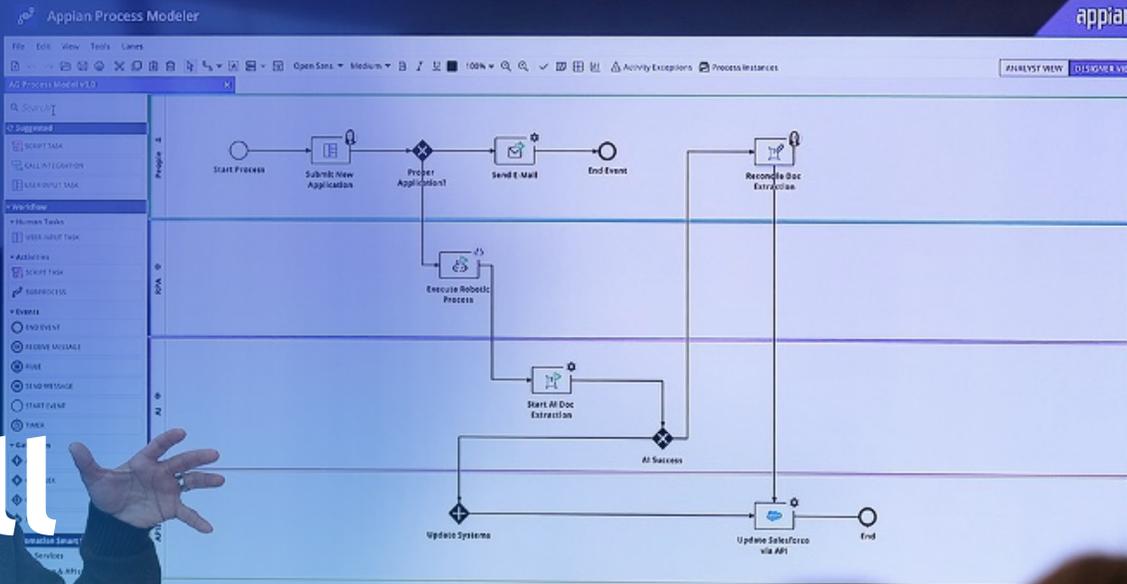


Q1 2024 Earnings Call Presentation

Matt Calkins, Founder & CEO
Mark Matheos, CFO



Disclaimer.

In this presentation, we may make statements related to our business that are forward-looking statements under federal securities laws and are made pursuant to the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995, including statements related to our financial results, trends and guidance for the second quarter and full year 2024, the impact of macroeconomic changes, the benefits of our platform, industry and market trends, our go-to-market and growth strategy, our market opportunity and ability to expand our leadership position, our ability to maintain and upsell existing customers, and our ability to acquire new customers. The words “anticipate,” “continue,” “estimate,” “expect,” “intend,” “will,” “plan,” and similar expressions are intended to identify forward-looking statements or similar indications of future expectations. These statements reflect our views only as of today and should not be reflected upon as representing our views as of any subsequent date. These statements are subject to a variety of risks and uncertainties that could cause actual results to differ materially from expectations.

For a discussion of the material risks and other important factors that could affect our actual results, please refer to our most recent annual report on Form 10-K, quarterly reports on Form 10-Q, and other filings with the SEC. These documents are also available on our investor section of our website.

Additionally, non-GAAP financial measures will be shared. Refer to the tables included within this presentation as well as in our earnings release and the Investors section of our website for a reconciliation of these measures to their most directly comparable GAAP financial measures.

Q1 2024 Highlights.

Revenue

- Cloud subscription revenue was \$86.6 million in Q1 2024, representing growth of 24% over Q1 2023.
- Subscriptions revenue was \$117.7 million in Q1 2024, representing growth of 19% over Q1 2023.
- Total revenue was \$149.8 million in Q1 2024, representing growth of 11% over Q1 2023.

Retention

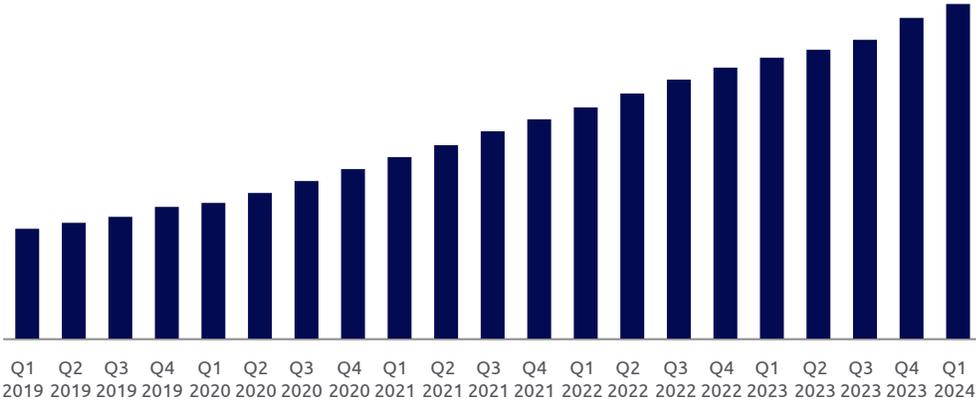
- Cloud subscription revenue retention rate was 120% as of March 31, 2024.

Non-GAAP Gross Margins*

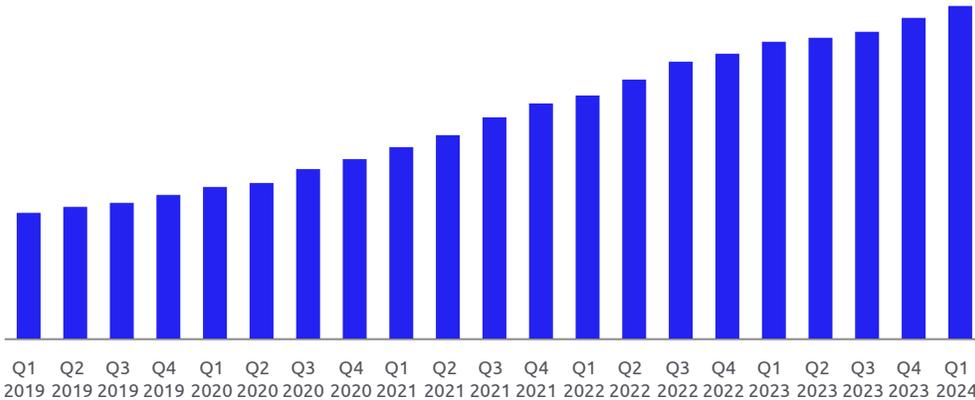
- Subscriptions gross margin was 90%.
- Professional services gross margin was 25%.
- Overall gross margin was 76%.

Annualized Recurring Revenue ("ARR").

Total ARR



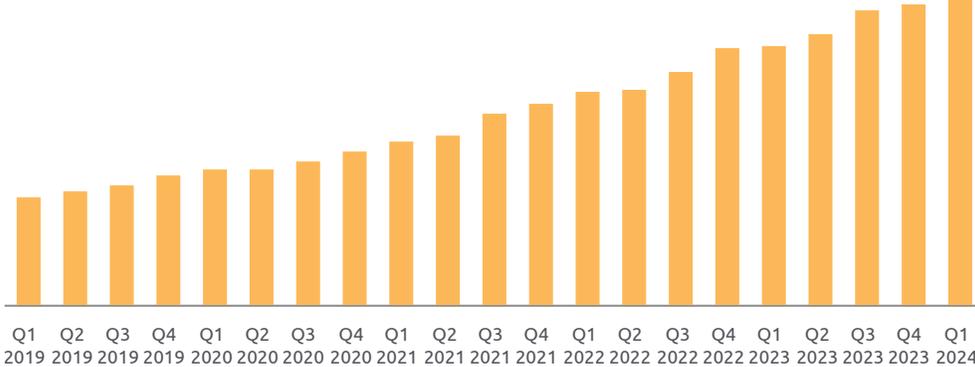
\$250K+ ARR Customers



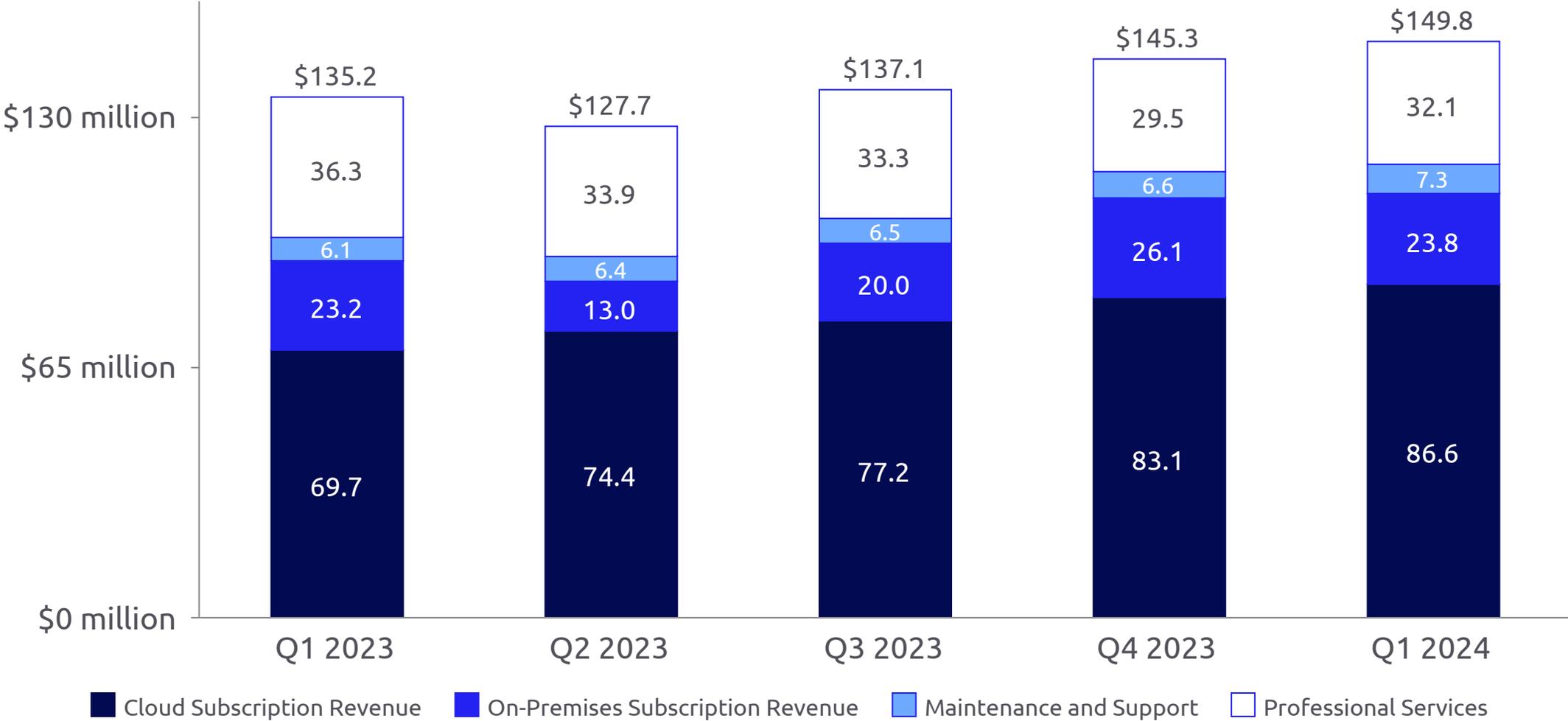
\$500K+ ARR Customers



\$1M+ ARR Customers

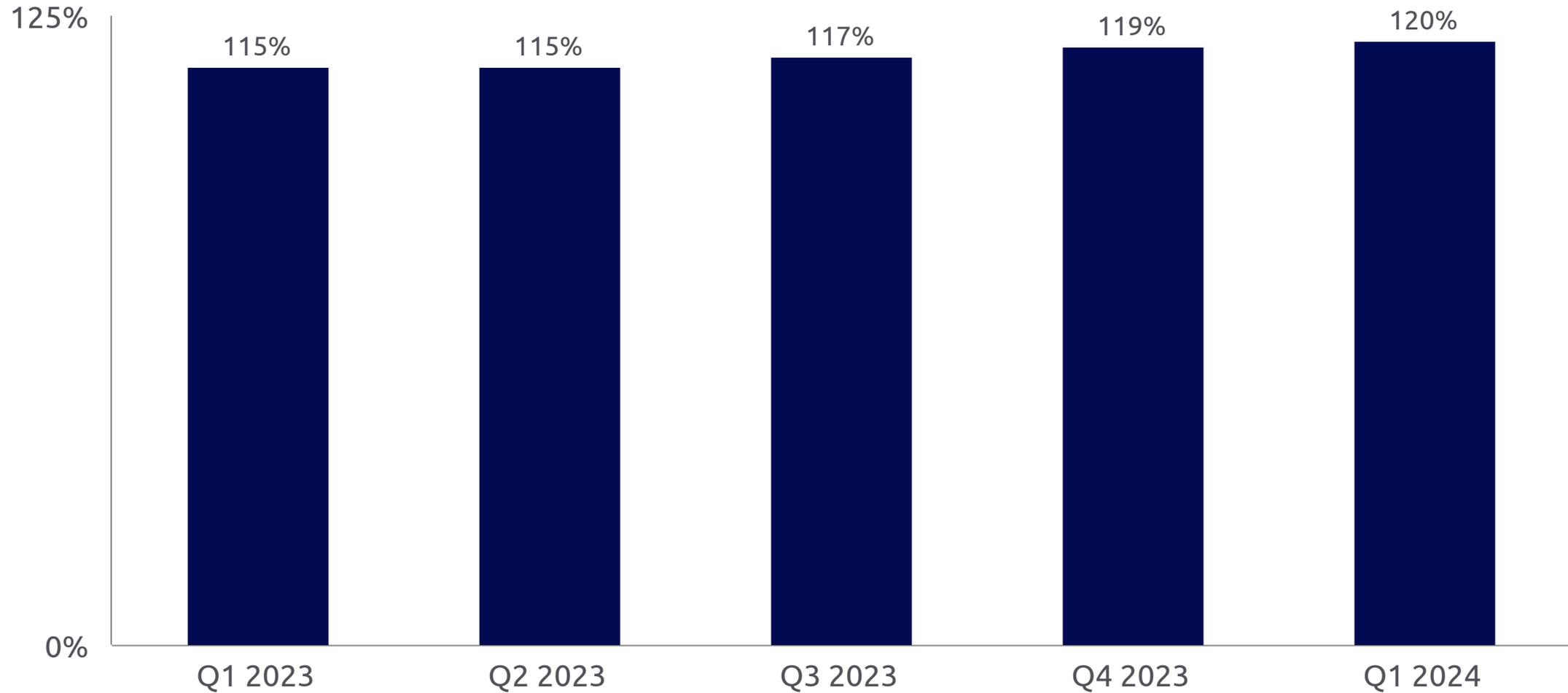


Total Revenue.*



* Reported in millions. Totals may not foot due to rounding.

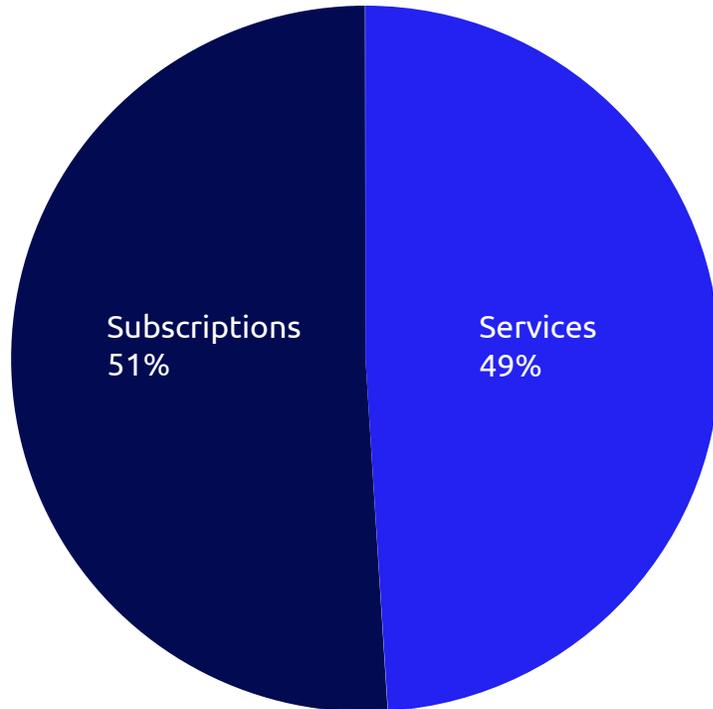
Cloud Subscription Revenue Retention Rate.*



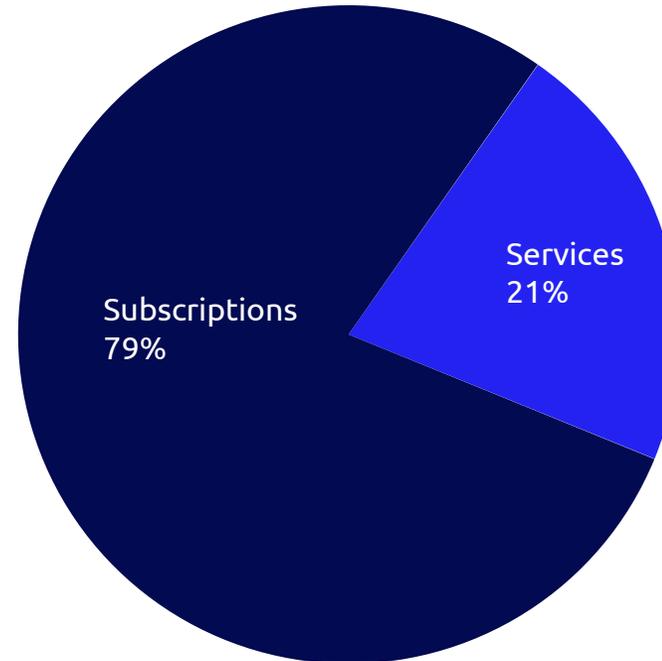
* Calculated by dividing the aggregate recurring cloud subscription revenue in the current trailing 12-month period by the aggregate recurring cloud subscription revenue from the previous trailing 12-month period.

Subscriptions vs. Professional Services Revenues.

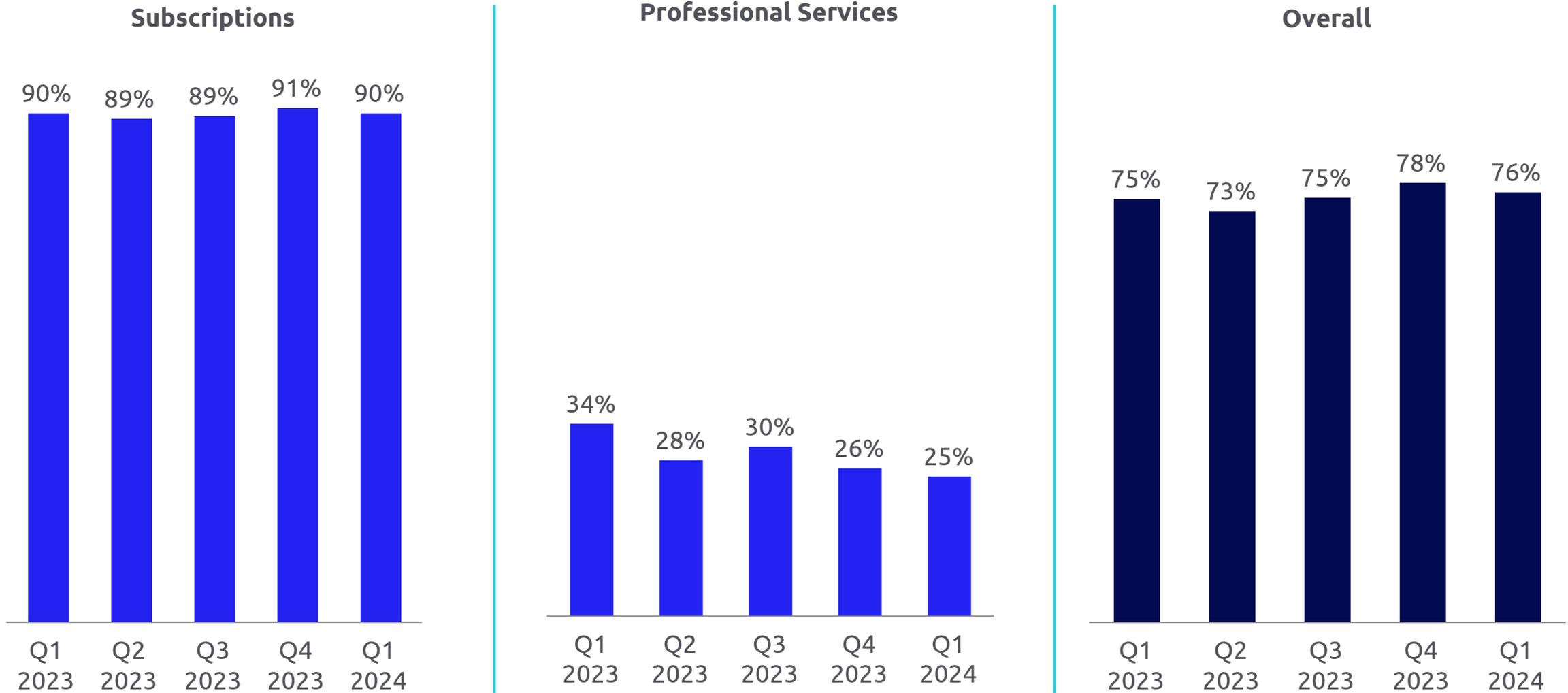
IPO (Q2 2017)



Q1 2024



Non-GAAP Gross Margins.*

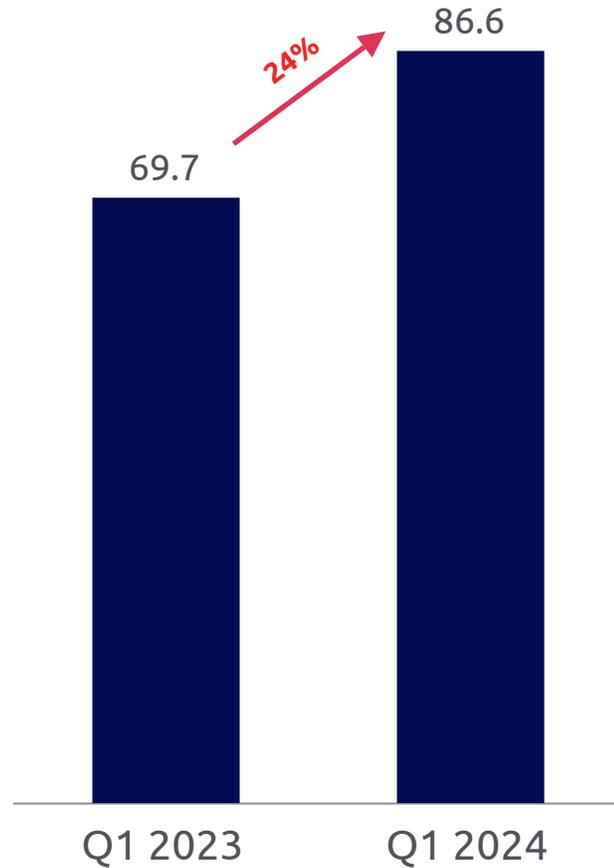


* Data excludes stock-based compensation expense and severance costs. Refer to the reconciliation of GAAP to non-GAAP measures in the Appendix.

Q1 2024 Summary.

Cloud Subscription Revenue

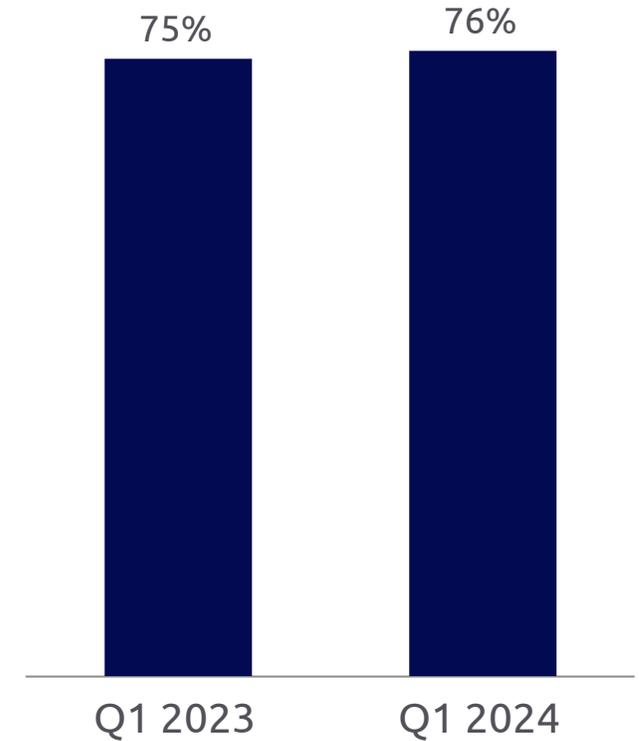
(USD, in millions)



Cloud Subscription Revenue Retention*



Non-GAAP Overall Gross Margins**



Guidance.

Given on February 15, 2024

(in millions, except for EPS)	Q2 2024			Full Year 2024		
Cloud Subscription Revenue	\$86.0	–	\$88.0	\$364.0	–	\$366.0
Cloud Subscription Revenue Growth YoY	16%	–	18%	20%	–	20%
Total Revenue	\$140.0	–	\$144.0	\$615.0	–	\$617.0
Total Revenue Increase YoY	10%	–	13%	13%	–	13%
Adjusted EBITDA Loss	\$(17.0)	–	\$(13.0)	\$(22.5)	–	\$(17.5)
Non-GAAP Loss per Share*	\$(0.34)	–	\$(0.28)	\$(0.85)	–	\$(0.79)

Appendix

Balance Sheet.

\$ in thousands

	As of	
	March 31, 2024 <i>(unaudited)</i>	December 31, 2023
Assets		
Cash and cash equivalents	\$ 170,108	\$ 149,351
Short-term investments and marketable securities	—	9,653
Accounts receivable, net of allowance	129,317	171,561
Deferred commissions, current	34,367	34,261
Prepaid expenses and other current assets	56,088	49,529
Property and equipment, net	42,558	42,682
Goodwill	26,518	27,106
Intangible assets, net of accumulated amortization	3,434	3,889
Right-of-use assets for operating leases	39,074	39,975
Deferred commissions, net of current portion	58,090	59,764
Other assets	35,804	39,732
Total assets	\$ 595,358	\$ 627,503
Liabilities and Stockholders' Equity		
Accounts payable and accrued expenses	22,134	17,220
Accrued compensation and related benefits	28,981	38,003
Deferred revenue	220,943	235,992
Debt	7,098	66,368
Operating lease liabilities	12,219	11,698
Other current liabilities	2,555	1,891
Long-term debt	248,025	140,221
Non-current operating lease liabilities	57,357	59,067
Deferred revenue, non-current	5,216	4,700
Other non-current liabilities	495	2
Total liabilities	605,023	575,162
Stockholders' equity		
Common stock	7	7
Additional paid-in capital	603,870	595,781
Accumulated other comprehensive loss	(10,708)	(23,555)
Accumulated deficit	(552,815)	(519,892)
Treasury stock	(50,019)	—
Total stockholders' (deficit) equity	(9,665)	52,341
Total liabilities and stockholders' equity	\$ 595,358	\$ 627,503

Income Statement.

\$ in thousands, except for per share data

	Three Months Ended March 31,	
	2024	2023
	<i>(unaudited)</i>	
Revenue		
Cloud subscriptions	\$ 86,603	\$ 69,692
Term license subscriptions	23,771	23,151
Maintenance and support	7,320	6,114
Total subscriptions revenue	117,694	98,957
Professional services	32,141	36,278
Total revenue	149,835	135,235
Cost of revenue		
Subscriptions	12,270	10,448
Professional services	25,727	25,645
Total cost of revenue	37,997	36,093
Gross profit	111,838	99,142
Operating expenses		
Sales and marketing	58,156	63,090
Research and development	39,771	41,624
General and administrative	33,446	29,694
Total operating expenses	131,373	134,408
Operating loss	(19,535)	(35,266)
Other non-operating expense, net		
Other expense (income), net	8,207	(2,690)
Interest expense	5,646	3,118
Total other non-operating expense, net	13,853	428
Loss before income taxes	(33,388)	(35,694)
Income tax (benefit) expense	(465)	1,135
Net loss	\$ (32,923)	\$ (36,829)
Net loss per share:		
Basic and diluted	\$ (0.45)	\$ (0.51)
Weighted average common shares outstanding:		
Basic and diluted	73,300	72,869

Stock-Based Compensation Expense.

<i>\$ in thousands</i>	Three Months Ended March 31,	
	2024	2023
	<i>(unaudited)</i>	
Cost of revenue		
Subscriptions	\$ 213	\$ 272
Professional services	1,578	1,591
Operating expenses		
Sales and marketing	2,527	2,445
Research and development	3,001	3,626
General and administrative	3,287	3,122
Total stock-based compensation expense	\$ 10,606	\$ 11,056

Reconciliation of GAAP to Non-GAAP Measures.

unaudited, \$ in thousands

	GAAP Measure	Stock-Based Compensation	Litigation Expense	JPI Amortization	Severance Costs	Non-GAAP Measure
Three Months Ended March 31, 2024						
Subscriptions cost of revenue	\$ 12,270	\$ (213)	\$ —	\$ —	\$ —	\$ 12,057
Professional services cost of revenue	25,727	(1,578)	—	—	—	24,149
Total cost of revenue	37,997	(1,791)	—	—	—	36,206
Total operating expenses	131,373	(8,815)	(742)	(4,504)	—	117,312
Operating loss	(19,535)	10,606	742	4,504	—	(3,683)
Income tax (benefit) expense	(465)	604	—	—	—	139
Net income	(32,923)	10,002	742	4,504	—	(17,675)
Net income per share, basic	\$ (0.45)	\$ 0.14	\$ 0.01	\$ 0.06	\$ —	\$ (0.24)

unaudited, \$ in thousands

	GAAP Measure	Stock-Based Compensation	Litigation Expense	Severance Costs	Non-GAAP Measure
Three Months Ended March 31, 2023					
Subscriptions cost of revenue	\$ 10,448	\$ (272)	\$ —	\$ (11)	\$ 10,165
Professional services cost of revenue	25,645	(1,591)	—	(123)	23,931
Total cost of revenue	36,093	(1,863)	—	(134)	34,096
Total operating expenses	\$ 134,408	\$ (9,193)	\$ (1,842)	\$ (4,070)	\$ 119,303
Operating loss	\$ (35,266)	\$ 11,056	\$ 1,842	\$ 4,204	\$ (18,164)
Net loss	\$ (36,829)	\$ 11,056	\$ 1,842	\$ 4,204	\$ (19,727)
Net loss per share, basic and diluted	\$ (0.51)	\$ 0.15	\$ 0.03	\$ 0.06	\$ (0.27)

Reconciliation of GAAP to Non-GAAP Measures.

unaudited, \$ in thousands

	Three Months Ended March 31,	
	2024	2023
Reconciliation of adjusted EBITDA:		
GAAP net loss	\$ (32,923)	\$ (36,829)
Other (income) expense, net	8,207	(2,690)
Interest expense	5,646	3,118
Income tax (benefit) expense	(465)	1,135
Depreciation expense and amortization of intangible assets	2,361	2,342
Stock-based compensation expense	10,606	11,056
Litigation Expense	742	1,842
JPI Amortization	4,504	—
Severance Costs	—	4,204
Adjusted EBITDA	<u>\$ (1,322)</u>	<u>\$ (15,822)</u>

Reconciliation of GAAP to Non-GAAP Measures.

The following table reconciles our GAAP gross margin percentage to our non-GAAP gross margin percentage for our overall, subscriptions, and professional services margins. The non-GAAP adjustment represents adding back the margin impact of stock-based compensation expense and severance costs recorded to "Cost of revenue" within our consolidated income statements.

<i>unaudited</i>	<u>Q1 2023</u>	<u>Q2 2023</u>	<u>Q3 2023</u>	<u>Q4 2023</u>	<u>Q1 2024</u>
Reconciliation of non-GAAP overall gross margin:					
GAAP overall gross margin	73.3%	71.2%	73.7%	76.4%	74.6%
Add back:					
Non-GAAP adjustments to overall gross margin	1.5%	1.3%	1.3%	1.1%	1.2%
Non-GAAP overall gross margin	74.8%	72.5%	75.0%	77.5%	75.8%
Reconciliation of non-GAAP subscriptions gross margin:					
GAAP subscriptions gross margin	89.4%	88.5%	89.1%	90.4%	89.6%
Add back:					
Non-GAAP adjustments to subscriptions gross margin	0.3%	0.3%	0.3%	0.2%	0.2%
Non-GAAP subscriptions gross margin	89.7%	88.8%	89.4%	90.6%	89.8%
Reconciliation of non-GAAP professional services gross margin:					
GAAP professional services gross margin	29.3%	23.2%	25.5%	21.3%	20.0%
Add back:					
Non-GAAP adjustments to professional services gross margin	4.7%	4.4%	4.6%	4.9%	4.9%
Non-GAAP professional services gross margin	34.0%	27.6%	30.1%	26.2%	24.9%

A person is seen from the side, working on a laptop. The laptop screen displays a dashboard with various data visualizations. The dashboard includes a 'Total invoice' of 16,604,076, an 'Avg. invoice volume' of 5,464, and an 'Avg. cycle time' of 2 w, 1 d. There is also a 'No. of closed cases' of 1,706. The dashboard features a bar chart titled 'Invoice volume vs number of cases', a line chart titled 'Cycle Time', and a flowchart titled 'Top five variants'. The background is a blurred office setting with a water bottle on the desk. A blue grid pattern is overlaid on the bottom half of the image.

A leader in process automation.