Notice

Forward Looking Statements

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Act"), and Section 21E of the Securities Exchange Act of 1934, as amended. You can generally identify forward-looking statements by our use of forward-looking terminology such as "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "might," "plan," "potential," "predict," "seek," "vision" or "should," or the negative thereof or other variations thereon or comparable terminology. These forward-looking statements involve risks, uncertainties and other factors that could cause actual results to differ materially from those projected. Please refer to our filings with the Securities and Exchange Commission, particularly the "Risk Factors" included in our periodic Form 10-K and Form 10-Q reports, for factors that could cause actual results to materially differ from those we project. The forward-looking statements contained in this presentation are made as of the date hereof and LivePerson, Inc. (the "Company") assumes no obligation to update such statements. This presentation includes adjusted EBITDA, a non-GAAP financial measure, which supplements the Company's financial statements prepared in accordance with GAAP. This non-GAAP financial measure is not intended to supersede or replace the Company's GAAP results. The most directly comparable GAAP financial measure and a detailed reconciliation between GAAP and non-GAAP financial measures is included in the Appendix to this presentation. The following forward-looking measures and the underlying assumptions involve significant known and unknown risks and uncertainties, and actual results may vary materially from these forward-looking measures. The Company does not present a quantitative reconciliation of the forward-looking non-GAAP financial measures adjusted EBITDA and adjusted EBITDA margin to the most directly comparable GAAP financial measures (or otherwise present such forward-looking GAAP measures) because it is impractical to forecast certain items without unreasonable efforts due to the uncertainty and inherent difficulty of predicting, within a reasonable range, the occurrence and financial impact of and the periods in which such items may be recognized. In particular, these non-GAAP financial measures exclude certain items, including amortization of purchased intangibles, stock-based compensation, depreciation, other litigation and consulting costs, restructuring costs, contingent earn-out adjustments, provision for (benefit from) income taxes, interest income (expense), and other expense (income), which depend on future events that are inherently uncertain. Depending on the size of these items, they could have a significant impact on the Company's GAAP financial results. We obtained market, industry and other data in this presentation from our own internal estimates and research, publicly available information about industry and general publications and research, surveys and studies conducted by third parties. While we believe that the publications, research, surveys and studies that we have used is reliable, we have not independently verified the information from third-party sources. While we believe our internal estimates and research are reliable and the market definitions are appropriate, neither such estimates and research nor these definitions have been verified by an independent source.

Agenda

1 Financial Health: P&L clean up

2 LivePerson at a glance

3 LivePerson's next stage of growth: Generative AI

4 Q1 2023 Highlights

Clean-up of the P&L

Rationalized cost structure

Adoption of **Profitable Growth** initiative began in Q1 2022
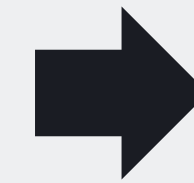
Approximately **$200M** of annualized cost reductions

Eliminated non-core LOB's

Gainshare Labor & Pandemic-driven Variable revenue
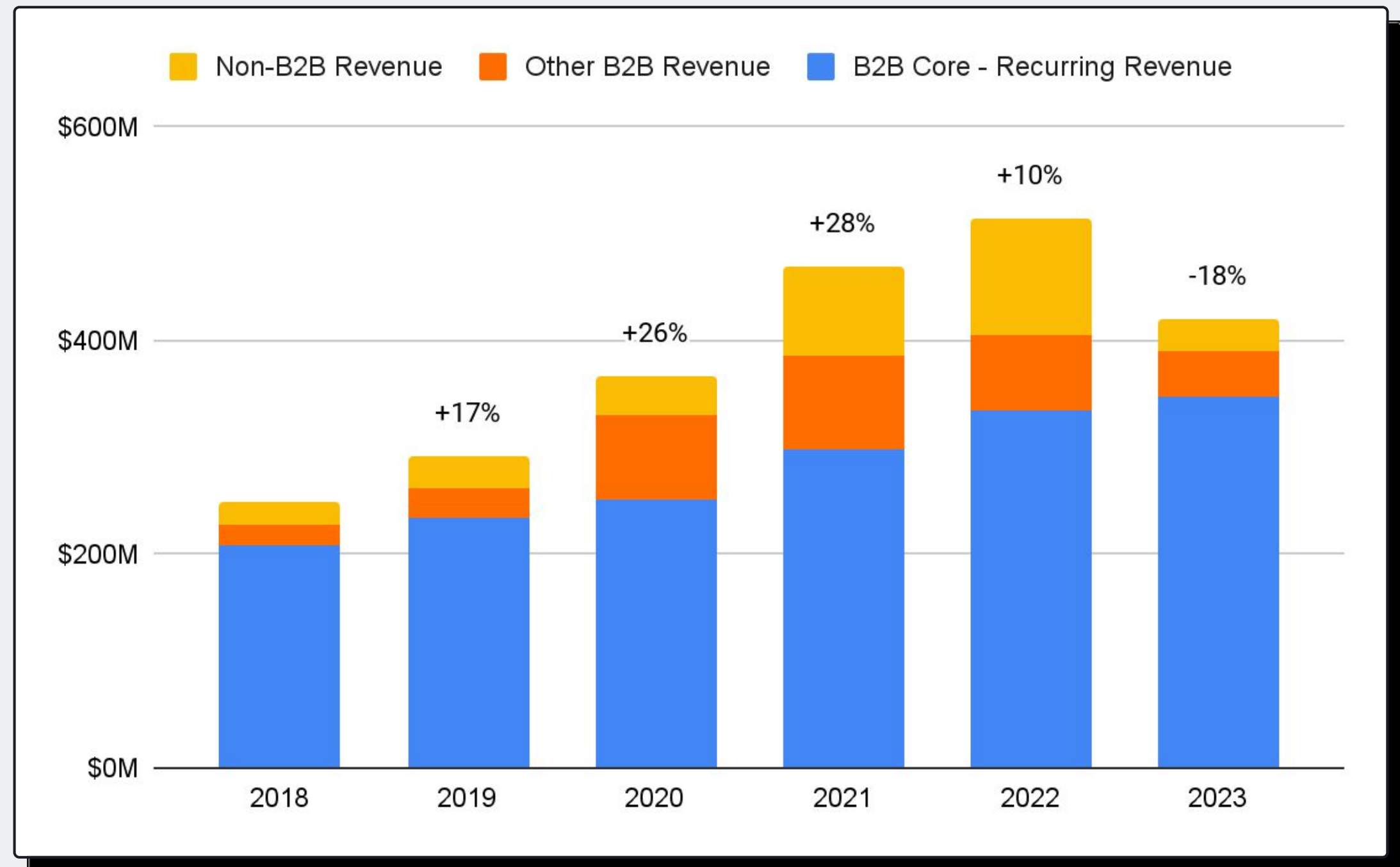
Kasamba (Consumer Business)

Claire JV

Focus on B2B core

Generates **high gross margins**; and

Over **80%** of Total LP revenue is recurring

Sources of revenue

High growth in non-Core revenue masked inefficiencies in the B2B Core

LP Revenue Stack

Total LivePerson revenue guidance for 2023 = $394M - $408M

B2B Core Revenue includes:

Recurring revenue (2023 guidance of **$334M - 347M**)
Professional Services (excluding Claire JV)
One-time charges
Overages

Healthcare AI includes:

WildHealth - expect **~100% growth** in the Core in 2023

Claire JV - expect **$3.8M** of Professional Services in Q1

Non Core Revenue
from 2022 that will not recur in 2023

$50M	Covid Testing Claire JV

$20M	Pandemic-driven Variable Gainshare Labor

2023 Profitability Guidance

Total LivePerson

Expect **$15M - $32M**
of adjusted EBITDA

Expect **double digit** adjusted
EBITDA margins exiting 2023

B2B Core

Expect **16%-19%** adjusted
EBITDA margins exiting 2023

Expect **7%-10%** FCF
margins exiting 2023

LivePerson
at a glance

Our product vision

At LivePerson, we help brands create **Curiously Human™** experiences through an AI-powered omnichannel customer engagement platform that empowers brands to easily have conversations that make users feel seen, heard, and valued.

Fast Company names LivePerson the #1 Most Innovative AI Company in the World
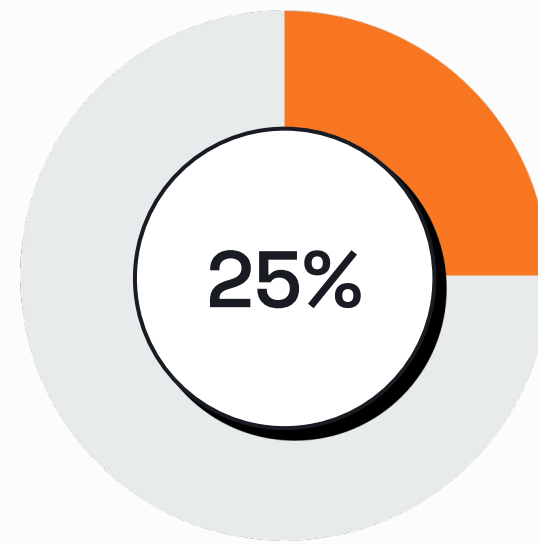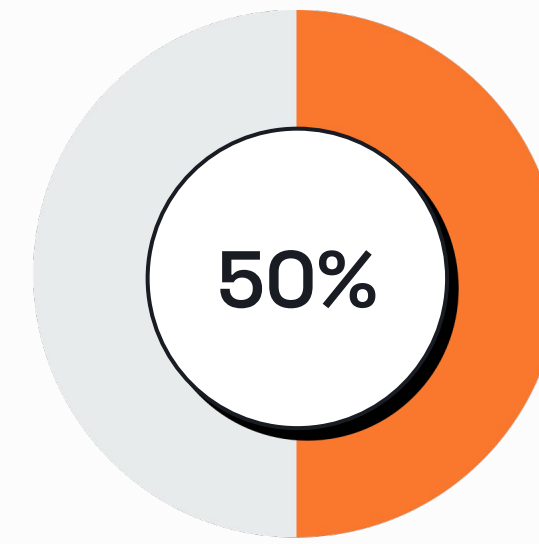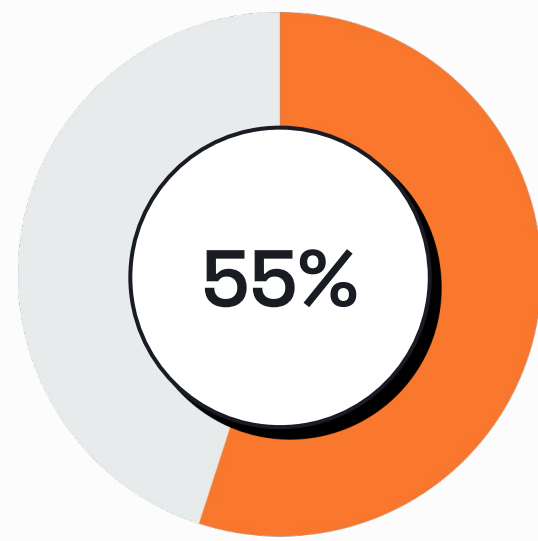
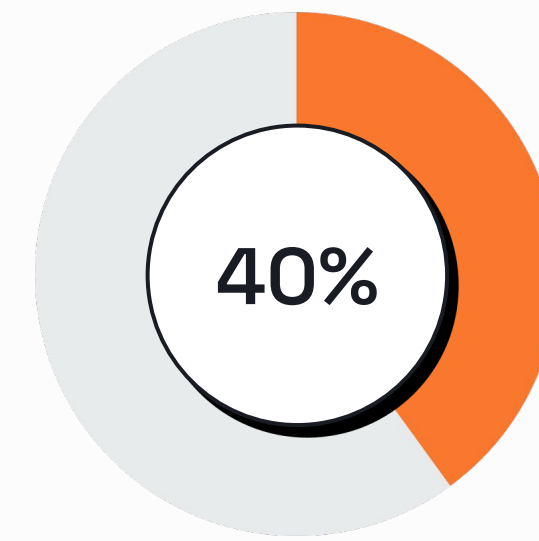# LP customers:

25% of Global Fortune 500 **retailers**

50% of Global Fortune 500 **airlines**

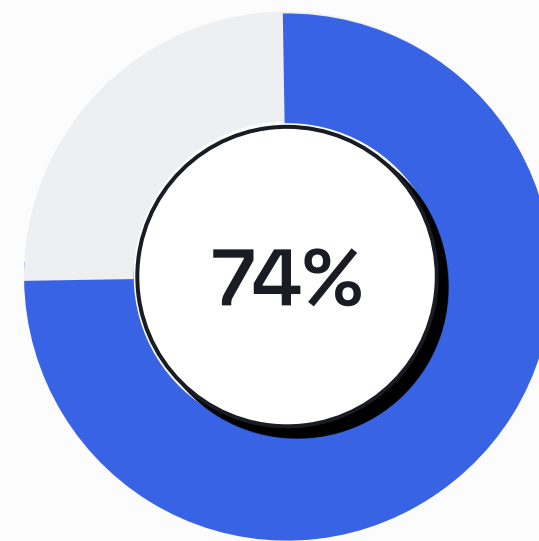**55%** of Global Fortune 500 **telcos**
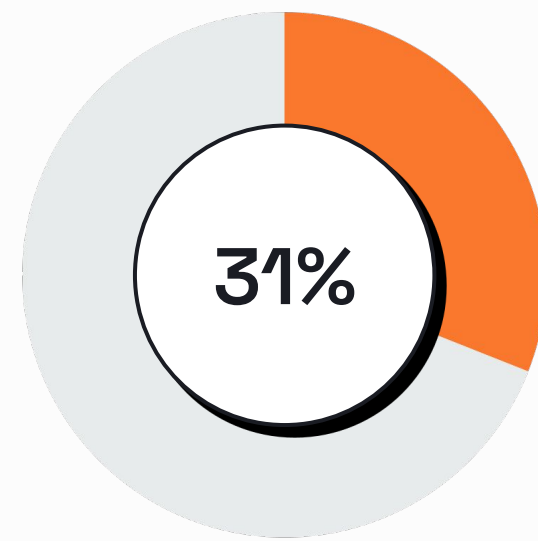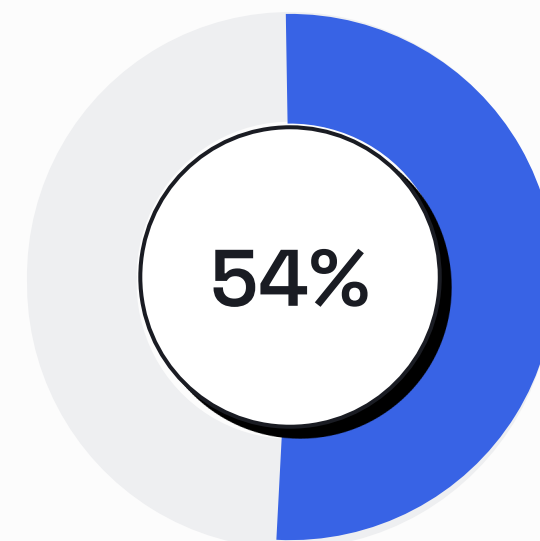
31% of Global Fortune 500 **banks**

40% of Global Fortune 500 **technology companies**

LP CAI:

74% of 2022 LP conversations **use AI** (48% are fully AI automated)

54% of 2022 LP AI conversations come from **1st party CAI** (Conv. Builder, KAI)

What came first,

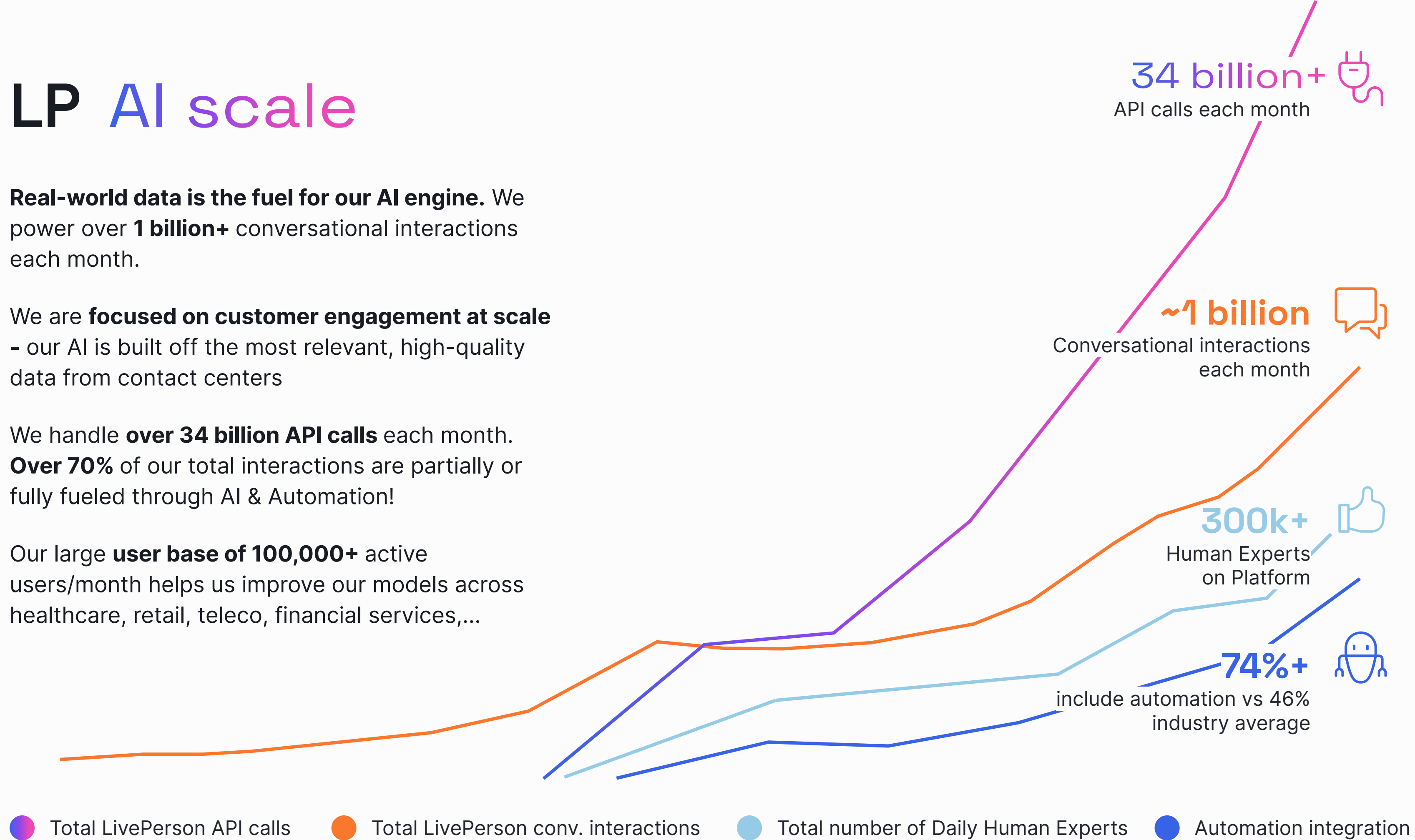the ~~chicken~~ *data*

or the ~~egg~~? *model?*

LP AI scale

Real-world data is the fuel for our AI engine. We power over **1 billion+** conversational interactions each month.

We are **focused on customer engagement at scale –** our AI is built off the most relevant, high-quality data from contact centers

We handle **over 34 billion API calls** each month. **Over 70%** of our total interactions are partially or fully fueled through AI & Automation!

Our large **user base of 100,000+** active users/month helps us improve our models across healthcare, retail, teleco, financial services,...

34 billion+
API calls each month

~1 billion
Conversational interactions each month

300k+
Human Experts on Platform

74%+
include automation vs 46% industry average

● Total LivePerson API calls   ● Total LivePerson conv. interactions   ● Total number of Daily Human Experts   ● Automation integration

AI for better business outcomes

LivePerson is uniquely positioned to help enterprises unlock the power of generative AI and large language models to drive better business outcomes
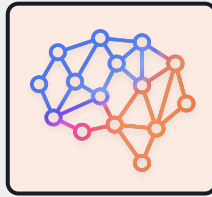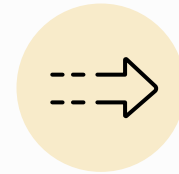
Key benefits with LivePerson and LLMs

Reduce Costs

Increase operational efficiency and improve agent productivity through agents recommendations, automated summaries, and more, that save time, effort and spend

Accelerate time to value

Be live in market in days, not months with AI-powered conversational experiences, whether automated, agent-led, or seamless tango between both

Improve customer experience

More natural conversations with better outcomes that improve the customer experience throughout their journey and improve CSAT scores
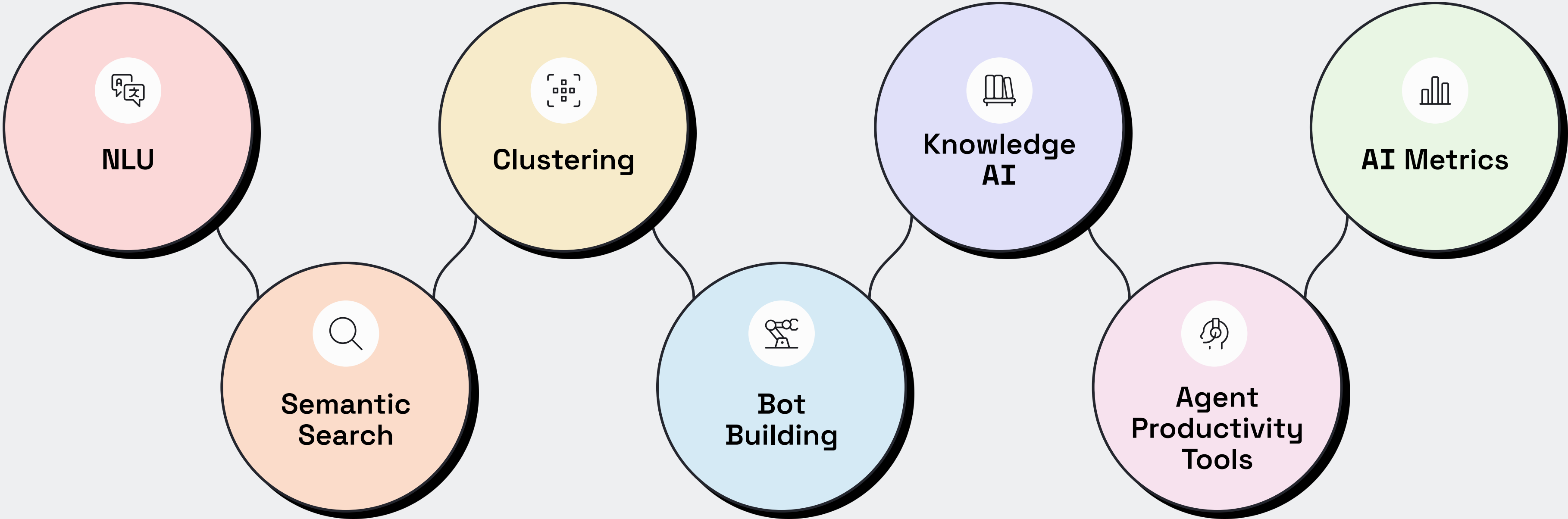
Scale securely

Deploy rapidly with guardrails to protect brand data and the consumer experience, and integrate into enterprise systems for end-to-end use cases

AI's exponential growth: the foundation model inflection point

BEYOND
Multi-modal and multi-task models come closer to AGI

2023
LLMs/ Generative AI human-like conversation

2023+
CAI becomes de-facto human-computer interface

2022
Generative Image/Video

2018
Consumer facing Conversational AI

2017
Transformer based language models

2015
Memory-based networks

2014
Sequence-to-Sequence models

2013
Neural Networks for NLP

2008
Multi-task Learning

2001
Neural language models

A ton of **AI innovation** building to this moment

NLU

Semantic Search

Clustering

Bot Building

Knowledge AI

Agent Productivity Tools

AI Metrics

The AI market is *evolving* and consumer expectations are increasing at warp speed

60% of NLP based use cases will be underpinned with foundation models, by 2027
GARTNER

50% or more of advanced virtual assistants will be industry-domain-specific, by 2025
GARTNER

$110B in generative AI market forecasted to grow to $110.8B globally, by 2030
ACUMEN RESEARCH

81% of consumers try to self serve before reaching out to customer support
HBR

But LLMs are *not* enterprise-fit out of the box

Biased

LLMs can exhibit bias which can lead to toxic, hurtful or polarizing language that negatively affects the end user and could lead to legal or reputational risk for the brand.

Inaccurate

LLMs can hallucinate or provide information that is generic, out of context, out of date or in the wrong voice, or even belong to a competitor.

Limited

LLMs cannot follow enterprise workflows such as form filling and submission. They also don't independently surface analytics or insights to drive business outcomes.

Isolated

LLMs are not connected to other enterprise software or systems and cannot access inventory, place orders, or escalate situations to live agents.

# LivePerson unlocks the power of LLMs for enterprise business outcomes

1. Enterprise grade data

Augment large language models with the world's largest conversational data set, drawn from **a billion** monthly interactions.
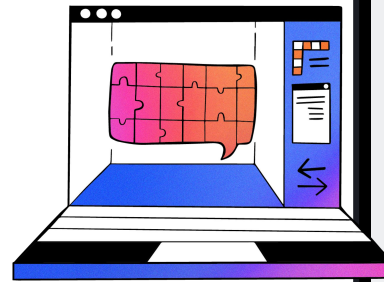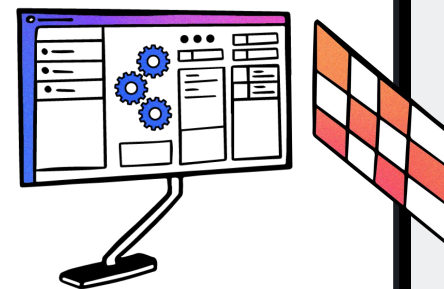

2. Human optimization at scale

Keep conversations grounded, factual, and relevant to your industry with **over 300K** skilled humans in the loop, enhancing models continuously.
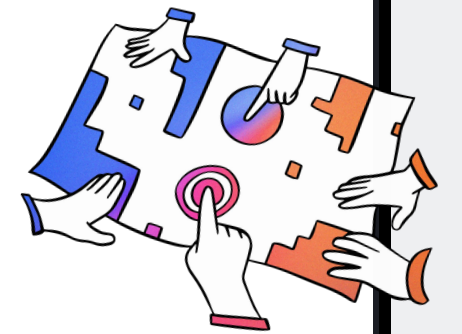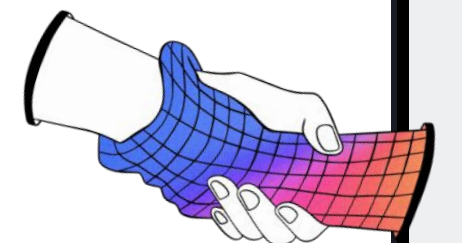

3. Impactful insights made easy

Accelerate better decision making with enterprise-level analytics and reporting that automatically delivers **actionable insights**.

4. Responsible AI from day one

Reduce risk of bias by partnering with the founders of EqualAI, spearheading standards and certification for responsible AI **since 2018**.

Enterprise Generative AI

Powered by state-of-the-art LLMs to deliver an omnichannel customer experience — while reducing costs, improving resolution times, and boosting agent productivity.

Conversation Copilot

Tools to empower your business to improve agent productivity and accelerate bot creation with humans-in-the-loop.

Conversation Autopilot

Virtual assistants that leverage your existing content to instantly get up and running with ChatGPT-like conversational experiences.

Voice AI

Extending LLM-powered and conversational automation experiences to the voice channel.
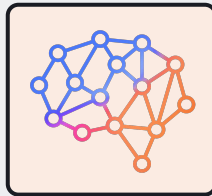
Dynamic Actions

Listens to different AI signals and performs various actions, such as routing or executing workflows.
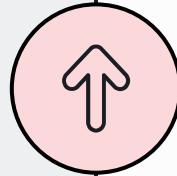
Analytics

Analytics and insights to build, measure, and improve your customer experience with Generative AI.

AI Safety Guardrails

Guardrails and safety measures put in place to provide safe and secure bot and agent responses.
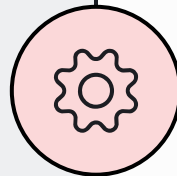
# LLM productization in the Conversational Cloud

Powerful Operations

- **Auto-Summarization** of messaging and voice conversations
- Ingestion and Optimization of content for KBs with **Knowledge AI**
- Optimized AI generated answer suggestions for agents via **Conversation Assist**

Deeper Automation

- Faster, simpler bot creation
- Brand safe, context aware **Q&A bots**
- Seamless LLM integration with existing bots
- **Synthetic Training** data for efficient Intent model management
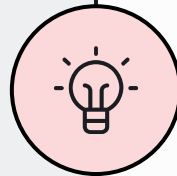
Faster Business Insights

- Automated **What's Changed** Summary
- Query the analytics with **Conversational Insights**
- Generate and Edit data visualizations with **Conversational Charts**
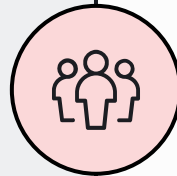
Richer Consumer Experiences

- Natural dialogue, faster responses, including **Voice AI**
- Consistent and accurate responses
- **Conversation Continuity** for voice transfers and returns
- **Real-Time Dynamic Actions**

LLM partnerships
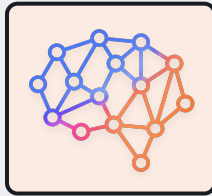
ChatGPT / davinci-003, Gpt-3.5-turbo, etc.

GOAL: Sandbox with access to latest features & upcoming innovations

WHY?: cutting edge, lower production readiness, data security

Co:here & others: Brand specific models

GOAL: Custom tuned model, enterprise ready, human feedback, richest content

CONSIDERATIONS: customizable, highest operational control

Q1 2023 Highlights

First Quarter Business Highlights

Financial Update

- 1Q23 Revenue of $107.7M, within our guidance range of $106M to $109M
- Adjusted EBITDA[1] loss of ($1.3M) vs Q1 2022 Adjusted EBITDA of a loss of ($17.6M)
- B2B Core Recurring Revenue of $82.6M, consistent with the high end of our guidance range of $80M to $83M
- Strengthened the balance sheet by retiring, at a discount, $157.5M of the $230M in convertible notes maturing in the first quarter of 2024

Go-to-market Update

- Total deal count of 70 in Q1 including:
  - 4 seven-figure deals
  - 50 expansion & renewal deals
  - 20 new logo wins

Product Update

- Conversational Cloud messaging volume growth of 9% YoY
- AI-based messaging volume down 1% YoY
- Launch of Generative AI product and Voice AI product

[1]For a reconciliation between GAAP and non-GAAP financial measures, please see the Appendix to this presentation or our Press Release issued on May 9, 2023.

Notable Wins of the Quarter

Multinational Financial Services Company and Largest Canadian Bank

Key offerings:
Automation Services including Conversation Builder, Conversation Assist and Proactive Messaging

Use cases:
LP's automation currently powers 35% of conversations in multiple languages (approximately 250M conversations/month)

One of the world's largest telecom provider

Key offerings:
Messaging with conversational AI suite, including Conversation Builder, Conversation Assist and Proactive Messaging

Use cases:
Customer Care, Retention, and Complaint Management

Largest Bank and Financial Services Company in Europe

Current Use Case:
Generative AI strategy putting LP at the core of all customer engagement

Future Use Case:
Opportunity to double the already substantial volumes as we we enable accelerated channel shift from voice to AI led messaging
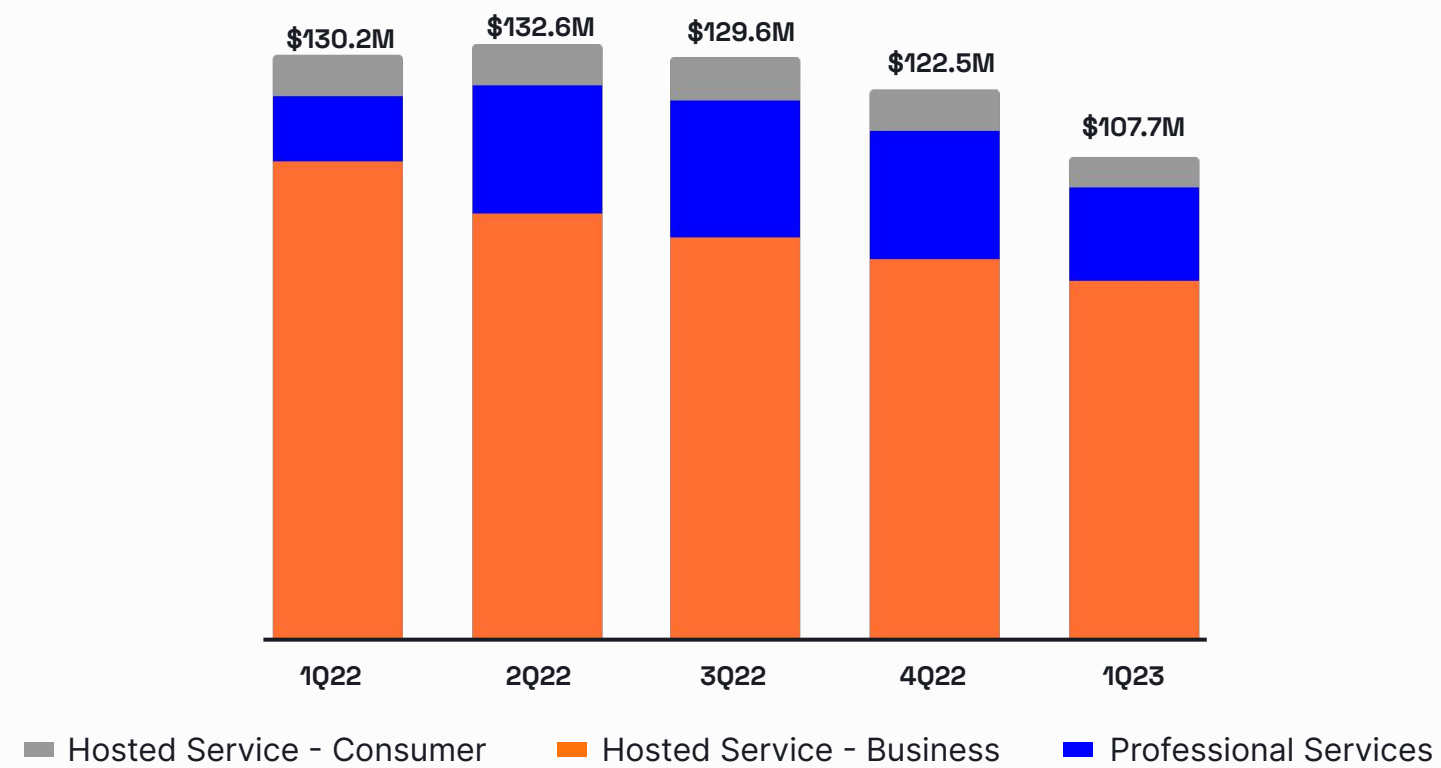
Large Omni Channel Retailer in the U.K.

Use cases:
Customer care side with a focus on reduction in outsourced contact center costs, deploying web messaging and IVR deflection into multiple channels.

Future Use Case:
Using automation for the commerce side to drive revenue through e-commerce plays, allowing customers to purchase in their preferred channel.

First Quarter Financial & Operational Highlights

Quarterly Revenue by Segment

$130.2M — 1Q22
$132.6M — 2Q22
$129.6M — 3Q22
$122.5M — 4Q22
$107.7M — 1Q23

■ Hosted Service - Consumer ■ Hosted Service - Business ■ Professional Services

Quarterly Revenue by Geography

$130.2M — 1Q22
$132.6M — 2Q22
$129.6M — 3Q22
$122.5M — 4Q22
$107.7M — 1Q23

■ U.S. ■ International
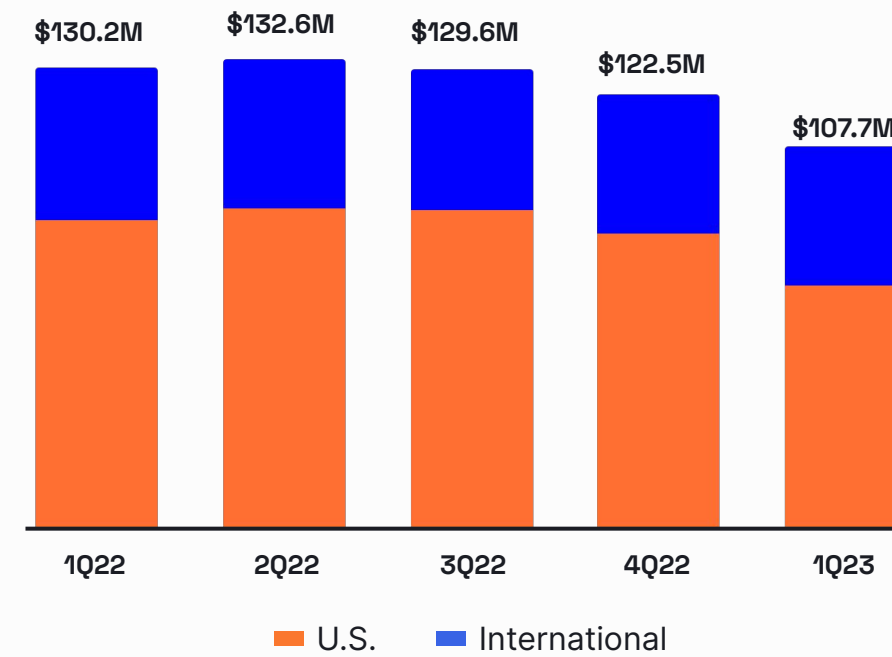
First Quarter Financial & Operational Highlights (cont'd)

Revenue Retention Rate for Recurring Revenue[1]

Below our target range of

105% - 115%

Average Revenue per User (ARPU)

■ Average Revenue per User

1Q22	2Q22	3Q22	4Q22	1Q23
$645K	$660K	$675K	$680K	$665K

Remaining Performance Obligation

■ Remaining Performance Obligation

1Q22	2Q22	3Q22	4Q22	1Q23
$448M	$409M	$431M	$397M	$368M
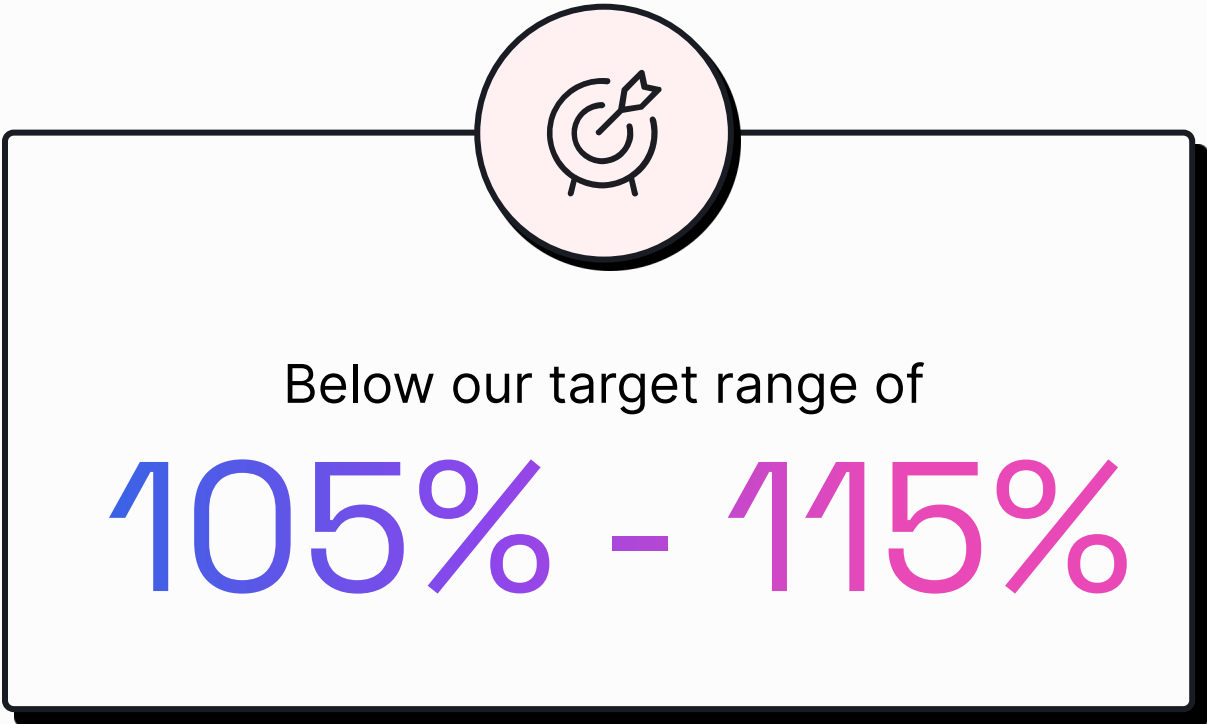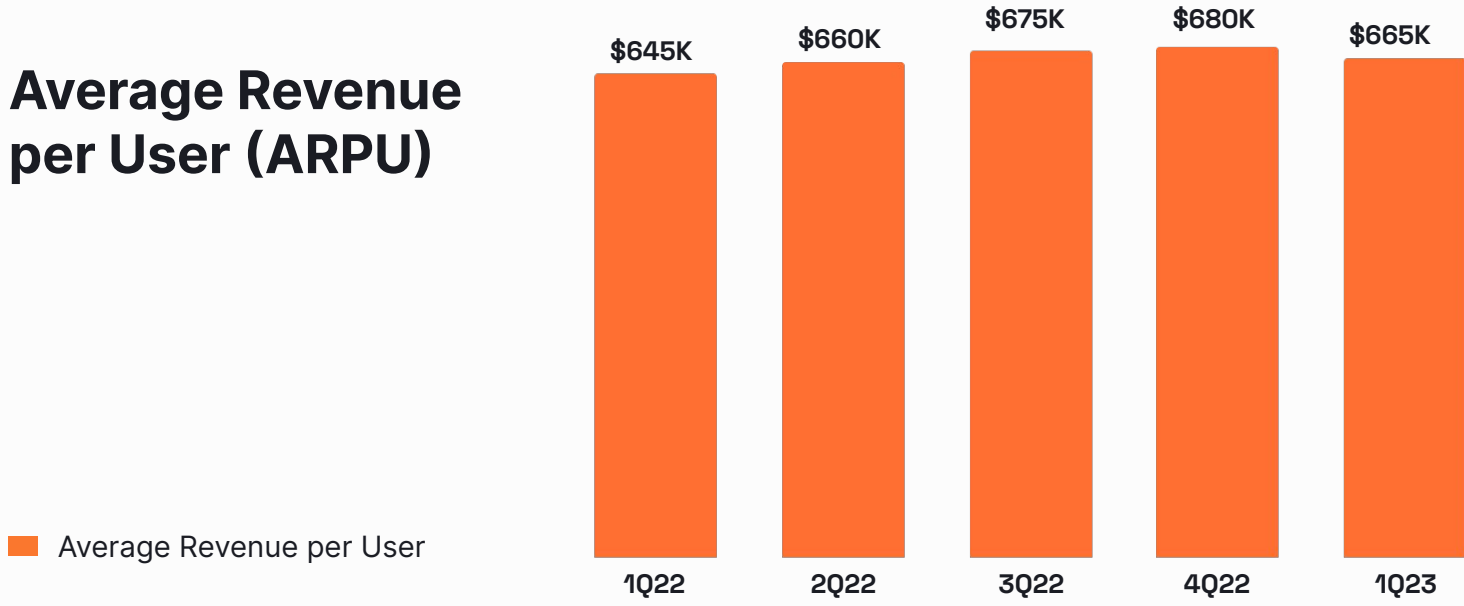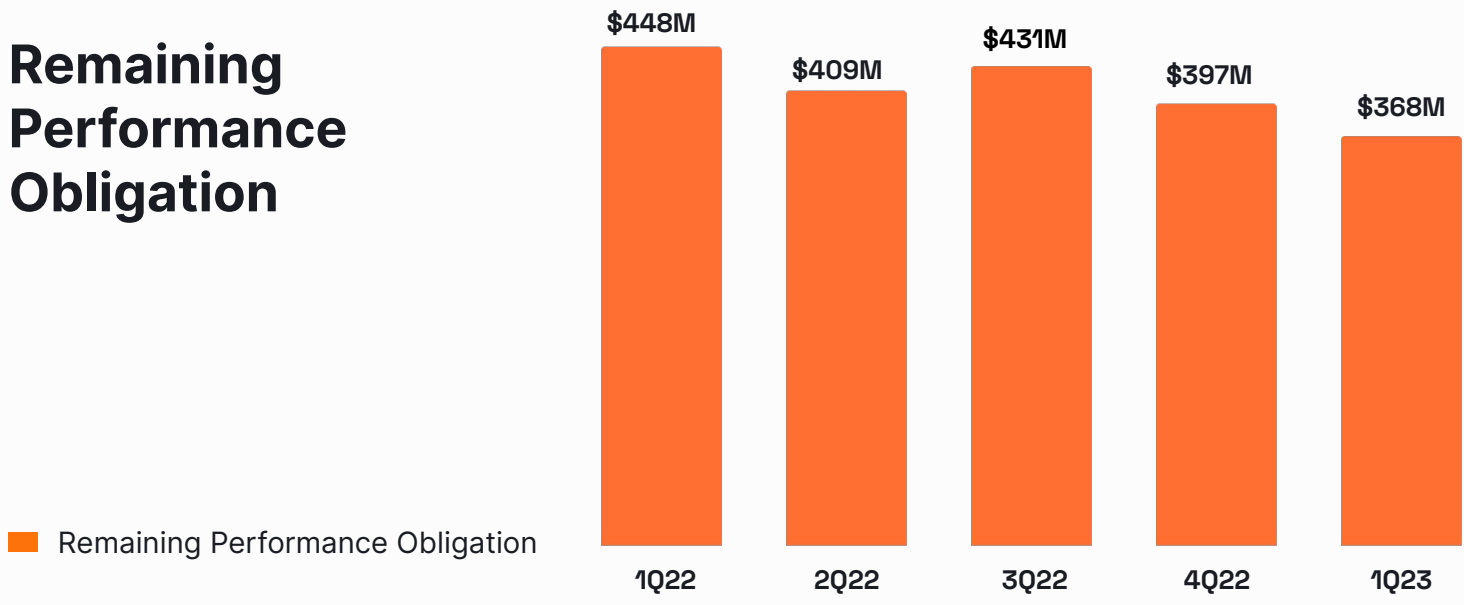
Note 1: Revenue retention rate measures the percentage of recurring revenue retained at quarter end from customers vs. at quarter end in the year ago period. ARPU is a measure of the average revenue per enterprise and midmarket customer over the trailing twelve months.

Q2 and Full Year 2023 B2B Core Recurring Guidance Metrics Reaffirmed

- We expect 2Q23 B2B core recurring revenue approximately 87% of Total Revenue

- We expect 2023 B2B core recurring revenue approximately 86%- 87% of Total Revenue

	2Q 2023 Guidance	2023 Full Year Guidance (2)	2023 Full Year Guidance (3)
Revenue	$95M - $99M	$387M - $401M	$394M - $408M
YoY revenue growth	(23)% - (20)%	(19)% - (16)%	(23)% - (21)%
Adj. EBITDA (1)	$3M - $7M	$15M - $32M	$15M - $32M
Adj. EBITDA Margin	3% to 7%	3.9% - 8.0%	3.8% - 7.8%

(1) Adjusted EBITDA is a Non-GAAP financial measure. For detailed current financial expectations, please see our Press Release issued on May 9, 2023.
(2) 2023 Full Year Revenue Guidance excludes Kasamba revenue generated in Q1 2023
(3) 2023 Full Year Revenue Guidance includes Kasamba revenue generated in Q1 2023

Appendix

Reconciliation of Adjusted EBITDA

	1Q23
GAAP net loss	$(17,420)
Amortization of purchased intangibles and finance leases	$5,435
Stock-based compensation expense	$11,332
Contingent earn-out adjustments	$1,709
Restructuring costs	$11,515
Depreciation	$7,362
Other litigation and consulting costs	$11,122
Provision for income taxes	$1,214
Acquisition costs	$2,203
Interest income, net	$(1,801)
Other income, net	$(33,962)
Adjusted EBITDA	$(1,291)

Note: Dollar amounts in thousands. Certain items may not total due to rounding. Adjusted EBITDA is a Non-GAAP financial measure. Adjusted EBITDA excludes amortization of purchased intangibles, stock-based compensation, contingent earn-out adjustments, restructuring costs, depreciation, other litigation and consulting costs, benefit from income taxes, acquisition costs, interest expense, net, and other income, net. The presentation of this financial information is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with U.S. GAAP. Please see our press release issued May 9, 2023 for more information concerning the reconciliation of non-GAAP measures to the nearest applicable GAAP measure.

Q&A