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

We obtained market, industry and other data in this presentation from our own internal estimates and research, publicly available information about our competitors, industry and general publications and research, surveys and studies conducted by third parties. While we believe that the publicly available information about our competitors, publications, research, surveys and studies that we have used is reliable, we have not independently verified the information from third-party sources. While we believe our internal estimates and research are reliable and the market definitions are appropriate, neither such estimates and research nor these definitions have been verified by an independent source.
270 billion calls (at a cost of $1.5 trillion)

Source: IBM, April 2018; The US Contact Center Decision-Makers’ Guide 2018-2019
Consumers live their lives on messaging

7.8 trillion SMS messages sent a year

- WhatsApp: 1.5 billion monthly users
- Facebook Messenger: 1.3 billion monthly users
- WeChat: 1 billion monthly users
- Instagram: 1 billion monthly users
- Tencent QQ: 803 million monthly users
- Skype: 300 million monthly users
- Snapchat: 291 million monthly users
- LINE: 203 million monthly users

LivePerson Powers conversational commerce...

...for the world’s largest brands across industries and geographies

Telecom

Airlines

Automotive

Stadiums

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(1) Content courtesy of Aramark
AI-powered conversational commerce is the future

Preferred by consumers and up to 4 times as efficient as legacy voice

Messaging is half the workload of voice (agents are ~2x as efficient)

And bots can handle half of the work that remains

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We are focused on four strategies to capture a $60B go-to-market opportunity.

- **$24B**
  - New logos on care

- **$2B**
  - Existing customers on care

- **$24B**
  - New use cases

- **$10B**
  - New products

Source: LivePerson proprietary go-to-market analysis
Analytics for the Conversational era. Identify every consumer intent and drive actionable data for fast optimizations.
Social Connect

Agents actively monitor Twitter and Facebook feeds on LiveEngage and publicly or directly message consumers.
eMail Connect

Ingest customer emails directly into LiveEngage and send replies with links that deflect to messaging.
Invite engagement with conversational advertising

Transforms traditional advertisements into personalized conversations with consumers

- Invited customers into a conversation rather than redirecting them to a website
- Unique new Message call to action draws clicks
- Streamlined journey drives conversions
New Apple Chat Suggest feature promotes messaging

Offers the potential to materially increase messaging volumes by intercepting calls to 1-800#s

- Chat Suggest is rolling out globally to iOS devices
- Drives discoverability of messaging by inviting consumers to message a brand instead of calling
- More than 30 brands live in first few months
Strong 3Q results highlight a demand inflection

- 3Q marked second consecutive quarter of revenue acceleration, with revenue up 17% YtY, from 15% in 2Q and 14% in 1Q
  - Nearly half of Enterprise customers are now on messaging, up from 35% a year ago
  - Established Maven as definitive AI platform for Conversational Commerce, in our view, driving ARPPUs for enterprise customers with automation to nearly double that of customers only on messaging
  - Enterprise/mid-market ARPU increased approximately 21% year-over-year to record $330,000
  - Strong renewals/upsells kept Enterprise/Midmarket revenue retention rate within target range of 105% to 115%
  - Greater than 30% growth from financial services, telco and high tech verticals. Telco accounted for approximately 24% of revenue, followed by Consumer/Retail at 23%, Financials at 21%, Auto at 10%, High Tech at 8% and Other at 15%

- Indications of a demand inflection:
  - Seven, seven-figure Enterprise deals signed; more than double the year-ago period
  - Deal counts increased 47% year-over-year in the third quarter, with an equal mix of new and existing
  - Average deal value increased 38% year over year reflecting more endpoints, broader use cases and AI adoption
  - Sales pipeline continues to hit new records
  - U.S. revenue grew 19% YtY; fourth consecutive quarter of acceleration, reflecting payback on GTM investments
  - Ended 3Q with 95 quota carriers, up from 50 at year-end 2018
  - Launches social, email, proactive messaging, analytics, conversational advertising and Apple Chat Suggest solutions, significantly increasing reach of platform and ability to drive consumer awareness of messaging
  - Trailing twelve-month average deferred revenue increased 33% as compared to the year ago period
<table>
<thead>
<tr>
<th>Category</th>
<th>Impact</th>
<th>Investment Details</th>
<th>ROI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Marketing Events</td>
<td>~$2.0M</td>
<td>Heightened interest in customer events:</td>
<td>• 4x more launches than peers</td>
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<td>● 40 global programs including 3 large customer events</td>
<td>• Historical 40% event win rate</td>
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<td>○ Co-hosted event on Apple Business Chat Suggest</td>
<td>• $12M of influenced pipeline</td>
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<td>○ Conversational marketing in London</td>
<td>• $3M of order forms sent</td>
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<td>○ Inaugural event in Singapore to support ASEAN region</td>
<td>• 2 marketing wins</td>
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<tr>
<td>Technical Services Expertise</td>
<td>~$2.0M</td>
<td>Experiencing heightened demand for technical delivery expertise due to contract</td>
<td>• YTD investment in technical expertise contributed to YTY 2019</td>
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<td>activity growth, strong AI adoption, and host of new product introductions</td>
<td>NPS survey gain of 38%</td>
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<td></td>
<td>● Technical expertise is key differentiator for LivePerson. Demand led by:</td>
<td>• Expects efficiencies over time by automating and productizing</td>
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<td></td>
<td></td>
<td>○ System integration and endpoint deployment</td>
<td>delivery services</td>
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<td>○ Conversational design and bot tuning</td>
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<td>○ API/Function as a Service customizations</td>
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<td>● Smoother deployments and faster time to value drive platform adoption</td>
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<tr>
<td>MM/SMB Customer Success</td>
<td>~$2.0M</td>
<td>Opportunity to compound success of Midmarket and Small Business go-to-market</td>
<td>• Expects expense overlap to be immaterial by 1Q:20</td>
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<td>investments by driving higher retention rates</td>
<td>• Targeting higher retention</td>
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<td>● Believe retention rates will improve by shifting from third-party customer</td>
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<td>management and renewals to in house teams</td>
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<td></td>
<td>● Temporarily overlapping in house and third-party resources to minimize customer</td>
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<td>disruption during the transition</td>
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Positive LiveEngage Leading Indicators

Trends for key metrics point to sustained growth trajectory

Revenue retention rate

105% to 115%

Eleven consecutive quarters over 100% threshold

Average revenue per user (ARPU)

> 20% YtY Growth

Same customer usage growth YtY

>10%

Eleven consecutive quarters of growth

*Note: Revenue retention rate measures the % of revenue retained at quarter end from full service customers that were either on LiveEngage or with LivePerson, respectively, at quarter end in the year ago period. ARPU is a measure of the average revenue per enterprise and midmarket customer over the trailing-twelve months.
Positive LiveEngage Leading Indicators
Trends for key metrics point to sustained growth trajectory

Full Service Brands with >1 interaction
50% 55%
3Q:18 3Q:19

% Enterprise Customers using Messaging
35% 49%
3Q:18 3Q:19
14 pts Improvement YtY

% Enterprise Interactions with Messaging Automation
42% 53%
3Q:18 3Q:19
11 pts Improvement YtY
## Selected Pro Forma Guidance Measures

<table>
<thead>
<tr>
<th></th>
<th>4Q:19 Guidance</th>
<th>2019 Guidance</th>
<th>Previous 2019 Guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>$77.0 - $80.0</td>
<td>$289.5 - $292.5</td>
<td>$288.5 - $292.0</td>
</tr>
<tr>
<td><strong>Gross Margin</strong></td>
<td>~72.0%</td>
<td>~73.0%</td>
<td>~74.0%</td>
</tr>
<tr>
<td><strong>GAAP Net Loss</strong></td>
<td>$(25.5) - $(22.3)</td>
<td>$(94.3) - $(91.1)</td>
<td>$(71.6) - $(66.3)</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td>$0.0 - $3.0</td>
<td>$(14.8) - $(11.8)</td>
<td>$0.0 - $5.0</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA Margin</strong></td>
<td>0.0% - 3.8%</td>
<td>N/A</td>
<td>0.0% - 1.7%</td>
</tr>
</tbody>
</table>

- Raises revenue guidance following strong contract signings, pipeline expansion, new product introductions and ramping sales productivity.
- Targeting acceleration to 17% to 22% growth in 4Q:19, and 2019 growth of 16% to 17%, up from 14% in 2018. Continues to anticipate at least 20% growth in 2020.
- Updates profit guidance to account for customer demand driven investments detailed on slide 14.
- Includes full quarter impact of technical delivery services and customer success in Q4.

(1) Dollar amounts in millions. Adjusted EBITDA is a Non-GAAP financial measure. For a reconciliation of net income (loss) to adjusted EBITDA please see slide 18. For detailed current financial expectations, please see our Press Release issued on November 7, 2019.
## Non-GAAP adjusted EBITDA reconciliation

<table>
<thead>
<tr>
<th>Guidance</th>
<th>4Q:19E</th>
<th>2019E</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP net loss</td>
<td>$(25.5) - $(22.3)</td>
<td>$(94.3) - $(91.1)</td>
</tr>
<tr>
<td>Depreciation &amp; amortization</td>
<td>$5.8</td>
<td>$20.0</td>
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<tr>
<td>Stock-based compensation</td>
<td>$13.6</td>
<td>$39.0</td>
</tr>
<tr>
<td>Other non-recurring costs</td>
<td>$2.5</td>
<td>$10.7</td>
</tr>
<tr>
<td>Provision for taxes</td>
<td>$1.7 - $1.5</td>
<td>$3.8 - $3.6</td>
</tr>
<tr>
<td>Other (income) expense, net</td>
<td>$2.0</td>
<td>$6.0</td>
</tr>
<tr>
<td>Adjusted EBITDA (loss)</td>
<td>$0.0 - $3.0</td>
<td>$(14.8) - $(11.8)</td>
</tr>
</tbody>
</table>

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