatility	85.00%	76.00%

Any significant changes in the inputs may result in significantly higher or lower fair value measurements. Refer to Note 8 – *Senior Notes, Capped Call Transactions, Warrants and Preferred Stock* for additional information.

The changes in fair value of the Level 3 Warrants as of the dates presented are as follows:

	December 31,	
	2025	2024
	(In thousands)	
Balance, beginning of year	$ 17,498	$ —
Issuance of Warrants	—	5,266
Settlement of Warrants	(1,297)	—
Change in fair value of Warrants	(13,202)	12,232
Balance, end of year	$ 2,999	$ 17,498

Note 10. Commitments and Contingencies

Employee Benefit Plans

The Company has a 401(k) defined contribution plan covering all eligible employees. The Company's 401(k) policy is a Safe Harbor Plan, whereby the Company matches 100% of the first 3% of eligible compensation and 50% of the next 2% of eligible compensation. The match is immediately vested. Salaries and related expenses include $1.9 million, $2.8 million, and $3.8 million of employer matching contributions for the years ended December 31, 2025, 2024, and 2023, respectively.

Letters of Credit

As of December 31, 2025, the Company had letters of credit totaling $0.5 million outstanding as a security deposit for the due performance by the Company of the terms and conditions of a supply contract.

Contractual obligations

The Company's purchase obligations consist of agreements to purchase goods and services entered into in the ordinary course of business. The Company has purchase obligation agreements primarily relating to contracts with vendors in connection with Information Technology ("IT") infrastructure and cloud computing services. In September 2025, the Company entered into a new three-year contract for $74.4 million in purchase commitments over a three-year term. Total purchase commitments remaining as of December 31, 2025 including those under this new contract are as follows: $25.5 million for 2026, $24.5 million for 2027, and $24.4 million for 2028.

Indemnifications

The Company enters into service and license agreements in its ordinary course of business. Pursuant to some of these agreements, the Company agrees to indemnify certain customers from and against certain types of claims and losses suffered or incurred by them as a result of using the Company's products.

The Company also has agreements whereby its executive officers and directors are indemnified for certain events or occurrences while the officer or director is, or was serving, at the Company's request in such capacity. The maximum potential amount of future payments the Company could be required to make under these indemnification agreements is unlimited; however, the Company has a directors and officers insurance policy that reduces its exposure and enables the Company to recover a portion of any future amounts paid. As a result of its insurance policy coverage, the Company believes the estimated fair value of these indemnification agreements is minimal. The Company has no liabilities recorded for these agreements as of December 31, 2025 and 2024.

Note 11. Stockholders' Equity

Common Stock

On October 3, 2025, we amended our Restated Certificate of Incorporation to increase the number of outstanding shares of our common stock from 200 million to 300 million. Subsequently, on October 13, 2025, we effected a 1-for-15 Reverse Stock Split, which also resulted in a proportional reduction in the number of authorized shares of our common stock from 300,000,000 to 20,000,000.

As of December 31, 2025, there were 20,000,000 shares of common stock authorized, 12,223,729 shares issued, and 12,039,325 shares outstanding. As of December 31, 2024, there were 13,333,333 shares of common stock authorized, 6,263,782 shares issued, and 6,079,378 shares outstanding. The par value for the common stock is $0.001 per share.

Preferred Stock

As of December 31, 2025 and 2024, there were 5,000,000 shares of preferred stock authorized, and no shares were issued or outstanding. The par value for the preferred stock is $0.001 per share.

Stock-Based Compensation

The Company's stock-based compensation generally includes stock options, RSUs, PRSUs, and purchases under the Company's 2019 Employee Stock Purchase Plan (the "ESPP"). Stock-based compensation expense related to RSUs is based on the market value of the underlying stock on the date of grant and the related expense is recognized ratably over the requisite service period. The stock-based compensation expense related to PRSUs is estimated at the grant date based on the expectation that performance goals will be achieved at the stated target level. The amount of compensation cost recognized depends on the relative satisfaction of the performance condition based on performance to date.

Stock Incentive Plans

The Company's 2019 Stock Incentive Plan became effective on April 11, 2019. The 2019 Stock Incentive Plan, as amended and restated, allows the Company's employees and directors to participate in the Company's future performance through grants of stock-based awards of stock options and RSUs at the discretion of the board of directors. The number of shares authorized for issuance under the 2019 Stock Incentive Plan as of December 31, 2025 was 3,487,182 shares. Options to acquire common stock granted under the 2019 Stock Incentive Plan have four-year terms. As of December 31, 2025, 62,029 shares of common stock remained available for issuance (taking into account all stock option exercises and other equity award settlements through December 31, 2025).

Employee Stock Purchase Plan

The number of shares authorized for issuance under the ESPP as of December 31, 2025 was 300,000 shares. As of December 31, 2025, 92,972 shares of common stock remained available for issuance under the ESPP (taking into account all share purchases through December 31, 2025).

Inducement Plan

There are 1,027,489 shares of common stock authorized and reserved for issuance under the Inducement Plan. As of December 31, 2025, 85,615 shares of common stock remained available for issuance under the Inducement Plan (taking into account all option exercises and other equity award settlements through December 31, 2025).

Stock Option Activity

The following table is a summary of the Company's stock option activity and weighted average exercise prices for the years presented:

	Stock Option Activity			
	Options (In thousands)	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (In years)	Aggregate Intrinsic Value (In thousands)
Balance outstanding as of December 31, 2022	297	$ 363.75		
Granted	1	170.55		
Exercised	(4)	39.30		
Cancelled or expired	(85)	340.35		
Balance outstanding as of December 31, 2023	209	$ 340.20	4.84	$ 40
Options vested and expected to vest	25	$ 432.45	7.89	$ —
Options exercisable as of December 31, 2023	176	$ 325.05	4.20	$ 40
Balance outstanding as of December 31, 2023	209	$ 340.20		
Granted [(1)]	67	15.30		
Cancelled or expired	(98)	329.40		
Balance outstanding as of December 31, 2024	178	$ 343.95	3.95	$ 7
Options vested and expected to vest	45	$ 73.65	8.93	$ 290
Options exercisable as of December 31, 2024	106	$ 343.95	3.65	$ 7
Balance outstanding as of December 31, 2024	178	$ 343.95		
Granted	27	16.20		
Cancelled or expired	(27)	290.32		
Balance outstanding as of December 31, 2025	178	$ 184.30	5.92	$ —
Options vested and expected to vest	154	$ 210.00	5.47	$ —
Options exercisable as of December 31, 2025	84	$ 370.98	2.91	$ —

(1) Represents an option to purchase 66,666 shares granted to John Sabino, the Company's Chief Executive Officer, as a standalone grant, that will vest upon satisfaction of certain performance-based and time-based vesting conditions.

The total fair value of stock options exercised during the years ended December 31, 2025 and 2024 was immaterial. The total fair value of stock options exercised during the year ended December 31, 2023 was $3.4 million. As of December 31, 2025, there was $0.4 million of total unrecognized compensation cost related to non-vested share-based compensation arrangements. That cost is expected to be recognized over a weighted average period of approximately 2.4 years.

The per share weighted average fair value of stock options granted during the years ended December 31, 2025, 2024 and 2023 was $12.00, $2.55, and $98.10, respectively. The fair value of each option grant is estimated on the date of grant, adjusted for estimated forfeitures, using the Black-Scholes option pricing model with the following weighted average assumptions:

	Year Ended December 31,		
	2025	**2024**	**2023**
Dividend yield	—%	—%	—%
Risk-free interest rate	3.74%	4.31%	3.60%
Expected life (in years)	4	10	5
Volatility	108.51%	67.10%	65.17%

A description of the methods used in the significant assumptions used to estimate the fair value of stock-based-based compensation awards follows:

- *Dividend yield* – The Company uses 0% as it has never issued dividends and does not anticipate issuing dividends in the near term.
- *Risk-free interest rate* – The Company uses the market yield on zero-coupon U.S. Treasury securities with maturities that approximate the expected life of stock options in years, with the exception of the 2024 grants, which had a 10-year life.
- *Expected life* – The Company uses historical data to estimate the expected life of a stock option.
- *Volatility* – The Company estimates expected volatility based on the historical volatility of its common stock over a period consistent with the expected life of the stock options.

Restricted Stock Unit and Performance-Vesting Restricted Stock Unit Activity

The following table is a summary of the Company's RSUs and PRSUs activity and weighted average grant date fair value, for the years presented:

	Number of Shares	Weighted Average Grant Date Fair Value	Aggregate Fair Value
	(In thousands)	(Per share)	(In thousands)
Balance outstanding as of December 31, 2022	349	$ 381.30	$ 53,080
Awarded	288	66.15	
Released	(180)	237.90	
Forfeited	(119)	378.15	
Non-vested and outstanding as of December 31, 2023	338	$ 187.95	$ 19,193
Balance outstanding as of December 31, 2023	338	$ 187.95	$ 19,193
Awarded	795	14.55	
Released	(201)	142.35	
Forfeited	(97)	217.35	
Non-vested and outstanding as of December 31, 2024	835	$ 30.45	$ 14,578
Balance outstanding as of December 31, 2024	835	$ 30.45	$ 14,578
Awarded	750	12.17	
Released	(592)	26.01	
Forfeited	(210)	29.24	
Non-vested and outstanding as of December 31, 2025	783	$ 15.45	$ 3,028
Expected to vest	617	$ 14.98	$ 2,387

RSUs granted to employees generally vest over a 1 to 4-year period, or upon achievement of certain performance conditions. As of December 31, 2025, total unrecognized compensation cost, adjusted for estimated forfeitures, related to non-vested RSUs was $7.8 million and the weighted-average remaining vesting period was 1.1 years.

PRSUs granted are generally subject to both a service-based vesting condition and a performance-based vesting condition. PRSUs will vest upon the achievement of specified performance targets and subject to continued service through the applicable vesting dates. The associated compensation cost is recognized over the requisite service period when it is probable that the performance condition will be satisfied. There were no PRSU grants in 2025 and 2024. PRSUs granted in 2023 were immaterial. During the year ended December 31, 2025, the outstanding PRSUs vested but the related shares have not been distributed as of December 31, 2025.

Total stock-based compensation costs included in the consolidated statements of operations for the periods presented are as follows:

	Year Ended December 31,		
	2025	2024	2023
	(In thousands)		
Cost of revenue	$ 583	$ 1,080	$ 1,456
Sales and marketing	3,698	7,394	10,354
General and administrative	5,963	6,789	(5,706)
Product development	4,012	6,726	5,750
Total	$ 14,256	$ 21,989	$ 11,854

Note 12. Restructuring

LivePerson has undertaken several restructuring initiatives to realign the Company’s cost structure with its current business model, a changing competitive environment and changes in the Company’s commercial performance. In September 2025, the Company initiated a new restructuring plan (the “2025 Restructuring Plan”) to reduce cash expenditures to align with the Company’s current commercial performance, resulting in a charge of $11.7 million for the year ended December 31, 2025. The Company recognized restructuring costs of $11.1 million and $22.7 million during the years ended December 31, 2024 and 2023, respectively. Such costs primarily include severance and other compensation costs and are recorded in Restructuring costs in the consolidated statements of operations. The 2024 and 2025 restructuring activities were considered to be substantially completed in their respective years.

The following table presents the detail of the liability for the Company’s restructuring costs, which is included in Accrued expenses and other current liabilities in the consolidated balance sheets as of December 31, 2025 and 2024:

	December 31,	
	2025	2024
	(In thousands)	
Balance, beginning of year	$ 3,028	$ 2,076
Severance and other associated costs	11,667	12,356
IT contract termination reversals, net	—	(1,217)
Cash payments	(13,308)	(10,187)
Balance, end of year	$ 1,387	$ 3,028

The following table presents the detail of expenses for the Company’s restructuring costs for the periods presented:

	Year Ended December 31,		
	2025	2024	2023
		(In thousands)	
Severance and other associated costs	$ 11,667	$ 12,356	$ 16,920
IT contract termination (reversals) costs, net	—	(1,217)	5,744
Total restructuring costs	$ 11,667	$ 11,139	$ 22,664

Note 13. Legal Matters

Stockholder Litigation

In December 2023, a putative stockholder class action entitled Damri v. LivePerson, Inc., No. 1:23-cv-10517, was filed under the federal securities laws against the Company, its former Chief Executive Officer, and its Chief Financial Officer in the United States District Court for the Southern District of New York. The complaint alleges that the Company’s Form 10-Q filings and forecasts for the first, second, and third quarters of fiscal year 2022 were false and misleading in violation of Section 10(b) of the Securities Exchange Act of 1934, based on the Company’s later disclosures and report on Form 10-K on March 16, 2023. In May 2024, the plaintiff filed an amended complaint. The Company moved to dismiss the amended complaint in August 2024, and in March 2025, the court granted the Company’s motion and dismissed the action with prejudice. In April 2025, the plaintiff appealed the decision to the United States Court of Appeals for the Second Circuit and in March 2026, the dismissal was affirmed but the case was remanded to the district court with leave for the plaintiff to try to replead his complaint. A parallel litigation on behalf of stockholders who purchased their shares on the Tel Aviv Stock Exchange, entitled Weissbrod v. LivePerson, Inc., is pending in the Tel Aviv District Court in Israel, but has been stayed pending further developments in the Damri case.

In January 2024, a purported derivative action entitled Marti v. LoCascio, No. 1:24-cv-00598, was filed in the United States District Court for the Southern District of New York by a purported stockholder of the Company against the Company’s former Chief Executive Officer, its Chief Financial Officer, members of the current Board of Directors and several former Directors. The Marti litigation claims that the Company itself was harmed by the same acts and omissions underlying the Damri federal securities lawsuit and seeks to recover unspecified losses on behalf of the Company. Between June and September 2024, four other purported derivative actions were filed by purported stockholders of the Company against the Company’s former Chief Executive Officer, its Chief Financial Officer, members of the current Board of Directors and several former Directors. These four purported derivative actions, similar to the Marti litigation, claim that the Company itself was harmed by the same acts and omissions underlying the Damri federal securities lawsuit, and seek to recover unspecified losses on behalf of the Company. The four actions are entitled: (i) Steffens v. Block, No. 1:24-cv-04481, filed in the United States District Court for the Southern District of New York; (ii) Ravi v. LoCascio, Index No. 653498/2024, filed in the Supreme Court of the State of New York, New York County; (iii) Morales v. LoCascio, No. 1:24-cv-05297, filed in the United States District Court for the Southern District of New York; and (iv) Perkins v. LoCascio, Index No. 654992/2024, filed in the Supreme Court of the State of New York, New York County. The Marti, Steffens and Morales cases are stayed, and the Perkins case is in abeyance, pending further developments in the Damri case.

In February 2024, Starboard Value LP and several of its related entities and investment funds filed a lawsuit against the Company, its former Chief Executive Officer, and its Chief Financial Officer entitled Starboard Value LP v. LivePerson, Inc., No. 2024-0103, in the Court of Chancery of the State of Delaware. The complaint alleged common law fraud, fraudulent inducement and negligent misrepresentation in connection with an alleged scheme to induce Starboard to settle its 2022 proxy contest against the Company and, as stated in the complaint, involved previous Starboard allegations of misrepresentations in the Company’s public disclosures that the Company previously informed Starboard were found to be unsubstantiated following an independent investigation. Starboard sought damages for its trading losses and purported lost anticipated profits. The defendants filed an answer denying the substantive allegations of the complaint, the parties engaged in discovery, and in July 2025, the litigation was settled. The settlement did not have an impact on the Company’s consolidated statements of operations, as the cost was covered by insurance.

COVID-Related Matters

As has been widely reported, there is heightened scrutiny by the federal government across many programs related to global novel coronavirus disease ("COVID-19") that were introduced during the COVID-19 pandemic. The Company previously provided products and services related to COVID-19 testing and accompanying software. Those products and services have been the subject of inquiry and review by Medicare, the Department of Justice and the U.S. Food and Drug Administration.

The Company has discontinued all products and services related to COVID-19, and has responded to and intends to continue to cooperate with governmental inquiries related to its previous engagement in COVID-19 related product and service offerings.

Other Legal, Administrative, Governmental and Regulatory Matters

From time to time, the Company is or may be subject to or involved in legal, administrative, governmental and/or regulatory proceedings, inquiries and investigations as well as actual or threatened litigation, claims and/or demands (each an "Action" and collectively "Actions"). These have included and may include (without limitation) Actions brought by or against the Company, its affiliates, subsidiaries, directors and/or officers with respect to intellectual property, contracts, financial, commercial, employment, legal, compliance, privacy, data security, regulatory and/or other matters related to the Company's business, as well as Actions brought against the Company's customers for which the Company has a contractual indemnification obligation.

Regardless of the outcome, Actions can have an adverse impact on the Company because of defense and/or settlement costs, diversion of management resources, reputational risks and other factors.

Accruals

The Company accrues for certain contingencies when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated and discloses certain contingencies for which no accrual has been made as appropriate and in compliance with ASC 450, *Contingencies*. Significant judgment is required in both the determination of probability and the determination as to whether a loss is reasonably estimable. The accruals or estimates, if any, resulting from the foregoing analysis, are reviewed at least quarterly and adjusted to reflect the impact of negotiations, settlements, rulings, advice of legal counsel and other information and events pertaining to a particular matter.

Note 14. Income Taxes

Income taxes are accounted for under the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences are expected to become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment.

The Company includes interest accrued on the underpayment of income taxes and certain interest expense and penalties, if any, related to unrecognized tax benefits as a component of the income tax provision. The Company recorded a valuation allowance against its U.S., e-bot7 Germany, and Bulgaria deferred tax assets as it considered its cumulative losses in recent years as a significant piece of negative evidence. Since valuation allowances are evaluated by jurisdiction, the Company believes that the deferred tax assets related to LivePerson Australia Pty. Ltd., Engage Pty. Ltd., LivePerson (UK) Ltd., LivePerson Japan, and LivePerson Ltd. (Israel) are more likely than not to be realized as these jurisdictions have positive cumulative pre-tax book income after adjusting for permanent and one-time items.

The One Big Beautiful Bill Act ("OBBBA") was signed into law on July 4, 2025, and makes changes to the deductibility of certain business expenditures including interest expense, research and development expenditures, and property and equipment, and makes changes to elements of U.S. cross-border taxation. The Company implemented the changes enacted under OBBBA.

OBBBA impacted the Company's deferred tax assets as of July 4, 2025, the date of enactment, via the reversal of $32.0 million of deferred tax assets resulting from capitalized research expenses incurred through December 31, 2024. The reversal is reflected on the Company's annual financial statements as of and for the year ended December 31, 2025.

The Company had a valuation allowance on certain deferred tax assets for the years ended December 31, 2025, 2024, and 2023 of $243.2 million, $234.6 million, and $211.2 million, respectively. For the years ended December 31, 2025 and 2024, increases in the valuation allowance of $8.6 million and $23.4 million, respectively, were recorded as an expense.

As of December 31, 2025, the Company had $646.0 million of federal NOL carryforwards available to offset future taxable income. Included in this amount is $49.4 million of federal NOL carryovers from the Company's acquisition of Tenfold in 2021 and $64.9 million of federal NOL carryovers from the Company's acquisition of VoiceBase in 2021. Of these federal NOL carryforwards, $67.7 million were generated in taxable years ending on or before December 31, 2017 and will expire in various years through 2037. Federal NOL carryforwards generated in taxable years ending after December 31, 2017, do not expire, but generally may only offset up to 80% of federal taxable income earned in a taxable year.

Section 382 of the Internal Revenue Code ("IRC Section 382") limits a corporation's ability to utilize NOL and tax credit carryforwards following an ownership change, as defined under IRC Section 382. The Company experienced an ownership change effective September 12, 2025. As a result, utilization of the Company's federal NOL carryforwards is subject to an annual limitation of approximately $3.3 million.

On January 22, 2024, the Company entered into a Tax Benefits Preservation Plan designed to reduce the risk of substantial impairment to its NOLs that could result from an "ownership change" within the meaning of Section 382 of the Code. The Tax Benefits Preservation Plan creates a disincentive for any person or group of affiliated or associated persons to acquire 4.9% or more of the Company's outstanding common stock (any such person or group, an "Acquiring Person"), or to further accumulate shares of the Company's outstanding common stock if such person or group of person already owns 4.9% or more of the Company's outstanding common stock, without the approval of the Company's Board, unless and until the Board determines that the Tax Benefits Preservation Plan is no longer necessary or desirable for preservation of the Company's NOLs.

In connection therewith, on January 22, 2024, the Board authorized a dividend of one right (a "Right") for each outstanding share of common stock of the Company. Each Right entitles the registered holder to purchase from the Company one one-thousandth of a share of Series A Junior Participating Preferred Stock, par value $0.001 per share, at a price of $18.00, subject to certain adjustments. The Rights will separate from the common stock and become exercisable and separately transferable at the close of business on the date that is the tenth (10th) business day after the earlier of (i) the date on which on which a press release is issued or other public announcement is made indicating that a person or group of affiliated or associated persons has become an Acquiring Person and (ii) the date on which a tender offer or exchange offer is commenced that, upon consummation, would result in a person or group of affiliated or associated persons becoming an Acquiring Person. If issued and not redeemed by the Company, each holder of a Right (other than the Acquiring Person, the Rights of which shall become null and void) will, upon exercise, be entitled to purchase shares of the Company's common stock having a then-current market value equal to two times the exercise price of the Right. However, prior to exercise, a Right does not give its holder any rights as a stockholder of the Company, including, without limitation, the right to vote or to receive dividends.

The domestic and foreign components of loss before provision for income taxes consist of the following:

	Year Ended December 31,		
	2025	2024	2023
	(In thousands)		
United States	$ (59,467)	$ (125,764)	$ (95,773)
Israel	375	(42)	1,074
United Kingdom	1,099	1,681	1,481
Netherlands	641	725	2,030
Australia	446	662	(412)
Germany	(8,282)	(10,246)	(5,453)
Other [(1)]	1,407	1,446	781
Total	$ (63,781)	$ (131,538)	$ (96,272)

(1) Includes Bulgaria, Canada, France, India, Italy, Japan, , Mexico, Poland, Singapore and Spain.

No additional provision has been made for U.S. income taxes on the undistributed earnings of its wholly-owned Israeli subsidiary, LivePerson Ltd., as such earnings have been taxed in the U.S. A provision for the undistributed earnings of the Company's other foreign subsidiaries has not been provided because the Company intends to indefinitely reinvest such earnings outside of the U.S., though if these foreign earnings were to be repatriated in the future the related U.S. tax liability would be immaterial through December 31, 2025.

The provision for income taxes consists of the following:

	Year Ended December 31,		
	2025	2024	2023
		(In thousands)	
Current income taxes:			
U.S. Federal	$ —	$ —	$ —
State and local	998	366	239
Foreign	1,832	1,746	2,878
Total current income taxes	2,830	2,112	3,117
Deferred income taxes:			
U.S. Federal	166	72	651
State and local	491	532	488
Foreign	(35)	19	(93)
Total deferred income taxes	622	623	1,046
Total provision for income taxes	$ 3,452	$ 2,735	$ 4,163

As further described in Note 1 - *Description of Business and Summary of Significant Accounting Policies*, the Company has elected to prospectively adopt the guidance in ASU 2023-09. The following table is a reconciliation of the U.S. federal statutory rate of 21% to the Company's effective rate for the year ended December 31, 2025 in accordance with the guidance in ASU 2023-09:

	Year ended December 31, 2025	
	Amount	Percent
	(In thousands)	
Loss before provision for income taxes	$ (63,781)	
Income tax benefit at U.S. federal statutory rate	(13,394)	21.00 %
State and local income taxes (net of federal income tax effect) (1)	1,702	(2.67)%
Foreign tax effects:		
Germany		
Goodwill impairment	2,513	(3.94)%
Rate differential	(993)	1.56 %
Other	218	(0.34)%
Other foreign countries	282	(0.44)%
Effect of cross-border taxes laws	79	(0.12)%
Changes in valuation allowances	5,905	(9.26)%
Nontaxable or nondeductible items:		
Goodwill impairment	7,053	(11.06)%
Stock-based compensation - excess tax benefit / (tax deficiency)	1,856	(2.91)%
Warrant revaluation	(3,045)	4.77 %
Other nontaxable or nondeductible items	681	(1.07)%
Change in unrecognized tax benefits:	683	(1.07)%
Other adjustments		
Other items	(88)	0.14 %
Total income tax expense and effective rate	$ 3,452	(5.41)%

(1) State taxes in California make up the majority (greater than 50%) of the tax effect in this category in 2025.

The difference between the total income taxes computed at the federal statutory rate and the provision for income taxes consists of the following:

	December 31,	
	2024	2023
Federal statutory rate	21.00 %	21.00 %
State taxes, net of federal benefit	3.16 %	3.94 %
Non-deductible expenses – stock-based compensation	(0.14)%	(0.55)%
Non-deductible expenses – earn-out	— %	5.50 %
Non-deductible excess compensation	(0.14)%	(0.04)%
Foreign taxes	(0.53)%	(0.94)%
Valuation allowance	(18.19)%	(24.40)%
Stock based compensation – excess tax benefit / (tax deficiency)	(5.00)%	(7.00)%
Goodwill impairment	(7.96)%	(2.59)%
Sale of subsidiary	7.18 %	1.69 %
Debt restructuring	(1.83)%	— %
Other	0.37 %	(0.93)%
Total provision	(2.08)%	(4.32)%

The amounts of income tax related taxes paid, net of refunds received, were as follows:

	Year ended December 31, 2025
	(In thousands)
State	$ 55
Foreign:	
United Kingdom	490
Germany	438
India	309
Poland	240
Israel	176
Netherlands	(637)
All other	95
Total foreign	1,111
Income taxes, net of amounts refunded	1,166
Other taxes	41
Total taxes paid, net of refunds	$ 1,207

The effects of temporary differences and federal NOL carryforwards that give rise to significant portions of federal deferred tax assets and deferred tax liabilities as of the dates presented:

	December 31,	
	2025	2024
	(In thousands)	
Deferred tax assets, net:		
Net operating loss carryforwards	$ 173,899	$ 172,923
R&D tax credit	1,757	1,757
Original issue discount	25,502	7,330
Interest	13,811	7,544
Operating lease liabilities	(12)	(1)
Accounts payable and accrued expenses	4,622	4,266
Non-cash compensation	6,952	7,617
Intangibles amortization	2,978	3,170
R&D capitalization	32,732	58,237
Allowance for credit loss	843	2,067
Total deferred tax assets	263,084	264,910
Less valuation allowance	(243,240)	(234,620)
Deferred tax assets, net	19,844	30,290
Deferred tax liabilities:		
Property and equipment	(9,929)	(12,337)
Goodwill amortization and contingent earn-out adjustments	(9,607)	(9,048)
Outside basis difference in subsidiary stock	—	(8,040)
Operating lease right-of-use assets	7	4
Total deferred tax liabilities	(19,529)	(29,421)
Net deferred tax assets	$ 315	$ 869

The Company has U.S. federal, Australian, and German NOLs of $646.0 million, $0.2 million, and $30.8 million, respectively. The Australian and German NOLs can be carried forward indefinitely. For the federal NOLs, $578.3 million can be carried forward indefinitely, $67.7 million will expire between 2030 and 2037. The Company has $522.9 million of state NOLs, of which $133.6 million can be carried forward indefinitely and $389.2 million will expire between 2026 and 2045.

ASC 740-10 clarifies the accounting for uncertainty in income taxes recognized in the financial statements in accordance with other provisions contained within this guidance. This topic prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more likely than not to be sustained upon examination by the taxing authorities. The amount recognized is measured as the largest amount of benefit that is greater than 50% likely of being realized upon ultimate audit settlement. The Company had unrecognized tax benefits of $3.8 million and $3.5 million as of December 31, 2025 and 2024, respectively, that would affect the effective tax rate if recognized. Accrued interest and penalties included in the Company's liability related to unrecognized tax benefits and recorded in Accrued expenses and other current liabilities was $1.2 million and $0.7 million as of December 31, 2025 and 2024, respectively. There are no unrecognized tax benefits expected to reverse in the next twelve months and impact the effective tax rate.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	Year Ended December 31,		
	2025	2024	2023
	(In thousands)		
Unrecognized tax benefits balance, beginning of year	$ 3,536	$ 3,061	$ 2,721
Gross increase for tax positions of prior years	—	204	—
Gross increase for tax positions of current year	286	271	340
Unrecognized tax benefits, end of year	$ 3,822	$ 3,536	$ 3,061

The tax years subject to examination by major tax jurisdictions include the years 2020 and forward for U.S. states and cities, the years 2021 and forward for U.S. Federal, and the years 2019 and forward for certain foreign jurisdictions.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

Not applicable.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, including the Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our "disclosure controls and procedures," as that term is defined in Rule 13a-15(e) promulgated under the Exchange Act, as of December 31, 2025. Disclosure controls and procedures ensure that the information we are required to disclose in the reports that we file or submit under the Exchange Act is recorded, processed and summarized within the time periods specified in the Securities and Exchange Commission's rules and forms, and ensure that such information is accumulated and communicated to our management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of December 31, 2025.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate "internal control over financial reporting," as that term is defined in Rule 13a-15(f) promulgated under the Exchange Act. Our internal control system is designed to provide reasonable assurance to our management and Board of Directors regarding the preparation and fair presentation of published financial statements. Our management evaluated the effectiveness of our internal control over financial reporting as of December 31, 2025 based on the framework established in "Internal Control — Integrated Framework (2013)," issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

Based on that assessment, our management, including the Chief Executive Officer and Chief Financial Officer, concluded that, as of December 31, 2025, our internal control over financial reporting was effective.

The effectiveness of the internal control over financial reporting as of December 31, 2025 has been audited by BDO USA, P.C., an independent registered public accounting firm, as stated in their report, which appears in Part II, Item 8 of this Annual Report on Form 10-K.

Limitations of the Effectiveness of Internal Control

A control system, no matter how well conceived and operated, can only provide reasonable, not absolute, assurance that the objectives of the internal control system are met. Because of the inherent limitations of any internal control system, no evaluation of controls can provide absolute assurance that all control issues, if any, have been detected.

Changes in Internal Control Over Financial Reporting

There have been no changes in the Company's internal control over financial reporting during the quarter ended December 31, 2025, identified in connection with the evaluation thereof by our management, including the Chief Executive Officer and Chief Financial Officer, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders
LivePerson, Inc.
New York, New York

Opinion on Internal Control over Financial Reporting

We have audited LivePerson, Inc.'s (the "Company's") internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (the "COSO criteria"). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2025 and 2024, the related consolidated statements of operations, comprehensive loss, stockholders' equity (deficit), and cash flows for each of the three years in the period ended December 31, 2025, and the related notes and our report dated March 13, 2026 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Item 9A, Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit of internal control over financial reporting in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ BDO USA, P.C.

New York, New York
March 13, 2026

Item 9B. Other Information

(a) On March 12, 2026, the Compensation Committee (the "Committee") of the Company's Board of Directors approved amending the 2006 employment agreement between the Company and Monica Greenberg, Chief Legal & Administrative Officer of the Company to align her contract terms with current contractual standards across the executive leadership team as part of a recent contract standardization process, including updates to certain definitions, legal terms, and provisions that apply in the event of an involuntary termination.

The Committee also formally ratified its previous approval to add Ms. Greenberg and Mr. John Collins to a pre-existing retention incentive which provides eligibility to receive a potential bonus vesting in two equal installments on March 15, 2026 and September 15, 2026, conditioned on continued employment and subject to forfeiture in the event of termination of employment. Pursuant to the Committee's previous approval, the Company documented inclusion in such retention incentive for Mr. Collins and Ms. Greenberg on January 15, 2026. The aggregate amount of the retention bonus, if earned, would total approximately $239,000 for Ms. Greenberg, and approximately $558,700 for Mr. Collins.

(b) During the three months ended December 31, 2025, no director or executive officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulations S-K.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this Item 10 is incorporated by reference to the definitive proxy statement for our 2026 Annual Meeting of Stockholders or will be included in an amendment to this Annual Report on Form 10-K.

There have been no changes to the procedures by which stockholders may recommend nominees to our Board of Directors since our last disclosure of such procedures, which appeared in the definitive proxy statement for our October 2, 2025 Special Meeting of Stockholders.

We have adopted a Code of Ethics that applies to our Chief Executive Officer, who is our principal executive officer, and other senior financial officers. This Code of Ethics can be found at https://ir.liveperson.com/corporate-governance/governance-overview. Disclosures of any amendments to, or waivers under, the Code of Ethics for the Chief Executive Officer and Senior Financial Officers will be made on our website, www.liveperson.com. *The Company's website addresses provided above are not intended to function as hyperlinks, and the information on the Company's website is not and should not be considered part of this Annual Report on Form 10-K and is not incorporated by reference herein.*

Additionally, we have adopted an Insider Trading and Disclosure Policy governing the purchase, sale, or other disposition of the Company's securities. This policy applies to our directors, officers, and employees. The Insider Trading and Disclosure Policy is designed to promote compliance with insider trading laws, rules and regulations and listing standards. It is the Company's policy to comply with applicable insider trading laws and regulations, including with respect to transactions in our own securities.

Item 11. Executive Compensation

The information required by this Item 11 is incorporated by reference to the definitive proxy statement for our 2026 Annual Meeting of Stockholders or will be included in an amendment to this Annual Report on Form 10-K.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this Item 12 is incorporated by reference to the definitive proxy statement for our 2026 Annual Meeting of Stockholders or will be included in an amendment to this Annual Report on Form 10-K.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this Item 13 is incorporated by reference to the definitive proxy statement for our 2026 Annual Meeting of Stockholders or will be included in an amendment to this Annual Report on Form 10-K.

Item 14. Principal Accountant Fees and Services

The information required by this Item 14 is incorporated by reference to the definitive proxy statement for our 2026 Annual Meeting of Stockholders or will be included in an amendment to this Annual Report on Form 10-K.

PART IV

Item 15. Exhibits and Financial Statement Schedules

The following documents are filed as part of this Annual Report on Form 10-K:

1. Financial Statements. Incorporated by reference to the index of consolidated financial statements included in Item 8 of this Annual Report on Form 10-K.
2. Financial Statements Schedules. None.
3. Exhibits. Incorporated by reference to the Exhibit Index immediately following the signature pages to this Annual Report on Form 10-K.

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on March 13, 2026.

LIVEPERSON, INC.

By:	/s/ JOHN SABINO
Name:	John Sabino
Title:	Chief Executive Officer (*Principal Executive Officer*)

POWER OF ATTORNEY

Each person whose signature appears below constitutes and appoints John S. Sabino, John D. Collins, and each or any of them, his or her true and lawful attorney-in-fact and agent, each acting alone, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any or all amendments or supplements (including post-effective amendments) to this report, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title(s)	Date
/s/ John Sabino John Sabino	Chief Executive Officer and Director *(Principal Executive Officer)*	March 13, 2026
/s/ John Collins John Collins	Chief Financial Officer and Chief Operating Officer *(Principal Financial Officer and Principal Accounting Officer)*	March 13, 2026
/s/ Dan Fletcher Dan Fletcher	Director	March 13, 2026
/s/ Nathan Lane Nathan Lane	Director	March 13, 2026
/s/ James Miller James Miller	Director	March 13, 2026
/s/ Vanessa Pegueros Vanessa Pegueros	Director	March 13, 2026
/s/ Karin-Joyce (K.J.) Tjon Karin-Joyce (K.J.) Tjon	Director	March 13, 2026
/s/ Ryan Vardeman Ryan Vardeman	Director	March 13, 2026
/s/ William G. Wesemann William G. Wesemann	Director	March 13, 2026
/s/ Anthony Zingale Anthony Zingale	Director	March 13, 2026

EXHIBIT INDEX

Number	Description
3.1(a)	Fourth Amended and Restated Certificate of Incorporation (incorporated by reference to the Exhibit 3.1 to LivePerson's Annual Report on Form 10-K for the year ended December 31, 2000 and filed March 30, 2001)
3.1(b)	Certificate of Amendment to the Fourth Amended and Restated Certificate of Incorporation effective as of November 12, 2019 (incorporated by reference to Exhibit 4.2 to LivePerson's Registration Statement on Form S-8 filed on November 13, 2019)
3.1(c)	Certificate of Amendment No. 2 to the Fourth Amended and Restated Certificate of Incorporation effective as of October 3, 2025 (incorporated by reference to Exhibit 3.1 to LivePerson's Current Report on Form 8-K filed on October 7, 2025)
3.1(d)	Certificate of Amendment No. 3 to the Fourth Amended and Restated Certificate of Incorporation, as amended (incorporated by reference to Exhibit 3.4 to LivePerson's Quarterly Report on Form 10-Q filed on November 13, 2025)
3.2	Fourth Amended and Restated By-Laws of LivePerson, Inc. (incorporated by reference to Exhibit 3.1 to LivePerson's Current Report on Form 8-K filed on August 11, 2025)
3.3	Certificate of Designations of the Series A Junior Participating Preferred Stock of the Company, dated January 22, 2024 (incorporated by reference to Exhibit 3.1 to LivePerson's Current Report on Form 8-K filed on January 22, 2024)
3.4	Certificate of Designation of Series B Preferred Stock (incorporated by reference to Exhibit 4.3 to LivePerson's Current Report on Form 8-K filed on September 15, 2025)
4.1	Specimen common stock certificate (incorporated by reference to Exhibit 4.1 to LivePerson's Registration Statement on Form S-1/A filed on March 28, 2000)
4.2	Second Amended and Restated Registration Rights Agreement, dated as of January 27, 2000, by and among LivePerson, the several persons and entities named on the signature pages thereto as Investors, and Robert LoCascio (incorporated by reference to Exhibit 4.2 to LivePerson's Registration Statement on Form S-1/A filed on March 10, 2000)
4.3 +	Description of the Registrant's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934
4.4	Indenture, dated as of December 4, 2020, by and between LivePerson, Inc. and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 to LivePerson's Current Report on Form 8-K/A filed on December 10, 2020)
4.5	Form of 0% Convertible Senior Note due 2026 (included within the Indenture filed as Exhibit 4.4 hereto)
4.6	Tax Benefits Preservation Plan, dated as of January 22, 2024, by and between the Company and Equiniti Trust Company, LLC as rights agent (which includes the Form of Rights Certificate as Exhibit B thereto) (incorporated by reference to Exhibit 4.1 to LivePerson's Current Form 8-K filed on January 22, 2024)
4.7	Amendment, dated as of February 16, 2024, to the Tax Benefits Preservation Plan, between LivePerson, Inc. and Equiniti Trust Company, LLC (incorporated by reference to Exhibit 4.1 to LivePerson's Current Form 8-K filed on February 16, 2024)
4.8	Indenture, dated as of June 3, 2024, by and between LivePerson, Inc., the subsidiary guarantors party thereto and U.S. Bank Trust Company, National Association, as Trustee and as Collateral Agent (incorporated by reference to Exhibit 4.1 to LivePerson's Current Report on Form 8-K filed on June 4, 2024)
4.9	Form of Senior Secured Convertible Note due 2029 (included within the Indenture filed as Exhibit 4.8 hereto)
4.10	Warrant to Purchase Common Stock issued by LivePerson, Inc. on June 3, 2024 to Lynrock Lake Master Fund LP (incorporated by reference to Exhibit 4.3 to LivePerson's Current Report on Form 8-K filed on June 4, 2024)
4.11	Warrant issued by LivePerson, Inc. on June 3, 2024 to Lynrock Lake Master Fund LP (incorporated by reference to Exhibit 4.4 to LivePerson's Current Report on Form 8-K filed on June 4, 2024)

4.12	Supplemental Indenture No. 1, dated as of August 15, 2024, by and between LivePerson, Inc., the subsidiary guarantors party thereto and U.S. Bank Trust Company, National Association, as Trustee and as Collateral Agent (incorporated by reference to Exhibit 4.14 to LivePerson's Annual Report on Form 10-K filed on March 14, 2025)
4.13	Supplemental Indenture No. 2, dated as of August 15, 2024, by and between LivePerson, Inc., the subsidiary guarantors party thereto and U.S. Bank Trust Company, National Association, as Trustee and as Collateral Agent (incorporated by reference to Exhibit 4.15 to LivePerson's Annual Report on Form 10-K filed on March 14, 2025)
4.14	Supplemental Indenture No. 3, dated as of August 15, 2024, by and between LivePerson, Inc., the subsidiary guarantors party thereto and U.S. Bank Trust Company, National Association, as Trustee and as Collateral Agent (incorporated by reference to Exhibit 4.16 to LivePerson's Annual Report on Form 10-K filed on March 14, 2025)
4.15	Supplemental Indenture No. 4, dated as of August 15, 2024, by and between LivePerson, Inc., the subsidiary guarantors party thereto and U.S. Bank Trust Company, National Association, as Trustee and as Collateral Agent (incorporated by reference to Exhibit 4.17 to LivePerson's Annual Report on Form 10-K filed on March 14, 2025)
4.16	Supplemental Indenture No. 5, dated as of August 15, 2024, by and between LivePerson, Inc., the subsidiary guarantors party thereto and U.S. Bank Trust Company, National Association, as Trustee and as Collateral Agent (incorporated by reference to Exhibit 4.18 to LivePerson's Annual Report on Form 10-K filed on March 14, 2025)
4.17	Supplemental Indenture No. 6, dated as of December 17, 2024, by and between LivePerson, Inc., the subsidiary guarantors party thereto and U.S. Bank Trust Company, National Association, as Trustee and as Collateral Agent (incorporated by reference to Exhibit 4.19 to LivePerson's Annual Report on Form 10-K filed on March 14, 2025)
4.18	Notice from Lynrock Lake Master Fund LP, dated September 12, 2025 (incorporated by reference to Exhibit 4.4 to the Company's Current Report on Form 8-K filed on September 15, 2025)
4.19	Indenture, dated as of September 12, 2025, by and among LivePerson, Inc., the subsidiary guarantors party thereto and U.S. Bank Trust Company, National Association, as Trustee and as Collateral Agent (incorporated by reference to Exhibit 4.1 to LivePerson's Current Report on Form 8-K filed on September 15, 2025)
4.20	Form of Senior Secured Convertible Note due 2029 (included within the Indenture filed as Exhibit 4.19 hereto)
10.1	Exchange and Purchase Agreement, dated as of May 13, 2024, by and between LivePerson, Inc. and Lynrock Lake Master Fund LP (incorporated by reference to Exhibit 10.1 to LivePerson's Current Report on Form 8-K filed on May 13, 2024)
10.2	First Amendment to Exchange and Purchase Agreement, dated as of June 3, 2024, by and between LivePerson, Inc. and Lynrock Lake Master Fund LP (incorporated by reference to Exhibit 10.1 to LivePerson's Current Report on Form 8-K filed on June 4, 2024)
10.3	Exchange Agreement, dated August 11, 2025, by and between LivePerson, Inc. and the Noteholders (incorporated by reference to Exhibit 10.1 to LivePerson's Current Report on Form 8-K filed on August 11, 2025)
10.4	Amendment No. 1 to the Exchange Agreement, dated August 11, 2025, by and between LivePerson, Inc. and the Noteholders (incorporated by reference to Exhibit 10.1 to LivePerson's Current Report on Form 8-K filed on September 15, 2025)
10.5(a)*	2009 Stock Incentive Plan (incorporated by reference to Exhibit 99.1 to LivePerson's Registration Statement on Form S-8 filed on June 9, 2009)
10.5(b)*	2009 Stock Incentive Plan (amended and restated as of June 7, 2012) (incorporated by reference to Exhibit 99.1 to LivePerson's Current Report on Form 8-K filed on June 8, 2012)
10.5(c)*	Forms of Grant Agreements under the 2009 Stock Incentive Plan (incorporated by reference to Exhibit 10.1 to LivePerson's Quarterly Report on Form 10-Q filed on May 6, 2011)
10.5(d)*	Form of Restricted Stock Unit Award Agreement under the 2009 Stock Incentive Plan (incorporated by reference to Exhibit 10.12 to LivePerson's Annual Report on Form 10-K for the year ended December 31, 2017, filed on March 15, 2018)

10.6*	Form of Indemnification Agreement entered into with Executive Officers and Directors of LivePerson (incorporated by reference to Exhibit 10.6 to LivePerson's Annual Report on Form 10-K for the year ended December 31, 2011, filed March 13, 2012)
10.7*	Offer Letter Agreement between LivePerson, Inc. and Monica L. Greenberg, dated as of October 25, 2006 (incorporated by reference to Exhibit 10.8 to LivePerson's Annual Report on Form 10-K for the year ended December 31, 2011, filed March 13, 2012)
10.8*	Incentive Plan effective April 1, 2011 (incorporated by reference to Exhibit 10.1 to LivePerson's Current Report on Form 8-K filed on April 28, 2011)
10.9(a)*	Amended and Restated LivePerson, Inc. 2018 Inducement Plan, effective as of September 30, 2024 (incorporated by reference to Exhibit 99.3 to LivePerson's Registration Statement on Form S-8 filed on December 16, 2024)
10.9(b)*	Amendment to the Amended and Restated LivePerson, Inc. 2018 Inducement Plan (dated as of December 10, 2024) (incorporated by reference to Exhibit 99.4 to LivePerson's Registration Statement on Form S-8 filed on December 16, 2024)
10.10*	Amended Employment Agreement between LivePerson and Robert LoCascio, dated as of December 27, 2017 (incorporated by reference to Exhibit 10.15 to LivePerson's Annual Report on Form 10-K for the year ended December 31, 2017, filed on March 15, 2018)
10.11*	Amended and Restated LivePerson, Inc. 2019 Stock Incentive Plan, effective as of November 25, 2024 (incorporated by reference to Exhibit 10.1 to LivePerson's Current Report on Form 8-K filed on November 26, 2024)
10.12*	Amendment to the Amended and Restated LivePerson, Inc. 2019 Stock Incentive Plan (incorporated by reference to Exhibit 10.1 to LivePerson's Current Report on Form 8-K filed on July 1, 2025)
10.13*	Amended and Restated LivePerson, Inc. 2019 Employee Stock Purchase Plan, effective as of November 25, 2024 (incorporated by reference to Exhibit 10.2 to LivePerson's Current Report on Form 8-K filed on November 26, 2024)
10.14	Form of Base Capped Call Transaction Confirmation relating to the 0% Convertible Senior Notes due 2026 (incorporated by reference to Exhibit 10.1 to LivePerson's Current Report on Form 8-K/A filed on December 10, 2020)
10.15	Form of Additional Capped Call Transaction Confirmation relating to the 0% Convertible Senior Notes due 2026 (incorporated by reference to Exhibit 10.2 to LivePerson's Current Report on Form 8-K/A filed on December 10, 2020)
10.16	Agreement, dated as of July 20, 2022, by and among LivePerson, Inc. and the Starboard parties set forth on the signature pages thereto (incorporated by reference to Exhibit 10.1 to LivePerson's Current Report on Form 8-K filed on July 21, 2022)
10.17*	Amended and Restated Offer Letter between LivePerson and John D. Collins, dated as of August 9, 2022 (incorporated by reference to Exhibit 10.1 to LivePerson's Quarterly Report on Form 10-Q for the quarter ended September 30, 2022, filed on November 8, 2022)
10.18*	Form of Restricted Stock Unit Agreement under the 2019 Stock Incentive Plan (incorporated by reference to Exhibit 10.20 to LivePerson's Annual Report on Form 10-K for the year ended December 31, 2022, filed on March 16, 2023)
10.19*	Offer Letter, by and between LivePerson and Jeffrey Ford, dated as of July 31, 2023 (incorporated by reference to Exhibit 10.5 to LivePerson's Quarterly Report on Form 10-Q for the quarter ended September 30, 2023, filed on November 9, 2023)
10.20*	Letter Agreement, by and between LivePerson and Monica Greenberg, dated as of August 9, 2023 (incorporated by reference to Exhibit 10.4 to LivePerson's Quarterly Report on Form 10-Q for the quarter ended September 30, 2023, filed on November 9, 2023)
10.21*	Letter Agreement, by and between LivePerson and John Collins, dated as of August 9, 2023 (incorporated by reference to Exhibit 10.3 to LivePerson's Quarterly Report on Form 10-Q for the quarter ended September 30, 2023, filed on November 9, 2023)
10.22*	Employment Agreement, by and between LivePerson and John Sabino, dated as of December 27, 2023 (incorporated by reference to Exhibit 10.26 to LivePerson's Annual Report on Form 10-K for the year ended December 31, 2023, filed on March 4, 2024)
10.23*	Separation and Release of Claims Agreement, by and between LivePerson and Robert P. LoCascio, dated as of January 31, 2024 (incorporated by reference to Exhibit 10.29 to LivePerson's Annual Report on Form 10-K/A for the year ended December 31, 2023 and filed on April 29, 2024)

10.24*	Nonstatutory Stock Option Agreement, by and between LivePerson, Inc. and John Sabino, dated as of March 25, 2024 (incorporated by reference to Exhibit 10.21 to LivePerson's Annual Report on Form 10-K filed on March 14, 2025)
10.25*	Restricted Stock Unit Award Agreement (2-year), by and between LivePerson, Inc. and John Sabino, dated as of March 25, 2024 (incorporated by reference to Exhibit 10.22 to LivePerson's Annual Report on Form 10-K filed on March 14, 2025)
10.26*	Restricted Stock Unit Award Agreement (4-year), by and between LivePerson, Inc, and John Sabino, dated as of March 25, 2024 (incorporated by reference to Exhibit 10.23 to LivePerson's Annual Report on Form 10-K filed on March 14, 2025)
10.27	Cooperation Agreement, by and among the Company and the persons set forth on Exhibit A thereto, dated October 20, 2024 (incorporated by reference to Exhibit 10.1 to LivePerson's Current Report on Form 8-K filed on October 23, 2024)
19	LivePerson, Inc. Insider Trading and Disclosure Policy (incorporated by reference to Exhibit 19 to LivePerson's Annual Report on Form 10-K filed on March 14, 2025)
21.1 +	Subsidiaries of the Registrant
23.1 +	Consent of BDO USA, P.C., an Independent Registered Public Accounting Firm
24.1	Power of Attorney, pursuant to which amendments to this report may be filed (included on the signature page contained in Part IV of this Annual Report on Form 10-K)
31.1 +	Certification by principal executive officer pursuant to Exchange Act Rule 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2 +	Certification by principal financial officer pursuant to Exchange Act Rule 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1**	Certification by Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2**	Certification by Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
97.1	LivePerson, Inc. Amended & Restated Omnibus Clawback Policy (incorporated by reference to Exhibit 97.1 to LivePerson's Annual Report on Form 10-K for the year ended December 31, 2023).
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)

* Management contract or compensatory plan or arrangement

\+ Filed herewith

† Certain portions of this exhibit have been redacted pursuant to Item 601(b)(10)(iv) of Regulation S-K. The Company agrees to provide on a supplemental basis an unredacted copy of the exhibit to the Securities and Exchange Commission upon its request.

** The certifications furnished as Exhibit 32.1 and Exhibit 32.2 accompany the Annual Report on Form 10-K pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed "filed" by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

Exhibit 4.3

Description of the Registrant's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934

Our common stock, par value $0.001 per share, is registered under Section 12 of the Securities Exchange Act of 1934, as amended, and listed on the Nasdaq Global Select Market under the symbol "LPSN".

The following is a description of our capital stock and the material provisions of our amended and restated certificate of incorporation, as amended, amended and restated bylaws, our certificate of designations of Series A Junior Participating Preferred Stock and our tax benefits preservation plan. The following is only a summary and is qualified by applicable law and by the provisions of our amended and restated certificate of incorporation, as amended, our amended and restated bylaws, our certificate of designations of Series A Junior Participating Preferred Stock and our tax benefits preservation plan.

GENERAL

Our authorized capital stock consists of 20,000,000 shares of common stock, par value $0.001 per share, and 5,000,000 shares of preferred stock, par value $0.001 per share.

COMMON STOCK

Voting Rights. Holders of common stock are entitled to one vote for each share held on all matters submitted to a vote of stockholders and do not have cumulative voting rights. Accordingly, holders of a majority of the shares of common stock entitled to vote in any election of directors may elect all of the directors standing for election.

Dividend Rights. Holders of common stock are entitled to receive ratably those dividends, if any, as may be declared by our board of directors out of funds legally available therefor, subject to any preferential dividend rights of any outstanding preferred stock.

Right to Receive Liquidation Distributions. Upon our liquidation, dissolution or winding up, our common stockholders are entitled to receive ratably our net assets available, if any, after the payment of all debts and other liabilities and subject to the prior rights of any outstanding preferred stock.

Assessability. The outstanding shares of our common stock are fully paid and nonassessable.

Other Rights. Holders of our common stock have no preemptive, subscription, redemption or conversion rights. The rights, preferences and privileges of holders of common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of preferred stock which we may designate and issue in the future.

PREFERRED STOCK

There are no shares of preferred stock outstanding. Our board of directors is authorized, without further stockholder approval, to issue from time to time up to an aggregate of 5,000,000 shares of preferred stock in one or more series and to fix or alter the designations, preferences, rights and any qualifications, limitations or restrictions of the shares of each series thereof, including the dividend rights, dividend rates, conversion rights, voting rights, terms of redemption, including sinking fund provisions, redemption price or prices, liquidation preferences and the number of shares constituting any series or designation of series. The issuance of preferred stock could decrease the amount of earnings and assets available for distribution to holders of common stock or adversely affect the rights and powers, including voting rights, of the holders of common stock. Such issuance could also have the effect of delaying, deferring or preventing a change in control of our company.

LIMITATIONS ON LIABILITY

Our amended and restated certificate of incorporation, as amended, limits or eliminates the liability of our directors to us or our stockholders for monetary damage to the fullest extent permitted by the Delaware General Corporation Law. As permitted by the Delaware General Corporation Law, our amended and restated certificate of incorporation, as amended, provides that our directors shall not be personally liable to us or our stockholders for monetary damages for a breach of fiduciary duty as a director, except for liability:

- or any breach of such person's duty of loyalty to us or our stockholders;
- or acts or omissions not in good faith or involving intentional misconduct or a knowing violation of law;
- or payment of dividends or approval of stock repurchases or redemptions that are prohibited by Section 174 of the Delaware General Corporation Law; and
- or any transaction resulting in receipt by such person of an improper personal benefit.

Our amended and restated certificate of incorporation, as amended, also contains provisions indemnifying our directors and officers to the fullest extent permitted by the Delaware General Corporation Law. We currently have directors' and officers' liability insurance to provide our directors and officers with insurance coverage for losses arising from claims based on breaches of duty, negligence, errors and other wrongful acts.

We have also entered into agreements to indemnify our directors and executive officers, in addition to the indemnification provided for in our amended and restated certificate of incorporation, as amended. We believe that these agreements are necessary to attract and retain qualified directors and executive officers.

ANTI-TAKEOVER EFFECTS OF PROVISIONS OF DELAWARE LAW AND OUR CERTIFICATE OF INCORPORATION AND BYLAWS

We are subject to the provisions of Section 203 of the Delaware General Corporation Law. Subject to some exceptions, Section 203 prohibits a publicly-held Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years after the date of the transaction in which the person became an interested stockholder, unless:

- prior to such date, the board of directors of the corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;

- upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced (excluding certain shares); or
- on or subsequent to such date, the business combination is approved by the board of directors of the corporation and authorized at an annual or special meeting of stockholders by the affirmative vote of a least 66.67% of the outstanding voting stock that is not owned by the interested stockholder.

A "business combination" includes mergers, asset sales and other transactions resulting in a financial benefit to the interested stockholder. Except as otherwise specified in Section 203 of the Delaware General Corporation Law, an interested stockholder is defined to include (x) any person that owns (or, within the prior three years, did own) 15% or more of the outstanding voting stock of the corporation, or is an affiliate or associate of the corporation and was the owner of 15% or more of the outstanding voting stock of the corporation at any time within three years immediately prior to the date of determination and (y) the affiliates and associates of any such person. This statute could prohibit or delay the accomplishment of mergers or other takeover or change in control attempts with respect to us and, accordingly, may discourage attempts to acquire us.

In addition, various provisions of our amended and restated certificate of incorporation, as amended, and our amended and restated bylaws, which provisions are summarized in the following paragraphs, may be deemed to have an anti-takeover effect and may delay, defer or prevent a tender offer or takeover attempt that a stockholder might consider in its best interest, including those attempts that might result in a premium over the market price for the shares held by stockholders.

Staggered Board. Our amended and restated certificate of incorporation, as amended, provides for division of our board into three classes, with each class as nearly equal in number as possible. Each class must serve a three-year term. The terms of each class are staggered so that each term ends in a different year in the three-year period.

Board of Director Vacancies. Our amended and restated certificate of incorporation, as amended, authorizes our board of directors to fill vacant directorships or increase the size of the board of directors. This may deter a stockholder from removing incumbent directors and simultaneously gaining control of our board of directors by filling the vacancies created by this removal with its own nominees.

Stockholder Action; Special Meeting of Stockholders. Our amended and restated certificate of incorporation, as amended, provides that stockholders may not take action by written consent, but only at duly called annual or special meetings of stockholders. Our amended and restated bylaws further provide that special meetings of our stockholders may be called only by the chairman of the board of directors, our president or at the request of two-thirds of the board of directors.

Advance Notice Requirements for Stockholder Proposals and Directors' Nominations. Our amended and restated bylaws provide that stockholders seeking to bring business before an annual meeting of stockholders, or to nominate candidates for election as directors at an annual meeting of stockholders, must provide us timely notice thereof in writing. To be timely, a stockholder's notice must be delivered to or mailed and received at our principal executive offices, not less than 90 days nor more than 120 days prior to the first anniversary of the date of the preceding year's annual meeting provided with respect to the previous year's annual meeting of stockholders; provided, however, that if no annual meeting of stockholders was held in the previous year or the date of the annual meeting of stockholders has been changed to be more than 30 calendar days earlier than or 70 calendar days after this anniversary, notice by the stockholder, to be timely, must be so received not more than 120 days prior to the annual meeting of stockholders nor later than the later of:

- 90 days prior to the annual meeting of stockholders; and
- the close of business on the 10th day following the date on which notice of the date of the meeting is made public.

Our amended and restated bylaws also specify certain requirements as to the form and content of a stockholders' notice. These provisions may preclude stockholders from bringing matters before an annual meeting of stockholders or from making nominations for directors at an annual meeting of stockholders.

Authorized But Unissued Shares. The authorized but unissued shares of our common stock and preferred stock are available for future issuance without stockholder approval, subject to various limitations imposed by the Nasdaq Global Select Market. These additional shares may be utilized for a variety of corporate purposes, including future public offerings to raise additional capital, corporate acquisitions and employee benefit plans. The existence of authorized but unissued shares of common stock and preferred stock could make more difficult or discourage an attempt to obtain control of us by means of a proxy context, tender offer, merger or otherwise.

Our amended and restated certificate of incorporation, as amended, requires the affirmative vote of not less than 66.67% of the outstanding shares of our capital stock entitled to vote generally in the election of directors (considered for this purpose as a single class) cast at a meeting of our stockholders called for that purpose, to repeal, alter, amend or rescind the provisions in our amended and restated certificate of incorporation, as amended, relating to:

- directors;
- stockholder meetings;
- limitations on director liability;
- indemnification;
- amendment of our bylaws; or
- business combinations.

Our amended and restated certificate of incorporation, as amended, requires the affirmative vote as specified in the Delaware General Corporation Law to amend any other provision of our amended and restated certificate of incorporation, as amended.

To repeal, alter, amend or rescind our amended and restated certificate of incorporation, as amended, and our amended and restated bylaws require the affirmative vote of not less than 66.67% of the outstanding shares of our capital stock entitled to vote generally in the election of directors (considered for this purpose as a single class) cast at a meeting of our stockholders called for that purpose, or the affirmative vote of at least 66.67% of our board of directors. This provision may have the effect of making it difficult for a third party to acquire us.

TAX BENEFITS PRESERVATION PLAN

On January 22, 2024, we entered into a Tax Benefits Preservation Plan (the “Tax Benefits Preservation Plan”) with Equiniti Trust Company, LLC (“Equiniti”), in its capacity as Rights Agent, and our board of directors authorized a dividend of one right (a “Right”) for each outstanding share of our common stock, to be paid to all record holders of our common stock at the close of business on February 1, 2024 (the “Record Date”). Equiniti also serves as the transfer agent and registrar for our common stock. The following is a summary description of the material terms and conditions of the Rights and the Tax Benefits Preservation Plan. This summary is intended to provide a general description only, does not purport to be complete, and is qualified in its entirety by reference to the complete text of the Tax Benefits Preservation Plan, a copy of which was filed as Exhibit 4.1 to our Current Report on Form 8-K filed on January 22, 2024, and the complete text of Amendment No. 1 thereto, a copy of which was filed as Exhibit 4.1 to our Current Report on Form 8-K filed on February 16, 2024. All capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Tax Benefits Preservation Plan as so amended.

The Tax Benefits Preservation Plan aims to preserve our net operating loss carryforward assets (“NOLs”) by creating a disincentive for any Person to accumulate a Percentage Stock Ownership of 4.9% or more of the outstanding Company Securities, or further accumulate Company Securities if the Person’s Percentage Stock Ownership already exceeds 4.9%, in each case without the approval of our board of directors. As described below under “Certain Exceptions and Exemptions,” if a stockholder’s Percentage Stock Ownership is 4.9% or more prior to our first public announcement of the Tax Benefits Preservation Plan, then that stockholder will not be considered an “Acquiring Person” (as defined below), unless and until such Person increases its Percentage Stock Ownership after the date hereof (except to the extent another exception to such subsequent increase applies under the Tax Benefits Preservation Plan).

Rights; Distribution Date; Exercise Period. The Rights are not exercisable until a Distribution Date (as described below) occurs. Prior to a Distribution Date, (i) the Rights are evidenced solely by notations in the book entry accounts for the shares of our common stock and are transferable only in connection with a transfer of the underlying shares of our common stock, (ii) in connection with the issuance of any shares of our common stock after the Record Date and prior to the earlier of the Distribution Date and the Expiration Date, one Right is issued for each share of our common stock issued, subject to adjustment pursuant to the Tax Benefits Preservation Plan, (iii) each share of our common stock issued after the Record Date contains a notation in the respective book entry accounts for such shares of our common stock referencing the Rights associated with such shares and incorporating the Tax Benefits Preservation Plan by reference and (iv) any transfer of the underlying shares of our common stock also constitutes the transfer of the Rights associated with such shares of our common stock. Until a Right is exercised, the holder thereof, in its capacity as such, will have no rights as a LivePerson stockholder, including, without limitation, the right to vote or to receive dividends in respect of Rights.

Following the occurrence of a Distribution Date, each Right initially will entitle the registered holder thereof to purchase from us a unit consisting of one one-thousandth of a share (a “Unit”) of Series A Junior Participating Preferred Stock, par value $0.001 per share (the “Series A Preferred Stock”), at a purchase price of $18 per Unit, subject to adjustment as described below (the “Purchase Price”), except that, after a Flip-In Event or a Flip-Over Event, each as defined below, the Rights become exercisable for our common stock or common stock of the surviving or acquiring entity, as described below.

Subject to certain exceptions specified in the Tax Benefits Preservation Plan, unless the Rights have been redeemed by our board of directors, as described below, the Rights will separate from the our common stock and become exercisable and separately transferable at the close of business on the date (the

“Distribution Date”) that is the tenth (10th) Business Day after the earlier of (i) the date on which on which a press release is issued or other public announcement is made indicating that a Person has become an Acquiring Person, or otherwise disclosing the existence of an Acquiring Person (the “Stock Acquisition Date”) and (ii) the date on which a tender offer or exchange offer is commenced that, upon consummation, would result in a Person becoming an Acquiring Person (or, in each case, such other date as determined by our board of directors, in its sole discretion).

Flip-in Trigger. In the event that any Person becomes an Acquiring Person (a “Flip-In Event”), unless such event is a “Flip-Over Event” (as described below), if we have not redeemed the Rights on or prior to the tenth (10th) Business Day following the Stock Acquisition Date, then each holder of Rights (other than the Acquiring Person and its affiliates and associates and certain transferees thereof) will, upon exercise of such Rights and payment of the then-current Purchase Price, be entitled to purchase shares of our common stock having a then-current market value equal to two times the Purchase Price. All Rights that are Beneficially Owned by the Acquiring Person (and its affiliates and associates and certain transferees thereof) become null and void on the Distribution Date and may not be exercised.

Flip-over Trigger. In the event that, at any time following the Stock Acquisition Date, (i) we merge or consolidates with another entity and we are not the survivor, or our common stock is converted into or exchanged for other securities, cash or other property, or (ii) fifty percent (50%) or more of our assets, cash flow or earning power is sold or otherwise disposed of, each holder of Rights (other than the Acquiring Person (and its affiliates and associates and certain transferees thereof)) shall thereafter have the right to receive, upon exercise of such Rights and payment of the then-current Purchase Price, shares of common stock of the surviving or acquiring entity having a then-current market value equal to two times the then-current Purchase Price (each of the foregoing clauses (i) and (ii) above, a “Flip-Over Event”).

Exchange Feature. At any time after the Distribution Date, and prior to such time as the Acquiring Person’s Percentage Stock Ownership is fifty percent (50%) or more, our board of directors may, at its option, and in its sole discretion, exchange all or any portion of the outstanding and exercisable Rights (other than Rights owned by the Acquiring Person (and its affiliates and associates and certain transferees thereof), which shall have become null and void), for shares of our common stock at an exchange ratio of one (1) share of our common stock for each Right (which ratio is subject to adjustment to reflect stock splits, stock dividends and similar transactions).

Certain Exceptions and Exemptions. An “Acquiring Person” is any Person, together with all Affiliates and Associates of such Person, whose collective Percentage Stock Ownership is 4.9% or more subject to several exceptions described more fully in the Tax Benefits Preservation Plan, including for (i) us or any of our subsidiaries; (ii) any employee benefit plan of our company or any of our subsidiaries, or any entity or trustee holding our common stock pursuant to the terms of, or for purposes of funding, any such plan; (iii) any Person, together with all of its affiliates and associates, whose collective Percentage Stock Ownership becomes 4.9% or more as a result of a reduction in the number of Company Securities outstanding due to any acquisition of Company Securities by any Exempt Person or a stock dividend, stock split, reverse stock split or similar transaction, unless and until such Person subsequently increases its Percentage Stock Ownership; (iv) any Person, together with all of its affiliates and associates, whose Percentage Stock Ownership is 4.9% or more as of the time of the our first public announcement of the adoption of the Tax Benefits Preservation Plan, unless and until such Person subsequently increases its Percentage Stock Ownership without our prior written consent (upon approval by our board of directors, in its sole discretion) or decreases its Percentage Stock Ownership below 4.9%; (v) any Person, together with all of its affiliates and associates, whose Percentage Stock Ownership became 4.9% or more inadvertently, if such Person, within ten (10) Business Days of being requested by us to do so, certifies to us that it became an Acquiring Person inadvertently and who, together with all of its affiliates and associates, thereafter disposes of a number of Company Securities so that it ceases to be an Acquiring Person; (vi) any Person who would become an Acquiring Person solely as a result of (a) unilateral grants or issuances of Company Securities by us (including restricted stock), (b) pre-arranged purchases by our directors, officers or employees or those of our subsidiaries pursuant to an employee stock purchase plan sponsored by us or (c) exercises of outstanding options, warrants, rights or similar interests granted by us to our current or former directors, officers or employees or those of our subsidiaries; and (vii) any Person who our board of directors has affirmatively determined, in its sole discretion, shall not be deemed an Acquiring Person, for so long as such Person complies with any limitations or conditions imposed by our board of directors.

Redemption of Rights. Our board of directors may, at its option and in its sole discretion, at any time prior to the close of business on the earlier of (i) the tenth (10th) Business Day following the Stock Acquisition Date and (ii) the Final Expiration Date, redeem all of the Rights in whole, but not in part, at a price of $0.001 per Right, subject to adjustment as described above with respect to the Purchase Price (the "Redemption Price"). We may, at our option, pay such Redemption Price in cash, our common stock or other consideration deemed appropriate by our board of directors. The redemption of the Rights may be made effective at such time, on such basis, and with such conditions as our board of directors may establish, in its sole discretion.

Expiration of Rights. The Rights will expire upon the earliest to occur of: (i) the close of business on January 21, 2027 (the "Final Expiration Date"), (ii) the time at which the Rights are redeemed or exchanged as provided in the Tax Benefits Preservation Plan, (iii) the close of business on the date set by our board of directors following a determination by our board of directors that the Tax Benefits Preservation Plan is no longer necessary or desirable for the preservation of Tax Benefits and (iv) the close of business on the first day of a taxable year of our company to which our board of directors determines that no Tax Benefits may be carried forward.

EXHIBIT 21.1

SUBSIDIARIES OF LIVEPERSON, INC.

KATO ACQUISITION SUB, INC. — Delaware
BELLA GROUP LLC — Delaware
CLAIRE DEVELOPMENT, INC. — Delaware
LIVEPERSON IP HOLDING LLC — Delaware
LIVEPERSON LLC — Delaware
CALLINIZE, INC. — Delaware
VOICEBASE, INC. — Delaware
PROFICIENT SYSTEMS, INC. — Georgia
LIVEPERSON AUTOMOTIVE, LLC — Georgia
LIVEPERSON (UK) LIMITED — United Kingdom
LIVEPERSON AUSTRALIA PTY LTD — Australia
EBOT-7 GMBH — Germany
LIVEPERSON GERMANY GMBH — Germany
LIVEPERSON CANADA, INC. — Canada
LIVEPERSON NETHERLANDS B.V. — Netherlands

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No.'s 333-112018, 333-136249 and 333-147929) and Form S-8 (No.'s 333-34230, 333-147572, 333-159850, 333-168945, 333-194590, 333-219573, 333-224059, 333-229495, 333-234676, 333-245808, 333-258578, 333-261121, 333-264897, 333-275611, 333-277807, 333-280358, 333-283851 and 333-289765) of LivePerson, Inc. (the "Company") of our reports dated March 13, 2026, relating to the consolidated financial statements, and the effectiveness of the Company's internal control over financial reporting, which appear in this Annual Report on Form 10-K.

/s/ BDO USA, P.C.

New York, New York

March 13, 2026

Exhibit 31.1

CERTIFICATIONS

I, John Sabino, certify that:

1. I have reviewed this Annual Report on Form 10-K of LivePerson, 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(s) 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(s) 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:	March 13, 2026	By:	/s/ John Sabino
		Name:	**John Sabino**
		Title:	Chief Executive Officer (Principal Executive Officer)

CERTIFICATIONS

I, John Collins, certify that:

1. I have reviewed this Annual Report on Form 10-K of LivePerson, 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(s) 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(s) 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:	March 13, 2026	By:	/s/ John Collins
		Name:	**John Collins**
		Title:	Chief Financial Officer and Chief Operating Officer (Principal Financial Officer)

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, John Sabino, Chief Executive Officer of LivePerson, Inc. (the “Company”), certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Annual Report of the Company on Form 10-K for the period ended December 31, 2025, as filed with the Securities and Exchange Commission (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:	March 13, 2026	By:	/s/ John Sabino
		Name:	John Sabino
		Title:	Chief Executive Officer (Principal Executive Officer)

This certification shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that section, nor shall it be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent the Company specifically incorporates it by reference.

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, John Collins, Chief Financial Officer and Chief Operating Officer of LivePerson, Inc. (the “Company”), certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Annual Report of the Company on Form 10-K for the period ended December 31, 2025, as filed with the Securities and Exchange Commission (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:	March 13, 2026	By:	/s/ John Collins
		Name:	**John Collins**
		Title:	Chief Financial Officer and Chief Operating Officer (Principal Financial Officer)

This certification shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that section, nor shall it be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent the Company specifically incorporates it by reference.