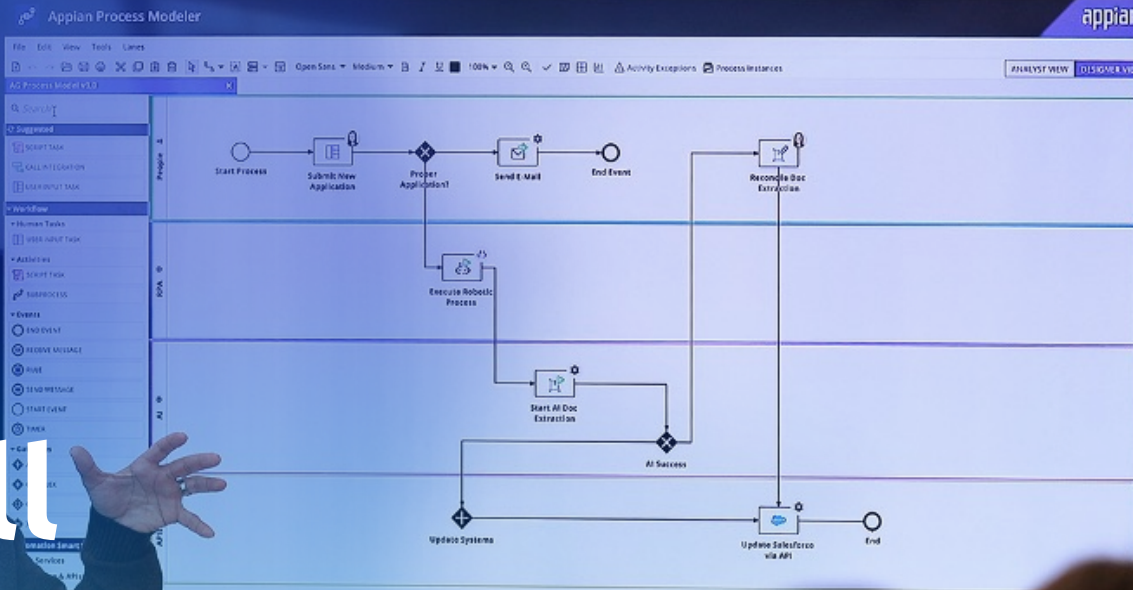


Q2 2024 Earnings Call Presentation

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 third 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.

Q2 2024 Highlights.

Revenue

- Cloud subscription revenue was \$88.4 million in Q2 2024, representing growth of 19% over Q2 2023.
- Subscriptions revenue was \$113.0 million in Q2 2024, representing growth of 20% over Q2 2023.
- Total revenue was \$146.5 million in Q2 2024, representing growth of 15% over Q2 2023.

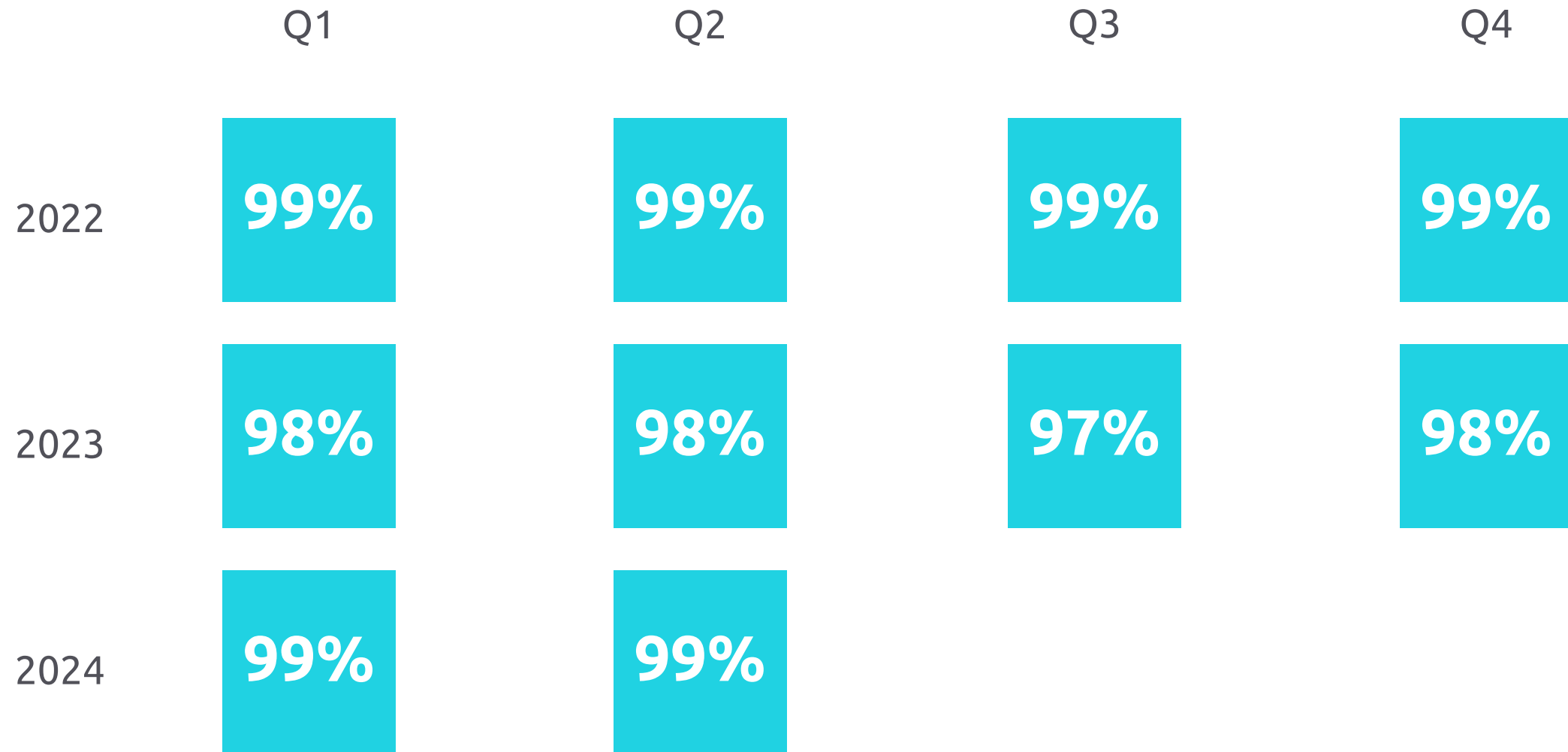
Retention

- Cloud subscription revenue retention rate was 118% as of June 30, 2024.

Non-GAAP Gross Margins*

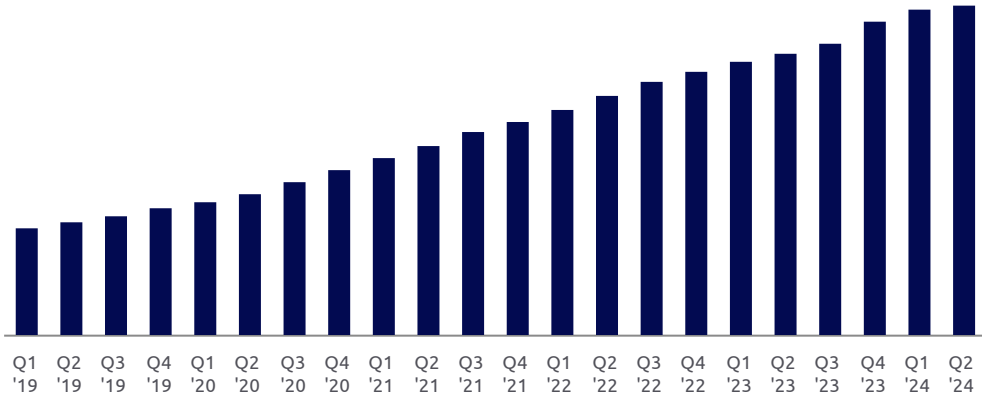
- Subscriptions gross margin was 88.5%.
- Professional services gross margin was 30.4%.
- Overall gross margin was 75.2%.

Cloud Gross Renewal Rate.

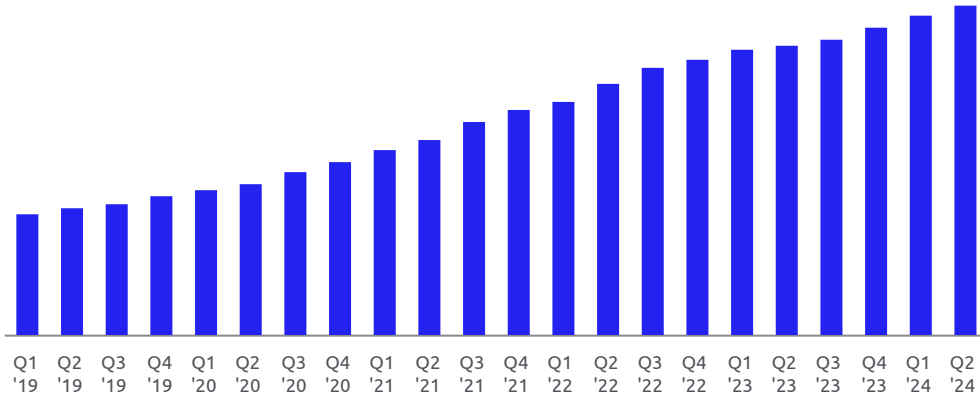


Annualized Recurring Revenue ("ARR").

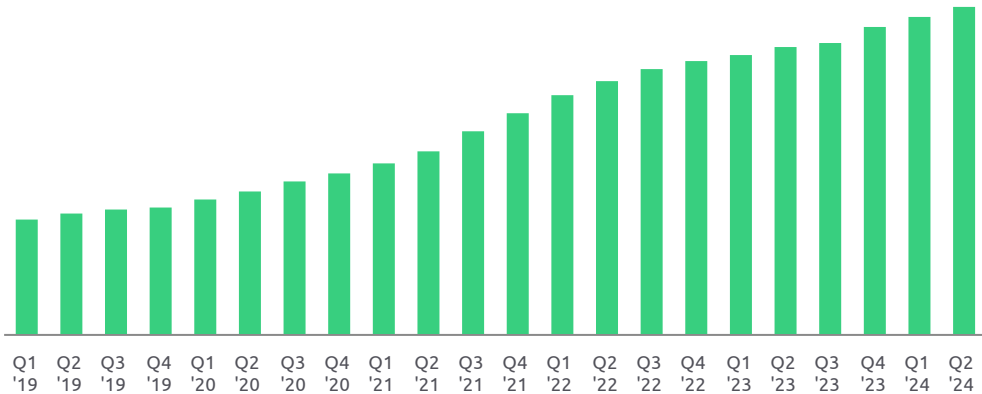
Total ARR



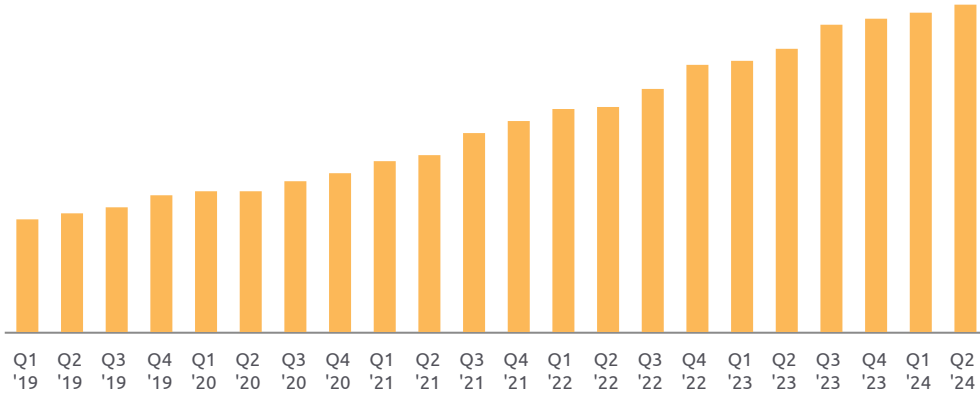
\$250K+ ARR Customers



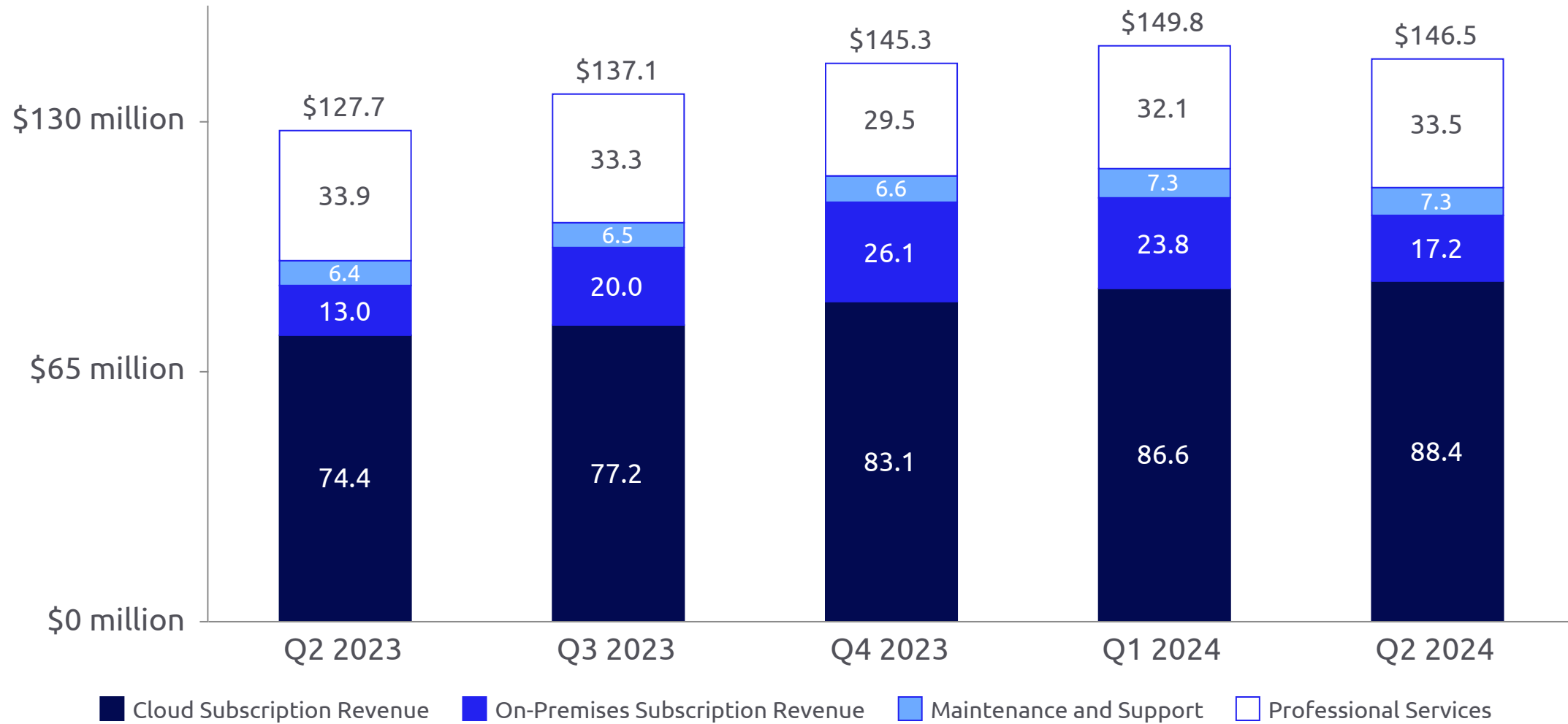
\$500K+ ARR Customers



\$1M+ ARR Customers

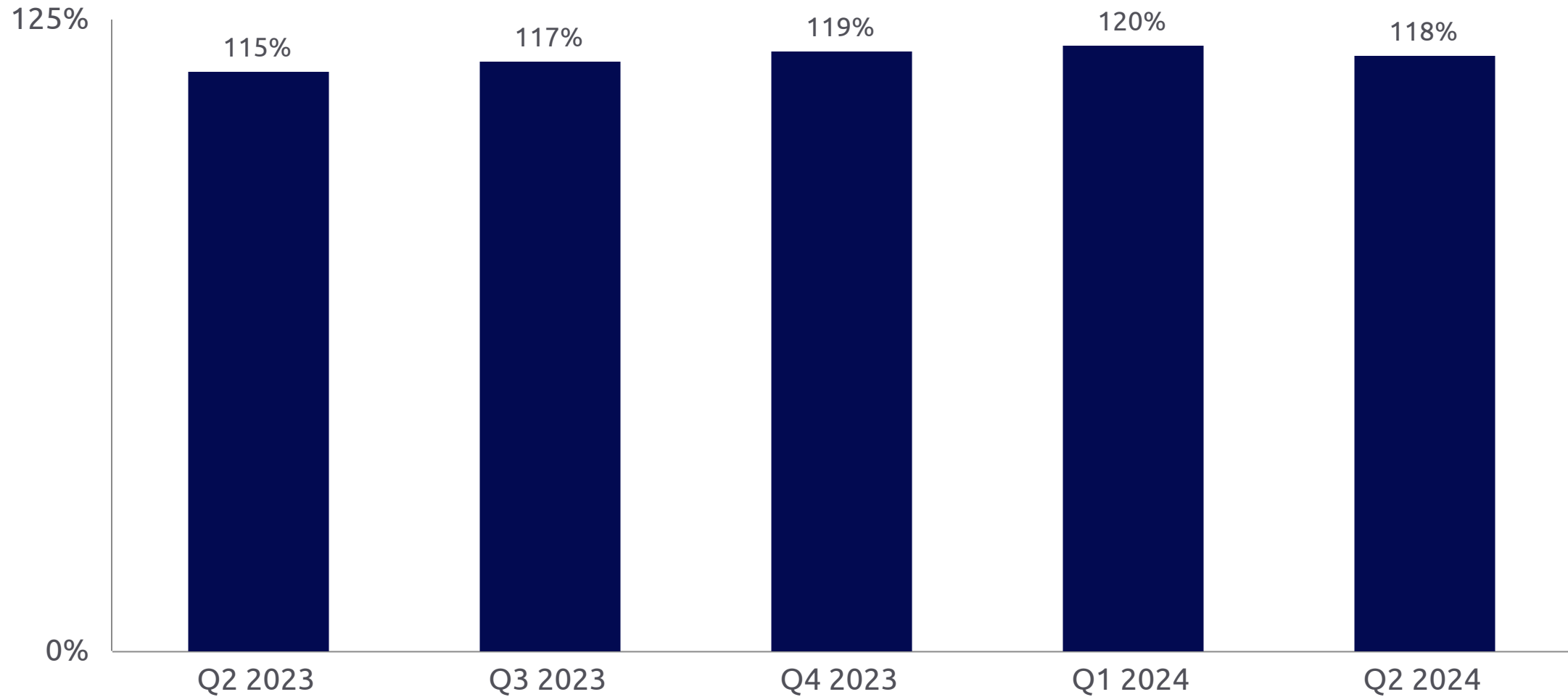


Total Revenue.*



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

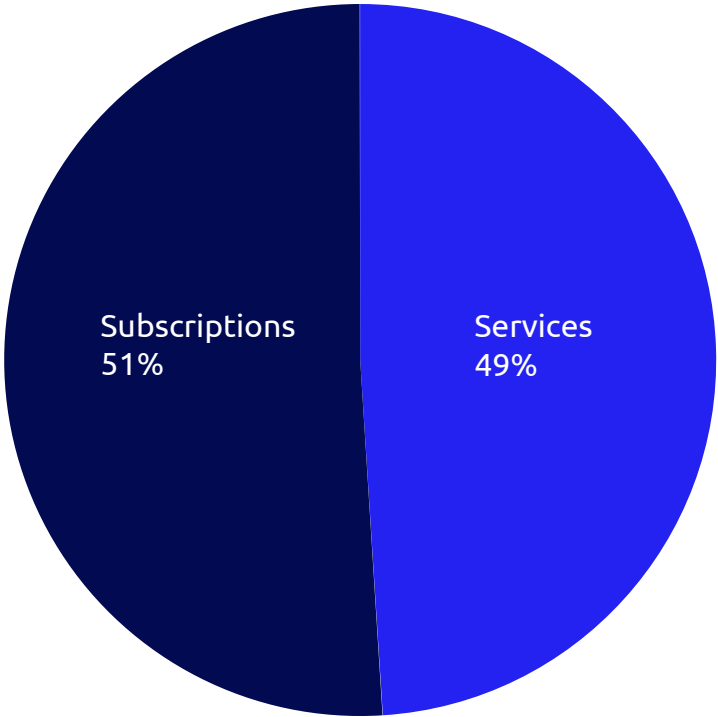
Cloud Subscription Revenue Retention Rate.*



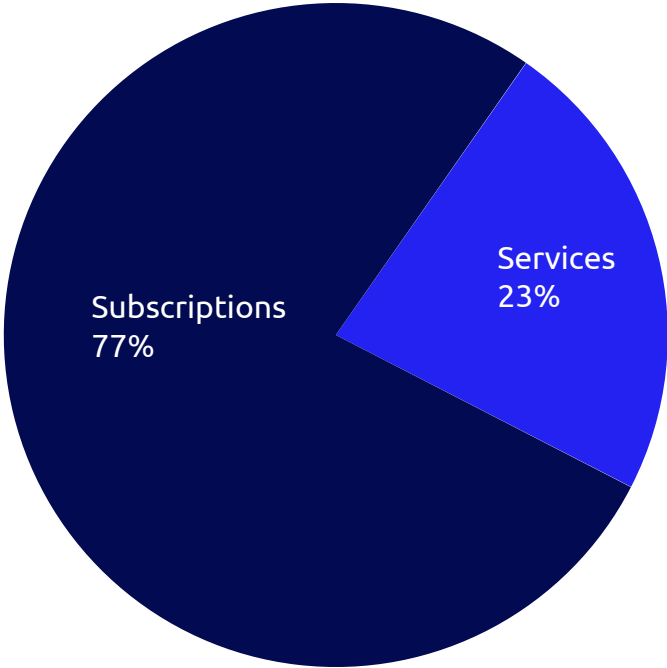
* Calculated by dividing the aggregate recurring cloud subscription revenue in the current trailing 12-month period by the aggregate recurring cloud subscription revenue from the previous trailing 12-month period.

Subscriptions vs. Professional Services Revenues.

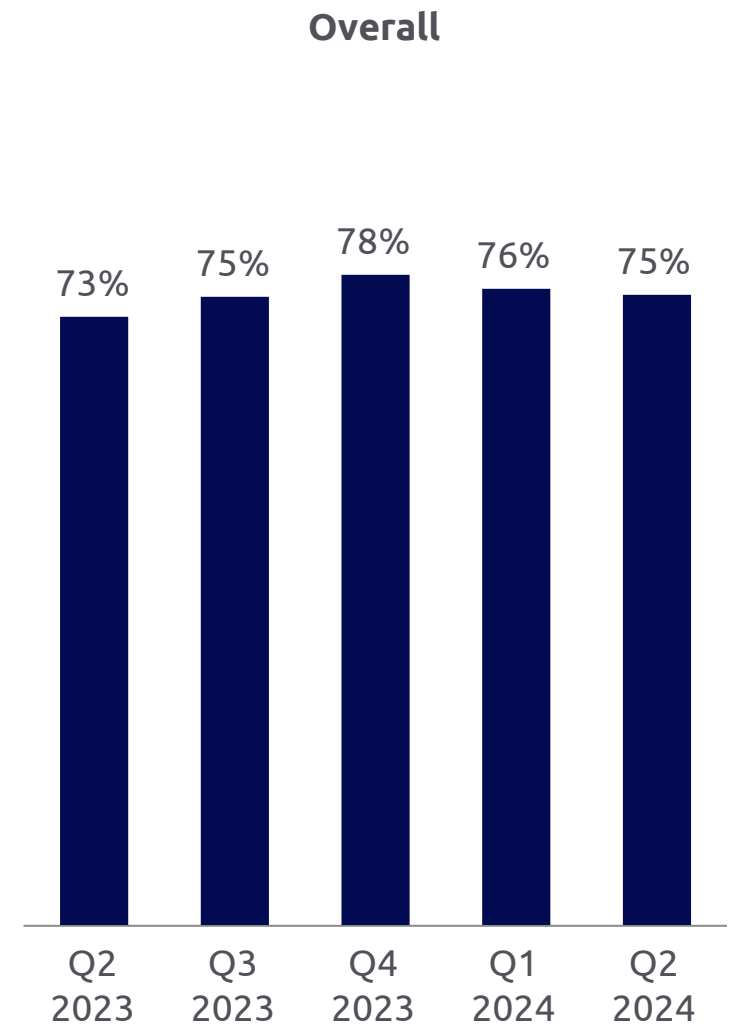
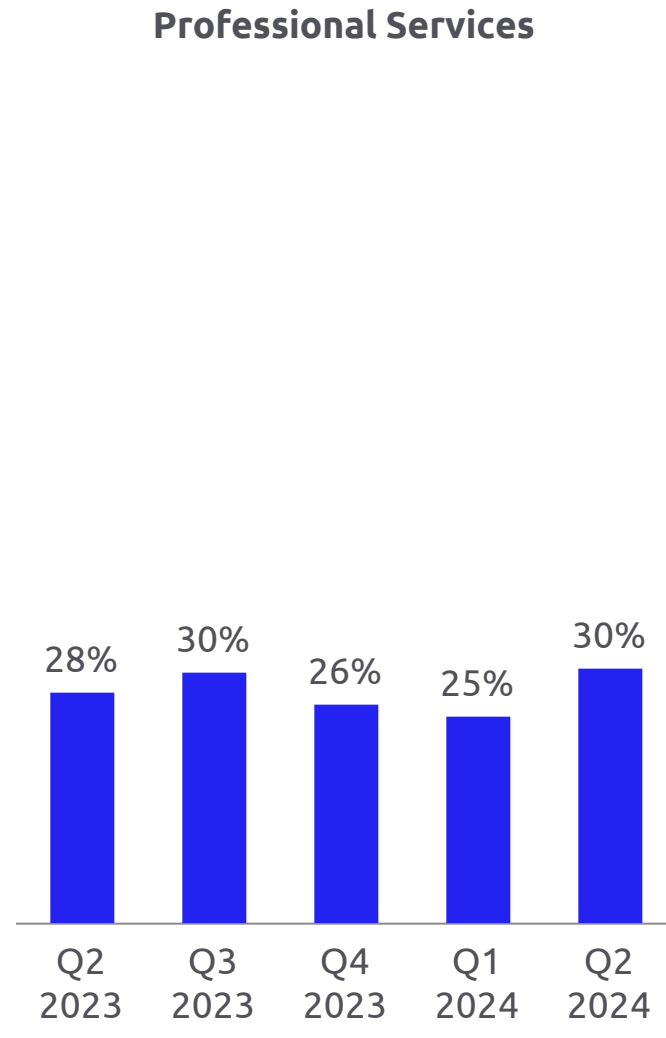
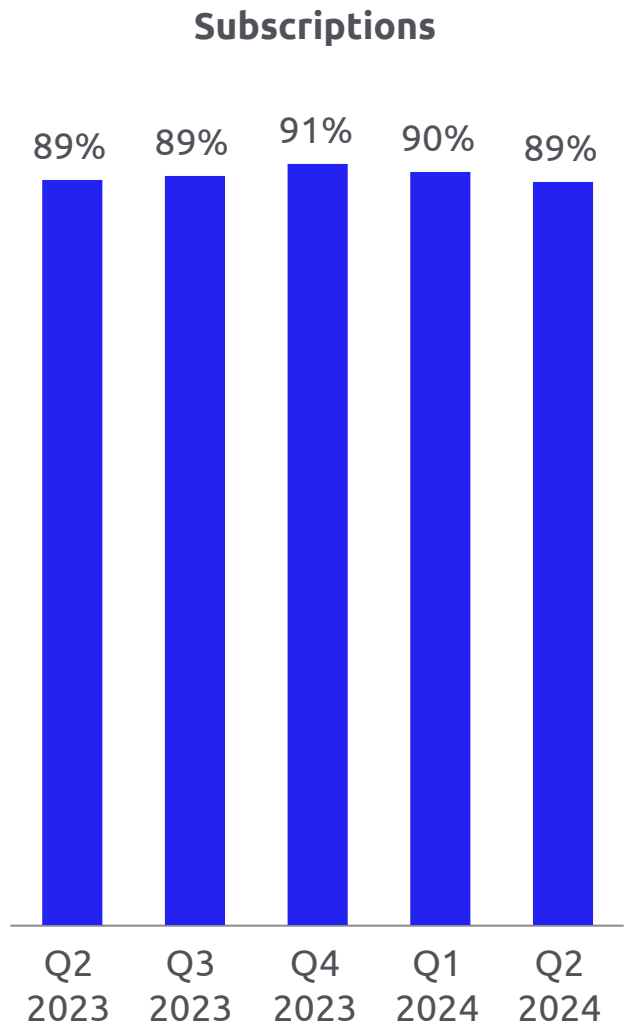
IPO (Q2 2017)



Q2 2024



Non-GAAP Gross Margins.*

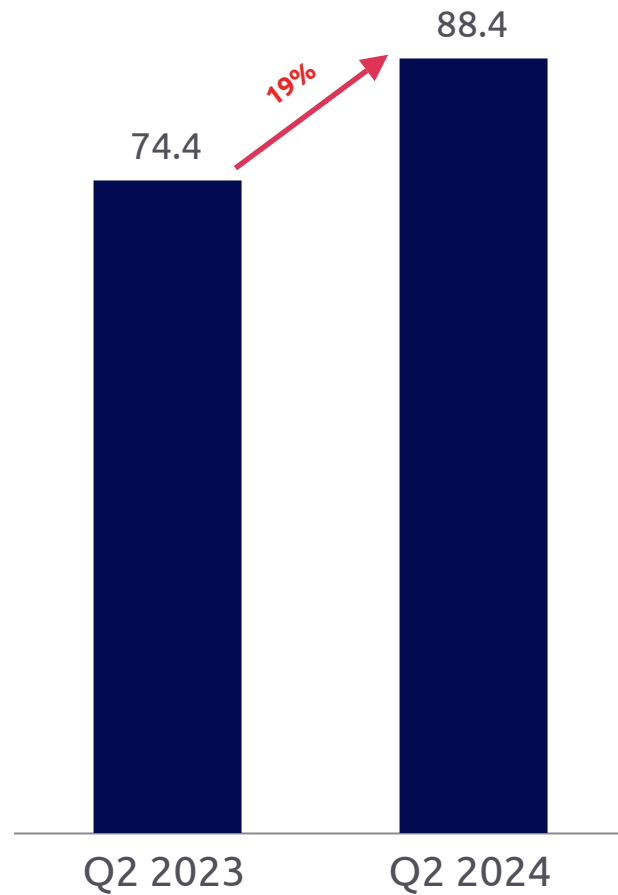


* Margin calculation excludes stock-based compensation expense and severance costs. Refer to the reconciliation of GAAP to non-GAAP measures in the Appendix.

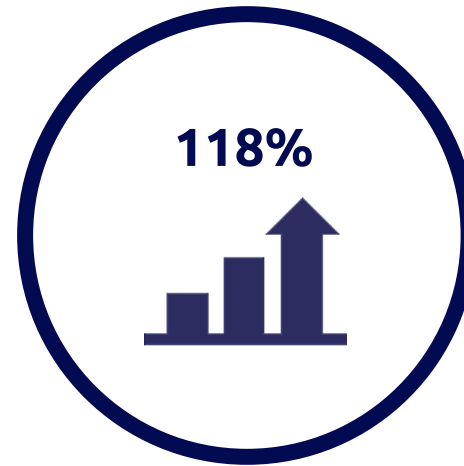
Q2 2024 Summary.

Cloud Subscription Revenue

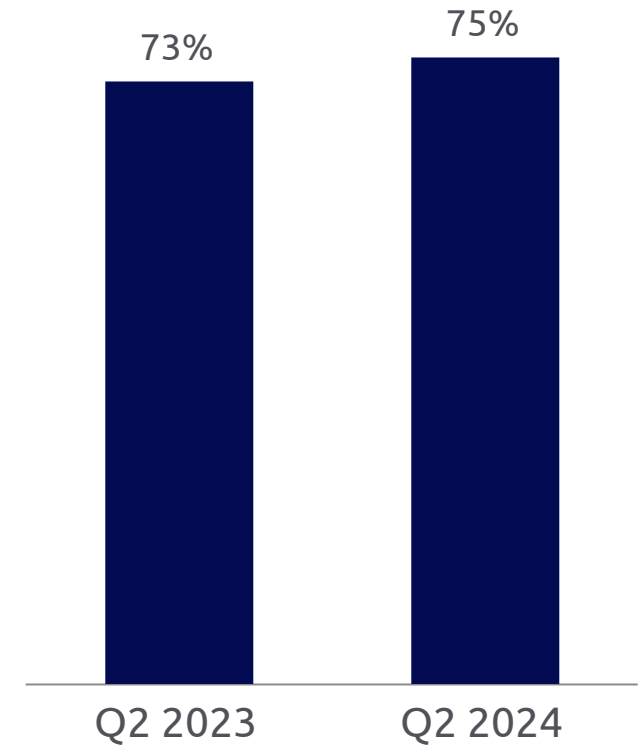
(USD, in millions)



Cloud Subscription Revenue Retention*



Non-GAAP Overall Gross Margins**



* As of June 30, 2024

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

Guidance.

Given on August 1, 2024

(in millions, except for EPS)	Q3 2024			Full Year 2024		
Cloud Subscription Revenue	\$89.0	–	\$91.0	\$358.0	–	\$360.0
Cloud Subscription Revenue Growth YoY	15%	–	18%	18%		
Total Revenue	\$149.0	–	\$153.0	\$610.0	–	\$615.0
Total Revenue Increase YoY	9%	–	12%	12%	–	13%
Adjusted EBITDA Loss	\$—	–	\$3.0	\$(3.0)	–	\$3.0
Non-GAAP Loss per Share*	\$(0.10)	–	\$(0.06)	\$(0.61)	–	\$(0.52)

Appendix

Balance Sheet.

\$ in thousands

	As of	
	June 30, 2024 <i>(unaudited)</i>	December 31, 2023
Assets		
Cash and cash equivalents	\$ 120,787	\$ 149,351
Short-term investments and marketable securities	28,345	9,653
Accounts receivable, net of allowance	131,693	171,561
Deferred commissions, current	34,899	34,261
Prepaid expenses and other current assets	48,261	49,529
Property and equipment, net	40,841	42,682
Goodwill	26,305	27,106
Intangible assets, net of accumulated amortization	3,040	3,889
Right-of-use assets for operating leases	32,848	39,975
Deferred commissions, net of current portion	56,231	59,764
Other assets	31,331	39,732
Total assets	\$ 554,581	\$ 627,503
Liabilities and Stockholders' Equity		
Accounts payable and accrued expenses	19,536	17,220
Accrued compensation and related benefits	33,843	38,003
Deferred revenue	218,233	235,992
Debt	8,348	66,368
Operating lease liabilities	12,323	11,698
Other current liabilities	1,405	1,891
Long-term debt	245,625	140,221
Non-current operating lease liabilities	55,796	59,067
Deferred revenue, non-current	4,695	4,700
Other non-current liabilities	435	2
Total liabilities	600,239	575,162
Stockholders' equity		
Common stock	7	7
Additional paid-in capital	608,528	595,781
Accumulated other comprehensive loss	(11,812)	(23,555)
Accumulated deficit	(596,407)	(519,892)
Treasury stock	(45,974)	—
Total stockholders' (deficit) equity	(45,658)	52,341
Total liabilities and stockholders' equity	\$ 554,581	\$ 627,503

Income Statement.

\$ in thousands, except for per share data

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	<i>(unaudited)</i>			
Revenue				
Cloud subscriptions	\$ 88,428	\$ 74,442	\$ 175,031	\$ 144,134
Term license subscriptions	17,227	12,999	40,998	36,150
Maintenance and support	7,319	6,353	14,639	12,467
Total subscriptions revenue	112,974	93,794	230,668	192,751
Professional services	33,476	33,921	65,617	70,199
Total revenue	146,450	127,715	296,285	262,950
Cost of revenue				
Subscriptions	13,262	10,779	25,532	21,227
Professional services	26,151	26,066	51,878	51,711
Total cost of revenue	39,413	36,845	77,410	72,938
Gross profit	107,037	90,870	218,875	190,012
Operating expenses				
Sales and marketing	66,592	62,581	124,748	125,671
Research and development	39,446	39,743	79,217	81,367
General and administrative	40,193	29,208	73,639	58,902
Total operating expenses	146,231	131,532	277,604	265,940
Operating loss	(39,194)	(40,662)	(58,729)	(75,928)
Other non-operating expense, net				
Other (income) expense, net	(1,545)	(3,886)	6,662	(6,576)
Interest expense	6,107	4,755	11,753	7,873
Total other non-operating expense	4,562	869	18,415	1,297
Loss before income taxes	(43,756)	(41,531)	(77,144)	(77,225)
Income tax (benefit) expense	(164)	824	(629)	1,959
Net loss	\$ (43,592)	\$ (42,355)	\$ (76,515)	\$ (79,184)
Net loss per share:				
Basic and diluted	\$ (0.60)	\$ (0.58)	\$ (1.05)	\$ (1.09)
Weighted average common shares outstanding:				
Basic and diluted	72,300	73,041	72,800	72,956

Stock-Based Compensation Expense.

<i>\$ in thousands</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	<i>(unaudited)</i>			
Cost of revenue				
Subscriptions	\$ 217	\$ 230	\$ 430	\$ 502
Professional services	1,461	1,472	3,039	3,063
Operating expenses				
Sales and marketing	1,997	2,772	4,524	5,217
Research and development	2,919	2,910	5,920	6,536
General and administrative	3,306	3,764	6,593	6,886
Total stock-based compensation expense	<u>\$ 9,900</u>	<u>\$ 11,148</u>	<u>\$ 20,506</u>	<u>\$ 22,204</u>

Reconciliation of GAAP to Non-GAAP Measures.

unaudited, \$ in thousands

	GAAP Measure	Stock-Based Compensation	Litigation Expense	JPI Amortization	Severance Costs	Lease Impairment Charges	Non-GAAP Measure
Three Months Ended June 30, 2024							
Subscriptions cost of revenue	\$ 13,262	\$ (217)	\$ —	\$ —	\$ —	\$ —	\$ 13,045
Professional services cost of revenue	26,151	(1,461)	—	—	(1,398)	—	23,292
Total cost of revenue	39,413	(1,678)	—	—	(1,398)	—	36,337
Total operating expenses	146,231	(8,222)	(721)	(4,504)	(4,136)	(5,462)	123,186
Operating loss	(39,194)	9,900	721	4,504	5,534	5,462	(13,073)
Income tax (benefit) expense	(164)	537	—	—	1,096	—	1,469
Net income	(43,592)	9,363	721	4,504	4,438	5,462	(19,104)
Net income per share, basic	\$ (0.60)	\$ 0.13	\$ 0.01	\$ 0.06	\$ 0.06	\$ 0.08	\$ (0.26)

unaudited, \$ in thousands

	GAAP Measure	Stock-Based Compensation	Litigation Expense	Severance Costs	Non-GAAP Measure
Three Months Ended June 30, 2023					
Subscriptions cost of revenue	\$ 10,779	\$ (230)	\$ —	\$ (19)	\$ 10,530
Professional services cost of revenue	26,066	(1,472)	—	(35)	24,559
Total cost of revenue	36,845	(1,702)	—	(54)	35,089
Total operating expenses	131,532	(9,446)	(347)	(2,041)	119,698
Operating loss	(40,662)	11,148	347	2,095	(27,072)
Income tax expense	824	221	7	42	1,094
Net loss	(42,355)	11,369	354	2,137	(28,495)
Net loss per share, basic and diluted	\$ (0.58)	\$ 0.16	\$ —	\$ 0.03	\$ (0.39)

Reconciliation of GAAP to Non-GAAP Measures.

unaudited, \$ in thousands

	GAAP Measure	Stock-Based Compensation	Litigation Expense	JPI Amortization	Severance Costs	Lease Impairment Charges	Non-GAAP Measure
Six Months Ended June 30, 2024							
Subscriptions cost of revenue	\$ 25,532	\$ (430)	\$ —	\$ —	\$ —	\$ —	\$ 25,102
Professional services cost of revenue	51,878	(3,039)	—	—	(1,398)	—	47,441
Total cost of revenue	77,410	(3,469)	—	—	(1,398)	—	72,543
Total operating expenses	277,604	(17,037)	(1,463)	(9,008)	(4,136)	(5,462)	240,498
Operating loss	(58,729)	20,506	1,463	9,008	5,534	5,462	(16,756)
Income tax (benefit) expense	(629)	1,141	—	—	1,096	—	1,608
Net income	(76,515)	19,365	1,463	9,008	4,438	5,462	(36,779)
Net income per share, basic ^(a)	\$ (1.05)	\$ 0.27	\$ 0.02	\$ 0.12	\$ 0.06	\$ 0.08	\$ (0.51)

unaudited, \$ in thousands

	GAAP Measure	Stock-Based Compensation	Litigation Expense	Severance Costs	Non-GAAP Measure
Six Months Ended June 30, 2023					
Subscriptions cost of revenue	\$ 21,227	\$ (502)	\$ —	\$ (30)	\$ 20,695
Professional services cost of revenue	51,711	(3,063)	—	(158)	48,490
Total cost of revenue	72,938	(3,565)	—	(188)	69,185
Total operating expenses	265,940	(18,639)	(2,189)	(6,111)	239,001
Operating loss	(75,928)	22,204	2,189	6,299	(45,236)
Income tax expense	1,959	563	56	160	2,738
Net loss	(79,184)	22,767	2,245	6,459	(47,713)
Net loss per share, basic and diluted ^(a)	\$ (1.09)	\$ 0.31	\$ 0.03	\$ 0.09	\$ (0.65)

^(a) Per share amounts do not foot due to rounding.

Reconciliation of GAAP to Non-GAAP Measures.

unaudited, \$ in thousands

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Reconciliation of adjusted EBITDA:				
GAAP net loss	\$ (43,592)	\$ (42,355)	\$ (76,515)	\$ (79,184)
Other (income) expense, net	(1,545)	(3,886)	6,662	(6,576)
Interest expense	6,107	4,755	11,753	7,873
Income tax (benefit) expense	(164)	824	(629)	1,959
Depreciation expense and amortization of intangible assets	2,580	2,364	4,941	4,705
Stock-based compensation expense	9,900	11,148	20,506	22,204
Litigation Expense	721	347	1,463	2,189
JPI Amortization	4,504	—	9,008	—
Severance Costs	5,534	2,095	5,534	6,299
Lease Impairment Charges	5,462	—	5,462	—
Adjusted EBITDA	<u>\$ (10,493)</u>	<u>\$ (24,708)</u>	<u>\$ (11,815)</u>	<u>\$ (40,531)</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>Q2 2023</u>	<u>Q3 2023</u>	<u>Q4 2023</u>	<u>Q1 2024</u>	<u>Q2 2024</u>
Reconciliation of non-GAAP overall gross margin:					
GAAP overall gross margin	71.2%	73.7%	76.4%	74.6%	73.1%
Add back:					
Non-GAAP adjustments to overall gross margin	1.3%	1.3%	1.1%	1.2%	2.1%
Non-GAAP overall gross margin	72.5%	75.0%	77.5%	75.8%	75.2%
Reconciliation of non-GAAP subscriptions gross margin:					
GAAP subscriptions gross margin	88.5%	89.1%	90.4%	89.6%	88.3%
Add back:					
Non-GAAP adjustments to subscriptions gross margin	0.3%	0.3%	0.2%	0.2%	0.2%
Non-GAAP subscriptions gross margin	88.8%	89.4%	90.6%	89.8%	88.5%
Reconciliation of non-GAAP professional services gross margin:					
GAAP professional services gross margin	23.2%	25.5%	21.3%	20.0%	21.9%
Add back:					
Non-GAAP adjustments to professional services gross margin	4.4%	4.6%	4.9%	4.9%	8.5%
Non-GAAP professional services gross margin	27.6%	30.1%	26.2%	24.9%	30.4%



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