Empowering People with Chronic Conditions to Live Better and Healthier Lives

38th Annual JP Morgan Healthcare Conference
January 14, 2020

Glen Tullman,
Executive Chairman

Zane Burke,
Chief Executive Officer
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This presentation also contains estimates and other statistical data made by independent parties and by us relating to market size and growth and other data about our industry. This data involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. In addition, projections, assumptions, and estimates of our future performance and the future performance of the markets in which we operate are necessarily subject to a high degree of uncertainty and risk.

Our long-term target results are the view of management. We can provide no assurances that any of the revenue growth, gross margin, operating margin or cash flow targets will be achieved in a period of time that is material, if at all.

In addition to the GAAP financials, this presentation includes certain non-GAAP financial measures. The non-GAAP measures have limitations as analytical tools and you should not consider them in isolation or as a substitute for the most directly comparable financial measures prepared in accordance with GAAP. There are a number of limitations related to the use of these non-GAAP financial measures versus their nearest GAAP equivalents. Other companies, including companies in our industry, may calculate non-GAAP financial measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measures as tools for comparison. We urge you to review the reconciliation of our non-GAAP financial measures to the most directly comparable GAAP financial measures set forth in the Appendix, and not to rely on any single financial measure to evaluate our business.

We have filed a registration statement on Form S-1 (including a prospectus) with the SEC. You should read the prospectus in that registration statement and other documents, including Livongo’s Quarterly Report on Form 10Q that we have filed with the SEC for more complete information about Livongo. You may get these documents for free by visiting the SEC website at http://www.sec.gov. Alternatively, copies of the prospectus may be obtained from Morgan Stanley & Co. LLC, Attention: Prospectus Department, 180 Varick Street, 2nd Floor, New York, New York 10014 or email: prospectus@ms.com; Goldman Sachs & Co. LLC, Attention: Prospectus Department, 200 Wall Street, New York, New York 10282, telephone: (866) 471-2526 or email: prospectus-ny@ny.email.gs.com; or J.P. Morgan Securities LLC, c/o Broadridge Financial Solutions, 1155 Long Island Avenue, Edgewood, New York 11717, telephone: (866) 803-9204 or email: prospectus-eq_fi@jpmchase.com.

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We are the pioneer in Applied Health Signals, translating data into actionable, personalized and timely signals to improve Member outcomes and financial savings.

Our mission is to empower people with chronic conditions to live better and healthier lives. We started with diabetes, but now address hypertension, prediabetes, weight management, and behavioral health.

Our Members love us because we provide an experience that includes personalized analytics, real-time coaching, hardware, and supplies.

We do this for the country’s largest self-insured employers, payors, health plans and government with a per participant per month subscription service.
Healthcare is Ready for a New Kind of Experience

Content Google
Community Facebook
Commerce Amazon
Care

We use technology to bring the Internet to Health and Care
One of the Largest Healthcare Problems in the World . . .

**Chronic Conditions**

- **147M**
  - Adults in the US have a chronic condition and 40% have more than one

- **~90%**
  - US healthcare spend attributable to people with chronic and behavioral health conditions

- **$3.7T**
  - Annual total cost to the US economy from chronic conditions

- **$46.7B**
  - Immediately Addressable Total Market Opportunity: Diabetes and Hypertension

Notes:
1) As of 2014
2) Based on 2018 Milken Institute study
3) Calculation based on 147MM people in the U.S. with a chronic condition: 31.4M people with diabetes at $900 PPPY; 39.6M people with Hypertension at $468 PPPY. See slide 9 for additional information.
Our Immediately Addressable Markets

147MM people in the U.S. have a Chronic Condition

People with Diabetes\(^{(1)}\)

\[31.4\text{ MM} \times \$900\text{ PPPY} = \$28.2\text{B}\]

People with Hypertension\(^{(2)}\)

\[39.6\text{ MM} \times \$468\text{ PPPY} = \$18.5\text{B}\]

\[\$46.7\text{B Total Opportunity}\]

Notes:
1) Diabetes population includes 13.7MM people covered by their employer, 12.7MM people covered by Medicare and 5.0MM people covered by Medicaid
2) Hypertension population does not include people with both hypertension and diabetes, which is approximately 74% of people with diabetes or 23.2MM people in the U.S. Hypertension population includes 27.4MM U.S. adults covered by their employer plus 12.2MM U.S. adults covered by Medicare/Medicaid
We Are Just Getting Started

208,000 Livongo for Diabetes Members

31,400,000 People with Diabetes

+500K People newly diagnosed with Diabetes per Year
We Are Changing What it Feels Like to Have a Chronic Condition

99.9% of time is spent alone outside of the Healthcare System

Healthcare Before
- Scared & Alone
- Must Order & Pay for Supplies
- Write Everything & Track Yourself
- Feeling Judged at Every Step

With Livongo
- Never Alone | Answers 24 x 7
- Equipment & Supplies Just Arrive
- Livongo Keeps Data You Can Share
- Never Any Judgment, Only Empathy
Multiple Moats

Constantly growing competitive distance, propelled by improving Client trust and Member experience.
Our AI + AI Engine Powers Our Platform

Blood glucose reduction
Anxiety reduction
Blood pressure reduction

Group coaching:
- anxiety reduction

Voice activated blood pressure cuff

Touch screen blood glucose meter

Claims data
Food/Beverage log
Blood glucose data

Weight data

AGGREGATE
APPLY
INTERPRET
MEMBER

HealthKit
dexcom

Anxiety reduction
Blood glucose reduction
Blood pressure reduction

Group coaching preference
Anxiety support

Our AI + AI Engine Powers Our Platform

Touch screen blood glucose meter

Apple Watch

Claims data

Blood glucose data

Voice activated blood pressure cuff

Touch screen blood glucose meter

Apple Watch

Claims data

Blood glucose data

Voice activated blood pressure cuff

Touch screen blood glucose meter

Apple Watch

Claims data

Blood glucose data

Voice activated blood pressure cuff

Touch screen blood glucose meter

Apple Watch
Wearing Dexcom G6 CGM
Data Drives Personalized Outcomes

More Members → More interactions → Better results

- Targeted enrollment results in 34% sign-up rate
- Nudges deliver 40% behavior change
- Personalized and scalable coaching
- Remove Med barriers and increase Med usage 4.5%
We Deliver Results that Matter For Our Members and Clients

**Satisfaction**

+64 average Member NPS\(^{(1)}\)

**Outcomes**

**Member Improvements\(^{(2)}\)**

<table>
<thead>
<tr>
<th>Metric</th>
<th>Improvement</th>
</tr>
</thead>
<tbody>
<tr>
<td>HbA1c</td>
<td>0.8 points</td>
</tr>
<tr>
<td>Systolic BP</td>
<td>10mmHg</td>
</tr>
<tr>
<td>Weight loss</td>
<td>7.3%</td>
</tr>
<tr>
<td>DASS</td>
<td>55%</td>
</tr>
</tbody>
</table>

**Savings**

$1,908 per participant per year gross medical savings in diabetes\(^{(3)}\)

Notes:
1) NPS Score as of March 31, 2019
2) Demonstrated at Fortune Brands after their Members spent 2 years enrolled in the Livongo for Diabetes solution; Over a 6-week period in individuals with BP of at least 140/80 in a peer-reviewed study prepared by Livongo and presented to the American College of Cardiology in April 2019; Average reduction in weight for Members who used Livongo’s solution for 12 months as of December 1, 2018; Depression Anxiety Stress Scale improvement shown in 55% of Members from the time of enrollment as of March 31, 2019
3) $129 in medical savings plus supply cost savings (assumed to be $1 per test strip, used once a day)
Mastery of the Ecosystem

Livongo®

Direct Relationship with Client

Pharmacy benefit manager

Health plan (e.g., BCBS Michigan, HCSC)

Channel partner (e.g., Mercer, Willis Towers Watson)

Member

Direct Relationship with Member

Multiple channels to reach our Clients
A Diversified Base of Blue-Chip Clients

771 Clients & ~208,000 Members

Added 358 new Client relationships and 94,000 Livongo for Diabetes Members through first three quarters of 2019

Over 20% of the 2018 Fortune 500 companies are current Clients

Notes: Clients and Members as of September 30, 2019
An Experienced Leadership Team Built for Scale

Glen Tullman
Executive Chairman

Zane Burke
Chief Executive Officer

Dr. Jennifer Schneider
President

Lee Shapiro
Chief Financial Officer

Dave Engberg
Chief Technology Officer

Amar Kendale
Chief Product Officer

Anmol Maden
Chief Data Scientist

Bimal Shah
Chief Medical Officer

Arnon Geshuri
Chief People Officer

Jim Pursley
Chief Commercial Officer

Michael Sturmer
SVP of Health Services

Courtnee Westendorf
Chief Marketing Officer

Bimal Shah
Chief Medical Officer

Jim Pursley
Chief Commercial Officer

Michael Sturmer
SVP of Health Services

Courtnee Westendorf
Chief Marketing Officer
Financial Highlights

High revenue growth
• $30.9M in 2017 growing to $68.4M in 2018 (up 122%)
• Revenue in first three quarters of 2019 of $119.6M, $46.7M in Q3’19
• Affirmed Analyst 2020 Revenue Consensus of ~$276M

Attractive recurring revenue business model
• Predominance of revenue is per participant per month
• Estimated Value of Agreements$1 signed in Q3’19 of $85.5M and $207.8M in first three quarters of 2019

Favorable gross margin profile
• Gross margins in the high 60’s/low 70s

Significant customer traction
• Ended 2018 with 413 Clients and 3Q’19 with 771 Clients

Strong land and expand & renewals
• Dollar-based net expansion rate was 113.8% as of December 31, 2018
• Client contract retention rate was 95.9% in 2018
• Member retention of over 90%$2 in 2018

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1) Estimated Value of Agreements was previously referred to as Total Contract Value. We define Estimated Value of Agreement as contractually committed orders to be invoiced under agreements initially entered into during the relevant period. Estimated Value of Agreement includes agreements entered into with new clients or expansion opportunities entered into with existing clients during a given quarter. Livongo adjusts these assumptions regularly based on new data and a high degree of judgment is required for such assumptions.

2) Estimates of our member retention rate are based on calculations of our average monthly member churn attributed to reasons other than members losing eligibility, which primarily results from a member leaving their current employer and losing their employee benefits, including Livongo for Diabetes.

3) The midpoint of analyst estimates for revenue as of Q3’19 earnings.
2018 & 2019 Member and Revenue Growth

**Members**

<table>
<thead>
<tr>
<th>Year</th>
<th>Clients</th>
<th>Members</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>5</td>
<td>614</td>
<td>17K</td>
<td>BG</td>
</tr>
<tr>
<td>2015</td>
<td>30</td>
<td>6K</td>
<td>669K</td>
<td>BG</td>
</tr>
<tr>
<td>2016</td>
<td>100</td>
<td>20K</td>
<td>3M</td>
<td>BG</td>
</tr>
<tr>
<td>2017</td>
<td>218</td>
<td>54K</td>
<td>12M</td>
<td>BG</td>
</tr>
<tr>
<td>2018</td>
<td>413</td>
<td>114K</td>
<td>31M</td>
<td>BG</td>
</tr>
<tr>
<td>Q3 '19</td>
<td>771</td>
<td>208K</td>
<td>60M</td>
<td>BG</td>
</tr>
</tbody>
</table>

**Revenue ($M)**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 '18</td>
<td>12.5</td>
<td>40.9</td>
</tr>
<tr>
<td>Q2 '18</td>
<td>15.9</td>
<td>46.7</td>
</tr>
<tr>
<td>Q3 '18</td>
<td>18.8</td>
<td></td>
</tr>
<tr>
<td>Q4 '18</td>
<td>21.2</td>
<td></td>
</tr>
<tr>
<td>Q1 '19</td>
<td>32.1</td>
<td></td>
</tr>
<tr>
<td>Q2 '19</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q3 '19</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Livongo for Diabetes Members only
Organic Growth Drivers

**Grow product intensity**
Increase Member enrollment rate with existing Clients

- 2017: 29%
- 2018: 34%
- 2018 Optimized Clients: 47%

**Increase product density**
Penetrate new markets and cross sell additional solutions to existing Clients

- Diabetes
- Hypertension
- Prediabetes & weight management
- Behavioral health

**Expand Client base**
Increase penetration in our markets by continuing to win new Clients

Notes:
1) After 12 months for Clients who began enrollment in a given year
2) 2018 Fortune 500

Livongo™
## Our Long-Term Target Operating Model

<table>
<thead>
<tr>
<th>Non-GAAP</th>
<th>2017</th>
<th>2018</th>
<th>Through Q3’19</th>
<th>Long Term Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>GM %</td>
<td>73.1%</td>
<td>70.9%</td>
<td>71.6%</td>
<td>72% - 74%</td>
</tr>
<tr>
<td>S&amp;M %</td>
<td>52.2%</td>
<td>51.5%</td>
<td>42.0%</td>
<td>24% - 26%</td>
</tr>
<tr>
<td>R&amp;D %</td>
<td>37.2%</td>
<td>33.1%</td>
<td>25.7%</td>
<td>17% - 19%</td>
</tr>
<tr>
<td>G&amp;A %</td>
<td>30.6%</td>
<td>28.5%</td>
<td>23.5%</td>
<td>9% - 11%</td>
</tr>
<tr>
<td>Operating Margin %</td>
<td>(46.9%)</td>
<td>(42.3%)</td>
<td>(19.6%)</td>
<td>20%+</td>
</tr>
</tbody>
</table>
“Livongo’s spirit of innovation and determination is seemingly always on display, and the company’s leadership and fundraising efforts play an important role in bringing us closer to a cure.”

Aaron J. Kowalski, Juvenile Diabetes Research Foundation President and CEO
## GAAP to Non-GAAP Reconciliation

<table>
<thead>
<tr>
<th></th>
<th>GAAP</th>
<th>Stock-Based Compensation Expense</th>
<th>Amortization of Intangible Assets</th>
<th>Acquisition Related Expenses</th>
<th>Change in Fair Value of Contingent Consideration</th>
<th>Tax Impact</th>
<th>Non-GAAP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of revenue</td>
<td>$35,222</td>
<td>$ (106)</td>
<td>$ (1,100)</td>
<td>$</td>
<td>$</td>
<td>$ 2</td>
<td>$34,016</td>
</tr>
<tr>
<td>Gross profit</td>
<td>$84,383</td>
<td>$ 106</td>
<td>$ 1,100</td>
<td>$</td>
<td>$</td>
<td>$ 2</td>
<td>$85,589</td>
</tr>
<tr>
<td>Gross margin</td>
<td>70.6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>71.6</td>
</tr>
<tr>
<td>Research and development</td>
<td>$37,079</td>
<td>$(6,312)</td>
<td>$—</td>
<td>$—</td>
<td>$—</td>
<td>$—</td>
<td>$30,767</td>
</tr>
<tr>
<td>Sales and marketing</td>
<td>$56,644</td>
<td>$(5,616)</td>
<td>$(789)</td>
<td>$—</td>
<td>$—</td>
<td>$—</td>
<td>$50,239</td>
</tr>
<tr>
<td>General and administrative</td>
<td>$41,998</td>
<td>$(13,693)</td>
<td>$(236)</td>
<td>$—</td>
<td>$—</td>
<td>$—</td>
<td>$28,069</td>
</tr>
<tr>
<td>Change in fair value of contingent consideration</td>
<td>$ 1,011</td>
<td>$—</td>
<td>$—</td>
<td>$—</td>
<td>$—</td>
<td>$(1,011)</td>
<td>$—</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>$136,732</td>
<td>$(25,621)</td>
<td>$(789)</td>
<td>$(236)</td>
<td>$(1,011)</td>
<td>$—</td>
<td>$109,075</td>
</tr>
<tr>
<td>Loss before provision for income taxes</td>
<td>$(52,349)</td>
<td>$25,727</td>
<td>$1,889</td>
<td>$236</td>
<td>$1,011</td>
<td>$—</td>
<td>$(23,486)</td>
</tr>
<tr>
<td>Provision for (benefit from) income taxes</td>
<td>$(1,377)</td>
<td>$—</td>
<td>$—</td>
<td>$—</td>
<td>$—</td>
<td>$1,396</td>
<td>$19</td>
</tr>
<tr>
<td>Net loss</td>
<td>$(48,916)</td>
<td>$25,727</td>
<td>$1,889</td>
<td>$236</td>
<td>$1,011</td>
<td>$(1,396)</td>
<td>$(21,449)</td>
</tr>
<tr>
<td>Net loss attributable to common stockholders</td>
<td>$(49,012)</td>
<td>$25,727</td>
<td>$1,889</td>
<td>$236</td>
<td>$1,011</td>
<td>$(1,396)</td>
<td>$(21,545)</td>
</tr>
<tr>
<td>Net loss per share attributable to common stockholders, diluted</td>
<td>$(1.34)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$(0.59)</td>
</tr>
</tbody>
</table>

Weighted-average shares used in computing net loss per share attributable to common stockholders, diluted: 36,636