



# Investor Day

October 11, 2023



This presentation regarding HashiCorp, Inc., referred to as “HashiCorp,” “we,” “us” or “our,” has been prepared solely for informational purposes.

This presentation contains forward-looking statements about us and our industry that involve substantial risks and uncertainties, some of which cannot be predicted or quantified. All statements other than statements of historical fact contained in this presentation, including statements regarding our future results of operations or financial condition, business strategy and plans, and objectives of management for future operations, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. In some cases, you can identify forward-looking statements because they contain words such as “anticipate,” “believe,” “contemplate,” “continue,” “could,” “estimate,” “expect,” “hope,” “intend,” “may,” “might,” “objective,” “ongoing,” “plan,” “potential,” “predict,” “project,” “should,” “target,” “will,” or “would” or the negative of these words or other similar terms or expressions.

We have based the forward-looking statements contained in this presentation primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition, results of operations, prospects, strategy, and financial needs. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties, assumptions, and other factors, including, among other things, the success in selling our products, our financial results, and our operations, and the other risks, uncertainties, and assumptions. These and other important factors may cause actual results, performance or achievements to differ materially from those expressed or implied by these forward-looking statements. Information regarding the foregoing and additional risks may be found in the section entitled “Risk Factors” in our Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission (the “SEC”) on August 31, 2023, and our future reports to be filed with the SEC.

The forward-looking statements in this presentation are made only as of the date hereof. You should not rely upon forward-looking statements as predictions of future events. Except as required by law, we undertake no obligation to update publicly any forward-looking statements for any reason after the date of this presentation. This presentation also contains estimates and information concerning our industry, including market position, market size, and growth rates of the markets in which we participate that are based on industry publications and reports. This information involves a number of assumptions and limitations, and you are cautioned not to give undue weight to these estimates.

In addition, projections, assumptions and estimates of our future performance and the future performance of the markets in which the Company operates are necessarily subject to a high degree of uncertainty and risk. We have not independently verified the accuracy or completeness of the data contained in these industry publications and reports.

This presentation includes certain financial measures that are not presented in accordance with generally accepted accounting principles in the United States (“GAAP”), such as Non-GAAP RPO, Non-GAAP Gross Margin and Non-GAAP operating expenses, to supplement financial information presented in accordance with GAAP. We are presenting these non-GAAP financial measures because we believe, and when taken collectively, they may be helpful to investors because they provide consistency and comparability with past financial performance by excluding certain items that may not be indicative of our business, results of operations, or outlook. However, non-GAAP financial measures have limitations in their usefulness to investors because they have no standardized meaning prescribed by GAAP and are not prepared under any comprehensive set of accounting rules or principles. Such non-GAAP financial measures should not be construed as alternatives to financial measures determined in accordance with GAAP. The non-GAAP measures as defined by the Company may not be comparable to similar non-GAAP measures presented by other companies. The Company’s presentation of such measures, which may include adjustments to exclude unusual or non-recurring items, should not be construed as an inference that the Company’s future results will be unaffected by other unusual or non-recurring items. A reconciliation is provided at the end of this presentation for each non-GAAP financial measure to the most directly comparable financial measure stated in accordance with GAAP.



# Agenda

Section	Speaker
Opening Remarks	Alex Kurtz, VP Investor Relations & Corporate Development
Opportunity Ahead	Dave McJannet, Chairman and Chief Executive Officer
Product Overview & Strategy	Armon Dadgar, Co-Founder and Chief Technology Officer
Go-To-Market	Susan St. Ledger, President, Worldwide Field Operations
Financial Performance	Navam Welihinda, Chief Financial Officer
Executive Q & A	Dave, Armon, Susan, Navam & Alex





# Dave McJannet

Chief Executive Officer



# Opportunity Ahead

**Continued  
Momentum on  
Cloud Adoption**

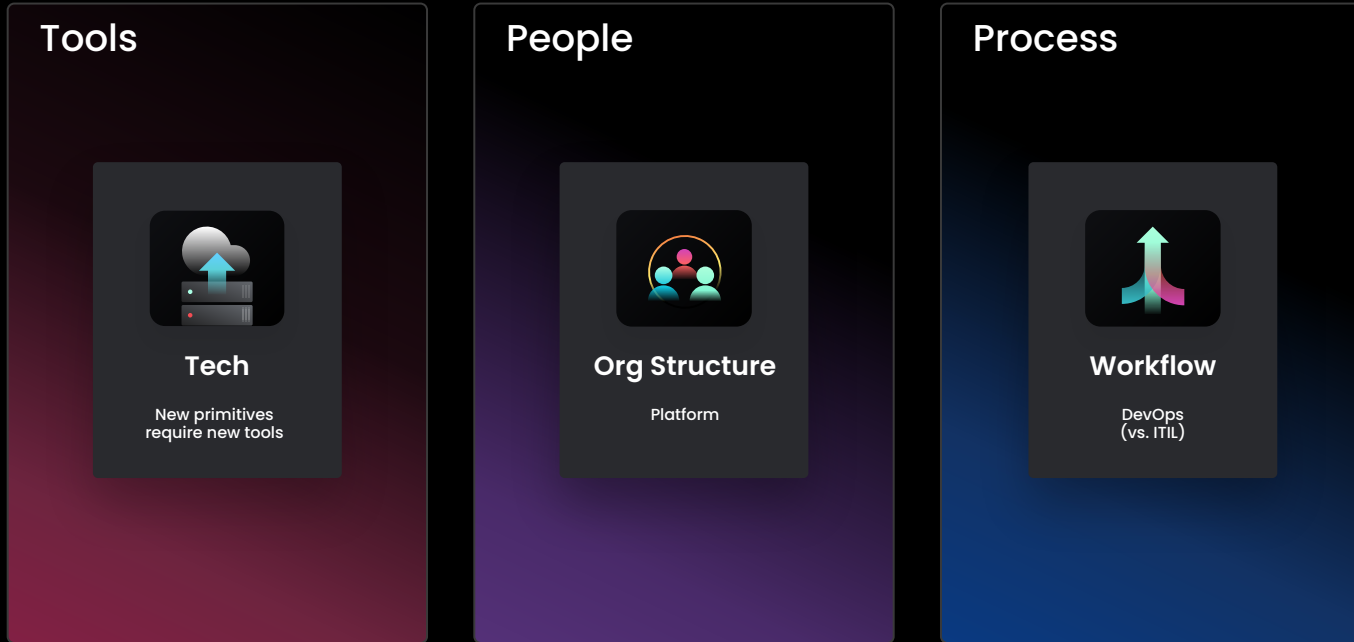
**Progress on Our  
Integrated Platform  
Value Proposition**

**Evolving and  
Simplifying Our  
Go-to-Market**



# Secular Trends Drive Key Changes

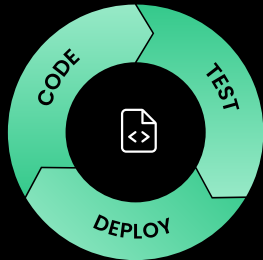
Workflow shift to cloud requires technology, organizational, workflow change



# There Is a Well Understood Stack

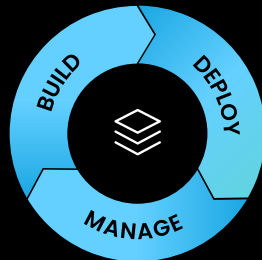
## Pre-Production

Application Lifecycle Management

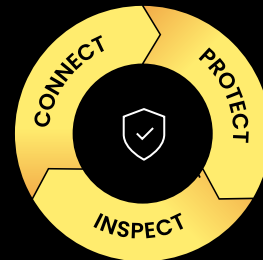


## Production

Infrastructure Lifecycle Management



Security Lifecycle Management



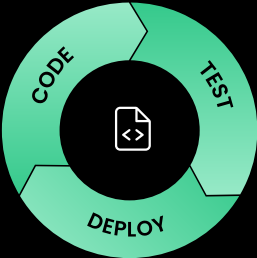
## Monitoring



# Cloud is Driving a Tech Modernization Cycle

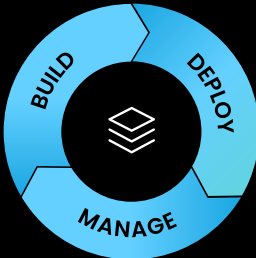
## Pre-Production

Application Lifecycle Management

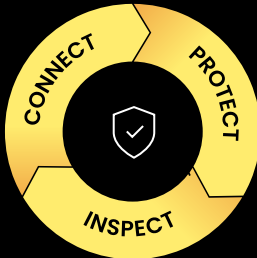


## Production

Infrastructure Lifecycle Management



Security Lifecycle Management



## Monitoring

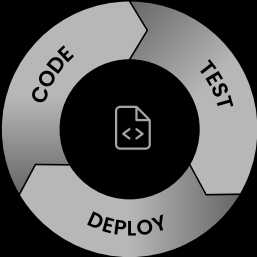




# Our Opportunity

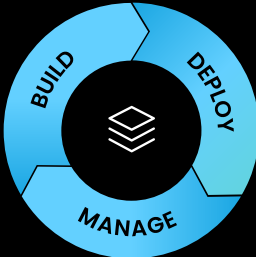
## Pre-Production

Application Lifecycle Management

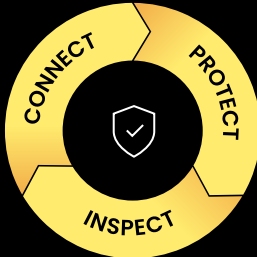


## Production

Infrastructure Lifecycle Management



Security Lifecycle Management



## Monitoring



### Our Opportunity

Standardization on HashiCorp



# A Single Common Platform

## The Infrastructure Cloud

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### Infrastructure



### Security



## Benefits

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**Reduced skills & organizational requirements** to enable more rapid adoption.

**Single platform** providing more complete solutions, and easier adoption of any given use case and product.

**Consumption billing** matching value to cost, and encouraging initial deal.

**Unified data** providing combined intelligence of cloud estate assisting risk management, and optimization.

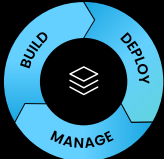
# Customer Growth on HCP Cloud

Singapore Press Holdings

Security Lifecycle Management



Infrastructure Lifecycle Management

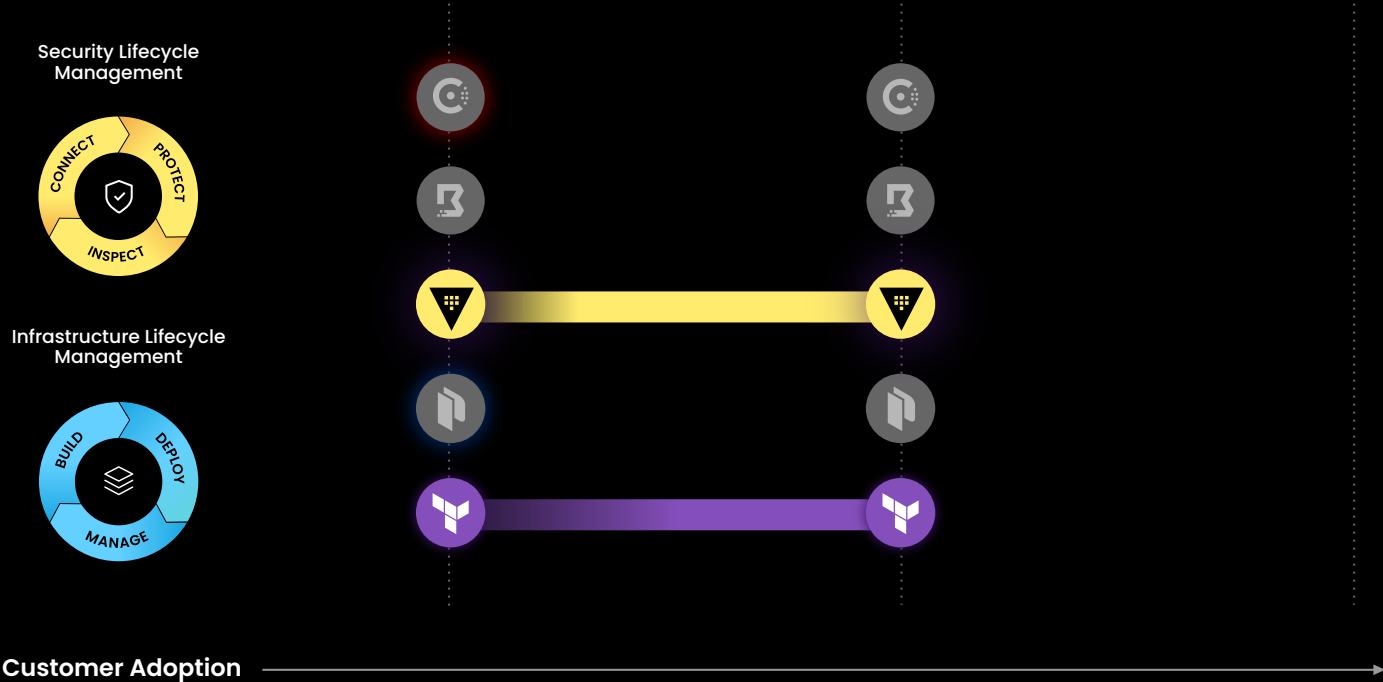


Customer Adoption



# Customer Growth on HCP Cloud

Singapore Press Holdings



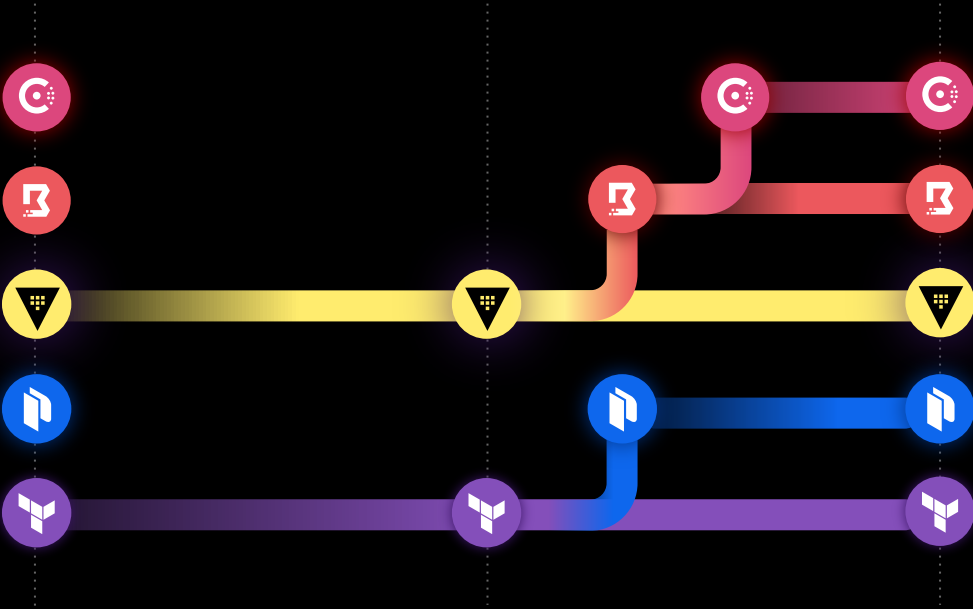
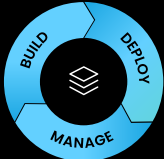
# Customer Growth on HCP Cloud

Singapore Press Holdings

Security Lifecycle Management



Infrastructure Lifecycle Management



Customer Adoption



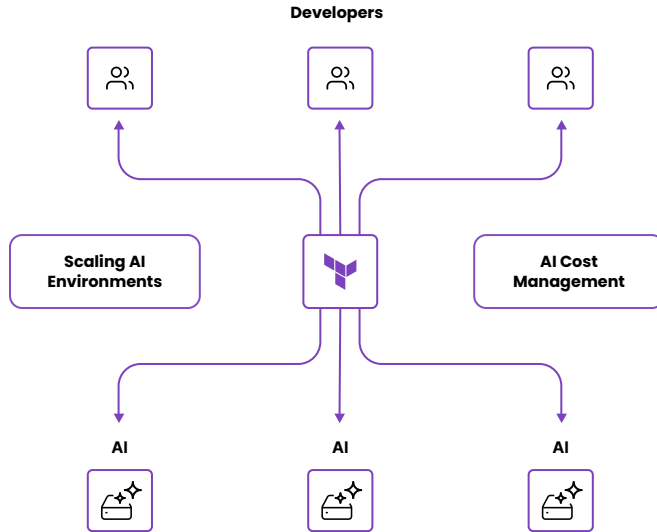
# Building a Global Customer Base



# Powering AI Use Cases

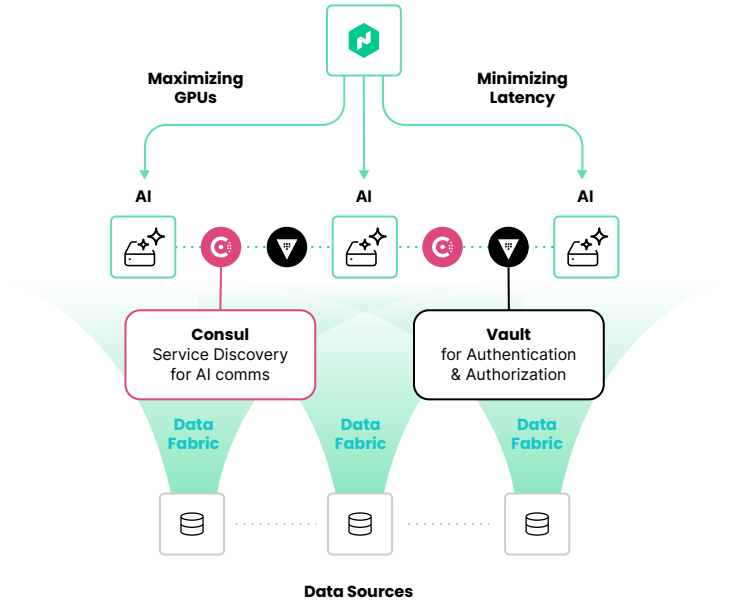
## Global Apparel Company

Allows developers to quickly scale up their AI workloads with Infrastructure-as-Code



## Global Financial Services Company

Nomad orchestrates AI jobs





# Armon Dadgar

Chief Technology Officer  
and Co-Founder





# Product Overview and Strategy

**Lifecycle  
Management  
Integration**

**HashiConf  
Announcements**

**Extending  
Secrets  
Management**




# Workflows and Integrated Platform Solutions

Integrated Platform Enabling End-to-End Lifecycle Management

## The Infrastructure Cloud

### Infrastructure




**Platform Solutions**  
Deliver system of record for infrastructure lifecycle management for images, resources, workloads, and applications.

**Workflows**  
Enable infrastructure -as-code to plan, build, deploy.

PORTFOLIO

### Security



**Platform Solutions**  
Deliver system of record for security lifecycle management for secrets, users, services, and data.

**Workflows**  
Enable identity controls to protect, inspect, connect.

PORTFOLIO



# Building an End to End Platform for Secrets

## Lifecycle of a Secret

HCP Vault Radar



Secrets,  
Keys, and  
Certifications



Data Protection  
and Tokenization



# Security Lifecycle Management

Providing Scanning, Synchronization and Cloud Native Secrets Management



PREVIEW

**HCP Vault  
Radar**

Sign up for early access  
[hashi.co/radar](https://hashi.co/radar)



GA

**HCP Vault  
Secrets**

Available now  
[hashi.co/cloud](https://hashi.co/cloud)



GA

**HCP Vault  
Advanced  
Data Protection**

Available now  
[hashi.co/cloud](https://hashi.co/cloud)



GA

**HCP Vault  
Secret Sync**

Available now  
[hashi.co/cloud](https://hashi.co/cloud)



# Security Lifecycle Management

Delivering Visibility, Observability, and Management for Service Networking



GA

**Consul 1.17**  
Locality Aware

Available now  
[hashi.co/cloud](https://hashi.co/cloud)



GA

**HCP Consul**  
Central

Available now  
[hashi.co/cloud](https://hashi.co/cloud)



# Infrastructure Lifecycle Management

Enhancing the Speed to Automate for Practitioners



GA

**Terraform**  
Testing & GenAI

Available now  
[hashi.co/cloud](https://hashi.co/cloud)



GA

**Terraform**  
Ephemeral  
Workspaces

Available now  
[hashi.co/cloud](https://hashi.co/cloud)



PREVIEW

**Terraform**  
Stacks

Available now  
[hashi.co/cloud](https://hashi.co/cloud)



GA

**Terraform**  
Run Task  
Enhancements

Available now  
[hashi.co/cloud](https://hashi.co/cloud)



# Infrastructure Lifecycle Management

Paving the Way for Internal Development Platforms



BETA

HCP Waypoint  
Templates

Available now  
[hashi.co/cloud](https://hashi.co/cloud)



BETA

Nomad  
1.7

Available now  
[hashi.co/cloud](https://hashi.co/cloud)



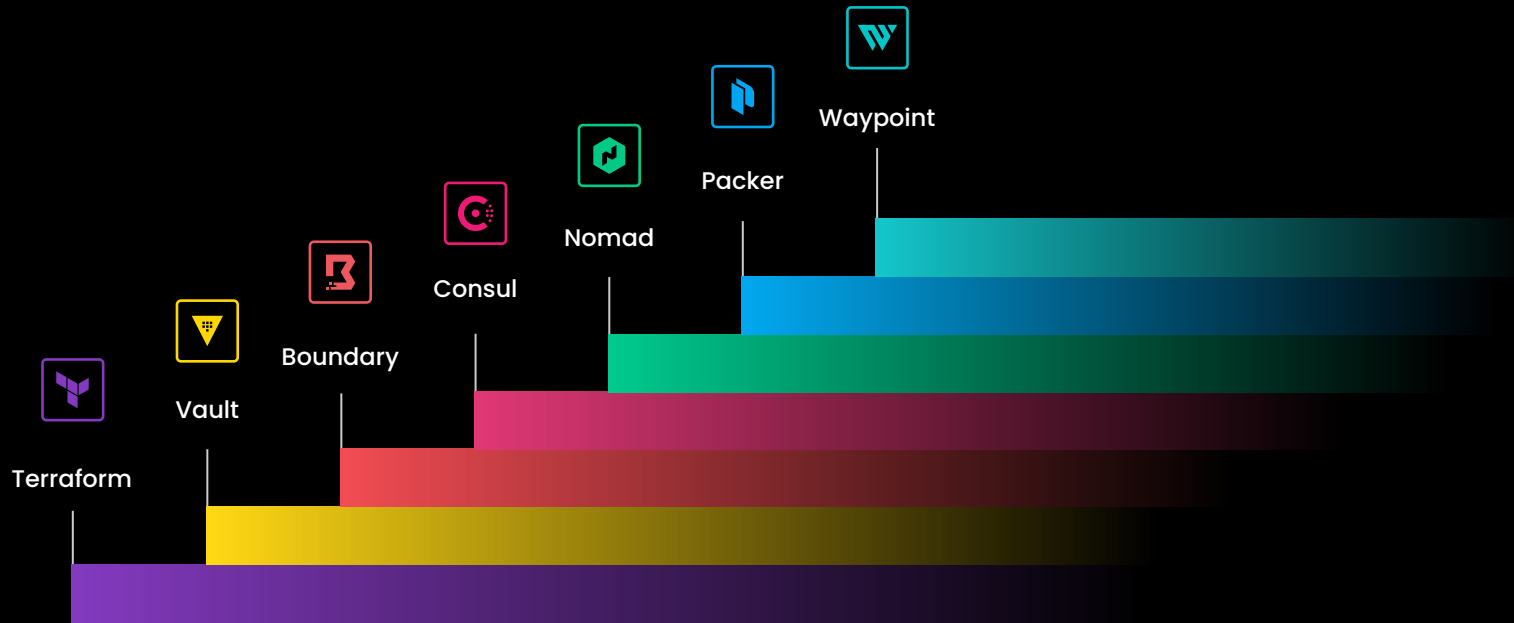
GA

HCP Packer  
Run Tasks

Available now  
[hashi.co/cloud](https://hashi.co/cloud)



# Delivering the Infrastructure Cloud







# Susan St. Ledger

President, Worldwide Field Operations



# Go-to-Market Simplification

**Background  
and Bio**

**Increasing  
Customer Centricity**

**Faster Path  
to Success**

# Background

President of Worldwide Field Operations at HashiCorp. Oversees all aspects of the customer journey and maximizes the value they receive from our product suite — from initial deployment to customer and partner success, renewal, and expansion.

## Before HashiCorp

okta

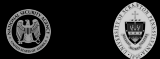
President of Worldwide Field Operations at Okta with ownership of worldwide sales, customer success and support, professional services, partner and channel ecosystems, marketing, brand, and business operations, growing the business from ~\$800M to \$1.8B.

splunk >

President of Worldwide Field Operations at Splunk. Built a multi-product, go-to-market SaaS organization and grew the business from nearly \$700M in revenue to almost \$2.5B, transforming from self-managed to cloud.



Executive leadership positions at Salesforce and Sun Microsystems, and began career as a software engineer at the National Security Agency.

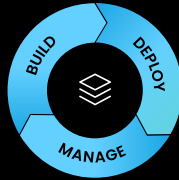


Earned BS in Computer Science from the University of Scranton.

# Simplifying Our Message

## The Infrastructure Cloud

Infrastructure Lifecycle Management



Security Lifecycle Management



## Platform Capabilities

Automation  
& Optimization



Terraform

Visibility  
& Policy



Waypoint



Nomad



Packer

Reliability  
& Scale



Vault

Integrations  
& API



Boundary

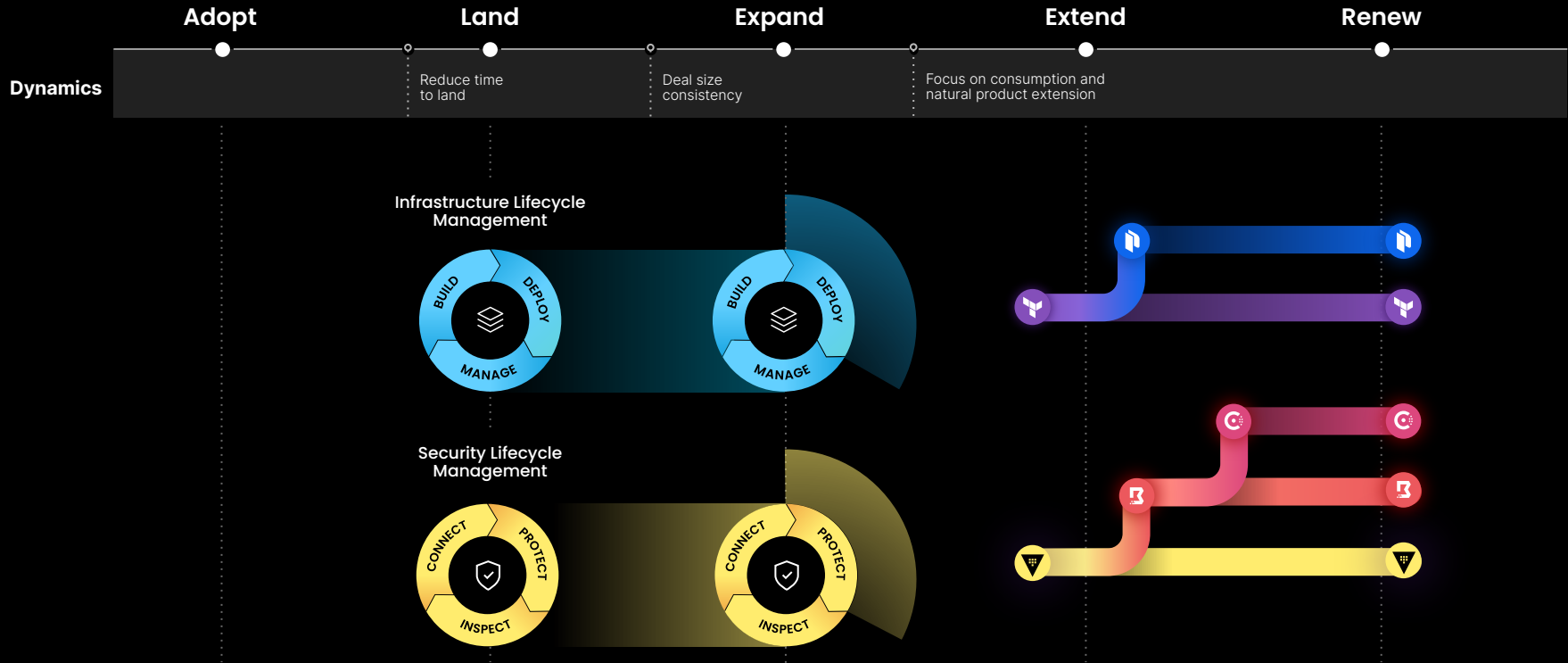
Governance,  
Risk, Compliance



Consul



# Achieving Fastest Path to Success



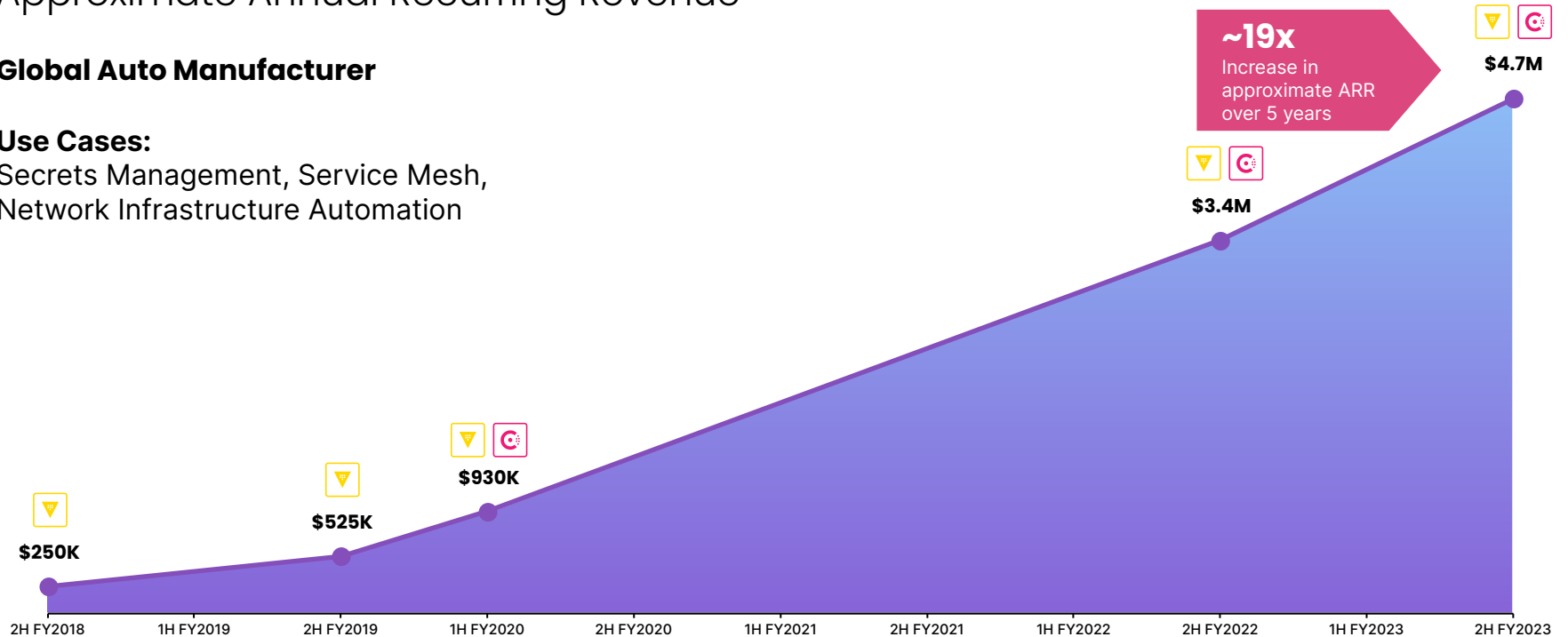
# Security Lifecycle Management Adoption

Approximate Annual Recurring Revenue<sup>1</sup>

## Global Auto Manufacturer

### Use Cases:

Secrets Management, Service Mesh,  
Network Infrastructure Automation



1. Our approximation of annual recurring revenue is calculated by a simple average of annual contract values from the indicated 2H FY and the prior 2HFY.

2. ARR is defined as the annualized value of all recurring subscription contracts with active entitlements as of the end of the applicable period, and in the case of our monthly, or consumption-based customers, the annual value of their last month's spend. For Consumption-based customers, ARR will be the annual value of their last 3 months' spend.



# Steady Growth Among Top 10 Customers

Customer Industry	Starting ARR (M) <sup>1</sup>	2Q FY24 ARR (M)	Length of Customer Relationship (in Qs)	Terraform	Vault	Consul	Boundary
Financial Services	<\$1.0	\$10.0+	19	■	■	■	
Financial Services	<\$1.0	\$10.0+	22	■	■	■	
Financial Services	<\$1.0	\$5.0-10.0	19	■	■	■	
Retail	\$1.0-3.0	\$5.0-10.0	18	■	■		
Financial Services	\$1.0-3.0	\$5.0-10.0	15	■	■		
Retail	<\$1.0	\$5.0-10.0	15		■	■	■
Information Technology	<\$1.0	\$5.0-10.0	20			■	
Financial Services	\$1.0-3.0	\$5.0-10.0	27	■	■	■	
Consulting	\$3.0+	\$5.0-10.0	19	■	■	■	
Information Technology	<\$1.0	\$5.0-10.0	18	■	■	■	■

1. ARR is defined as the annualized value of all recurring subscription contracts with active entitlements as of the end of the applicable period, and in the case of our monthly, or consumption-based customers, the annual value of their last month's spend. For Consumption-based customers, ARR will be the annual value of their last 3 months' spend.





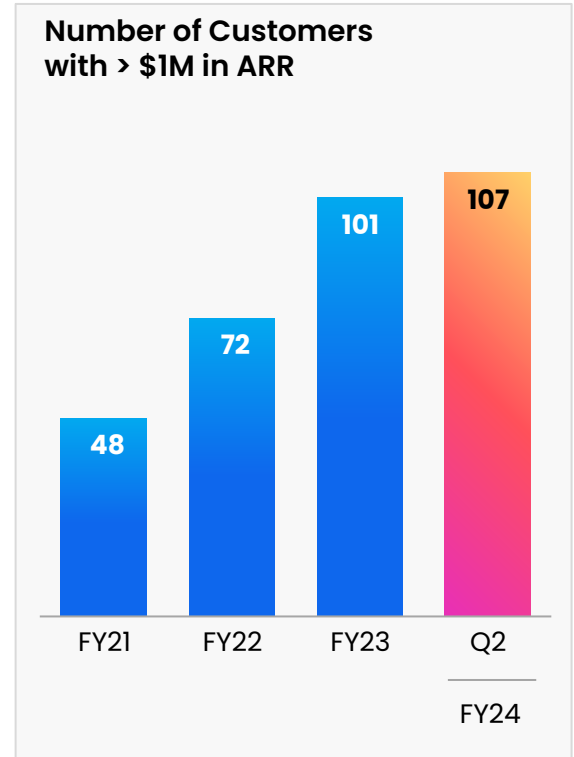
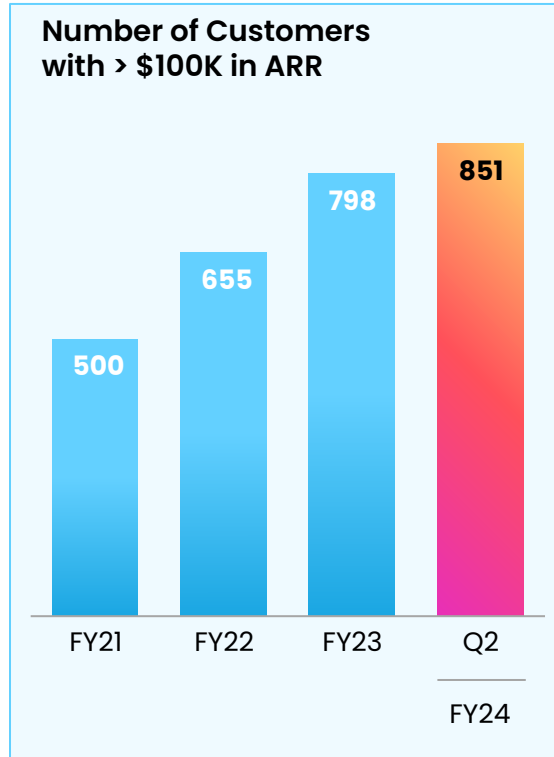
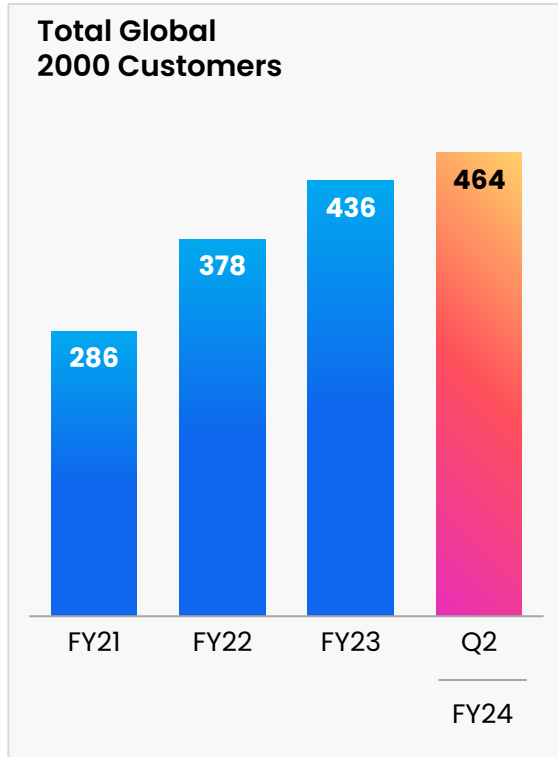
# Navam Welihinda

Chief Financial Officer

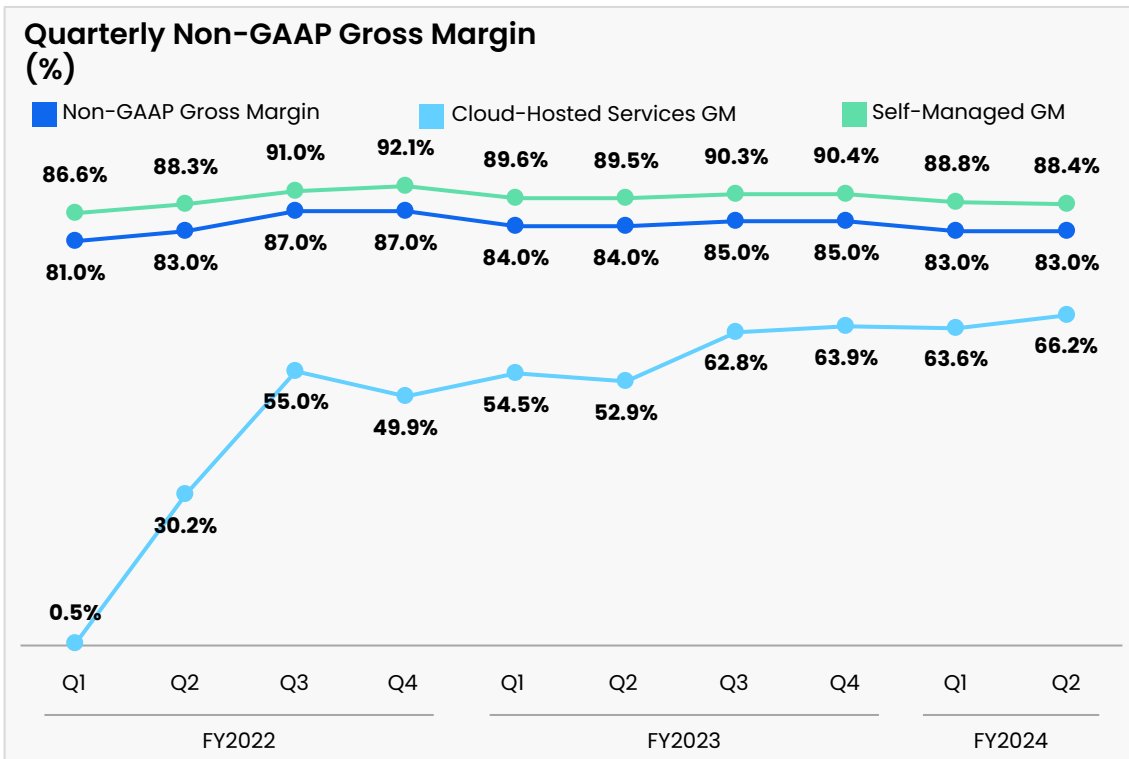
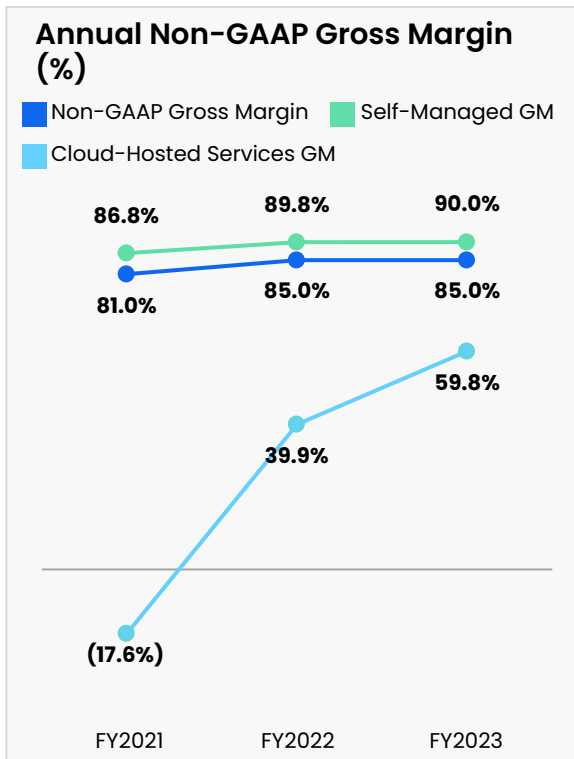




# Focus on Customer Base Expansion



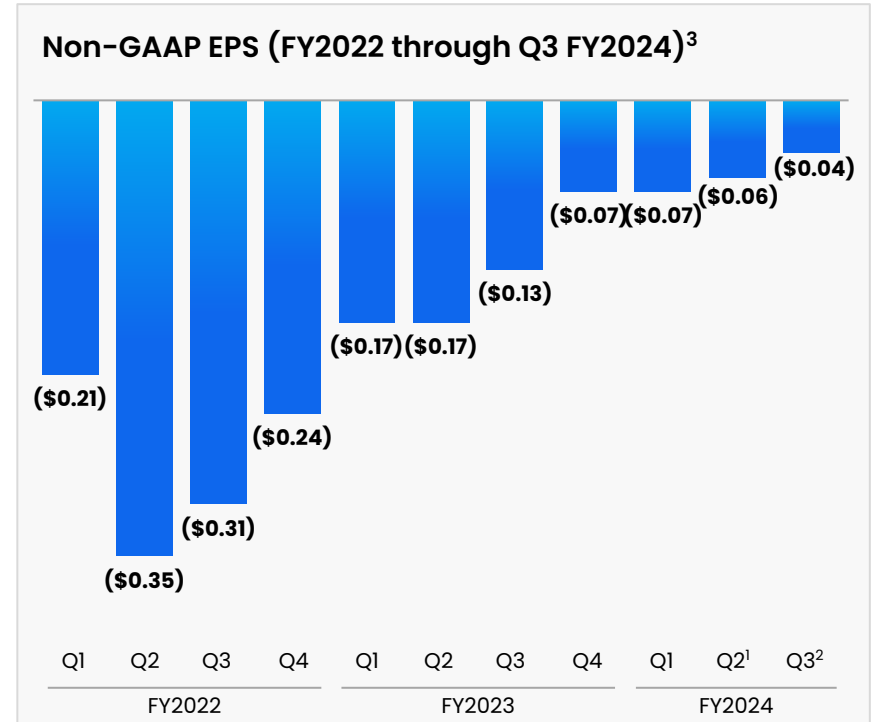
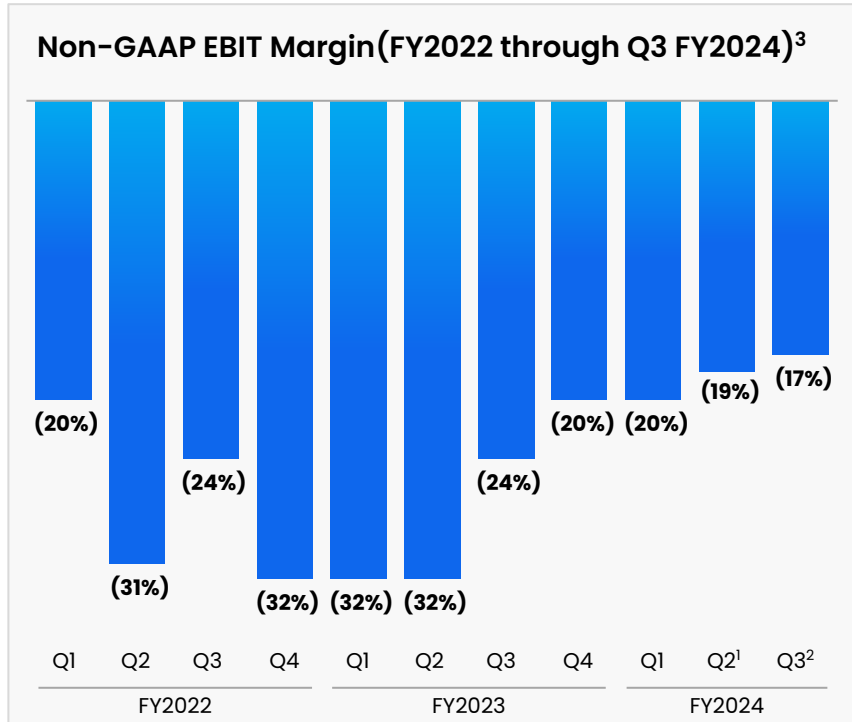
# Focus on Maintaining Strong Gross Margin<sup>1, 2</sup>



1. Non-GAAP Gross Margin is calculated on a Non-GAAP basis. See appendix for a reconciliation of Non-GAAP financial measures.  
 2. Numbers may vary due to rounding



# Focus on Improving Operating Leverage



1. Excludes \$7M in severance costs

2. Q3 FY2024 is midpoint guidance from Q2 FY2024 earnings.

3. See appendix for a reconciliation of Non-GAAP financial measures.



# Long-Term Model Outlook

Metrics	FY2022 Actuals	FY2023 Actuals	FY2024 1H Actuals	FY2025	Long-Term Targets <sup>1</sup>
Revenue	\$321M	\$476M	\$281M		\$2B+
Non-GAAP Gross Margin	85%	85%	83%	Low-Mid 80s <sup>2</sup>	78-80%
Sales & Marketing	64%	63%	58%	High 40s	28-30%
Research & Development	30%	31%	32%	Mid 20s	18-20%
General & Administrative	18%	17%	15%	Low Teens	6-8%
Operating Margin	-28%	-26%	-22%	(4%) - (6%)	20% +
TTM Free Cash Flow Margin	-20%	-20%	-10%	~5%	20% +

Quarterly Non-GAAP OI break even 2H FY25

1. HashiCorp has not reconciled its expectations as to mid-term and long-term non-GAAP gross margin, non-GAAP sales & marketing expense, research & development expense, non-GAAP general & administrative expense, non-GAAP operating margin, and non-GAAP TTM free cash flow margin to the most directly comparable GAAP measures. Due to the limited public trading history and significant volatility in the price of HashiCorp's common stock, certain items, which could be material, cannot be calculated without unreasonable efforts. In particular, the measures and effects of our stock-based compensation expense specific to our equity compensation awards and employer payroll tax-related items on employee stock transactions are directly impacted by the timing of employee stock transactions and unpredictable fluctuations in our stock price, which we expect to have a significant impact on our future GAAP financial results.

2. Higher Cloud mix expected to normalize our Gross Margins in the High 70s.



# Q&A

Dave, Armon, Susan, Navam & Alex





Thank you

[hello@hashicorp.com](mailto:hello@hashicorp.com)

# Appendix



# GAAP to Non-GAAP Reconciliations

(\$'s in Millions)<sup>1</sup>

	FY2021				FY2021	FY2022				FY2022	FY2023				FY2023	FY2024	
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4		Q1	Q2
Total Revenue	\$ 44.3	\$ 50.5	\$ 55.2	\$ 61.8	\$ 211.9	\$ 66.9	\$ 75.1	\$ 82.2	\$ 96.6	\$ 320.8	\$ 100.9	\$ 113.9	\$ 125.3	\$ 135.8	\$ 475.9	\$ 138.0	\$ 143.2
Sales and marketing (S&M) expense on a GAAP basis	\$ 32.9	\$ 43.1	\$ 31.9	\$ 33.2	\$ 141.0	\$ 38.9	\$ 50.0	\$ 53.5	\$ 127.1	\$ 269.5	\$ 80.3	\$ 87.7	\$ 92.9	\$ 95.0	\$ 355.9	\$ 90.6	\$ 101.1
Less: Stock-based compensation expense <sup>1</sup>	\$ 0.6	\$ 9.5	\$ 0.6	\$ 0.6	\$ 11.3	\$ 0.7	\$ 0.5	\$ 0.5	\$ 63.2	\$ 64.9	\$ 14.4	\$ 14.4	\$ 15.4	\$ 14.0	\$ 58.2	\$ (12.0)	\$ (15.4)
Less: Amortization of acquired intangibles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (0.1)
<b>Non-GAAP S&amp;M expense</b>	<b>\$ 32.2</b>	<b>\$ 33.6</b>	<b>\$ 31.3</b>	<b>\$ 32.6</b>	<b>\$ 129.7</b>	<b>\$ 38.2</b>	<b>\$ 49.5</b>	<b>\$ 53.0</b>	<b>\$ 63.9</b>	<b>\$ 204.6</b>	<b>\$ 65.9</b>	<b>\$ 73.3</b>	<b>\$ 77.5</b>	<b>\$ 81.0</b>	<b>\$ 297.7</b>	<b>\$ 78.6</b>	<b>\$ 85.6</b>
Non-GAAP S&M expense as a % of total revenue	73.0%	66.0%	57.0%	53.0%	61.0%	57.0%	66.0%	64.0%	66.0%	64.0%	65.3%	64.4%	61.9%	59.6%	62.5%	57.0%	59.9%
Research and development (R&D) expense on a GAAP basis	\$ 14.5	\$ 19.8	\$ 15.1	\$ 15.9	\$ 65.2	\$ 18.1	\$ 24.9	\$ 25.7	\$ 96.3	\$ 165.0	\$ 47.2	\$ 47.9	\$ 53.9	\$ 46.4	\$ 195.4	\$ 54.2	\$ 60.0
Less: Stock-based compensation expense <sup>1</sup>	\$ 0.4	\$ 4.7	\$ 0.4	\$ 0.4	\$ 6.0	\$ 0.4	\$ 0.4	\$ 0.4	\$ 66.6	\$ 67.9	\$ 14.7	\$ 10.5	\$ 15.0	\$ 6.0	\$ 46.2	\$ (11.8)	\$ (13.0)
<b>Non-GAAP R&amp;D expense</b>	<b>\$ 14.1</b>	<b>\$ 15.1</b>	<b>\$ 14.6</b>	<b>\$ 15.4</b>	<b>\$ 59.3</b>	<b>\$ 17.7</b>	<b>\$ 24.5</b>	<b>\$ 25.3</b>	<b>\$ 29.7</b>	<b>\$ 97.1</b>	<b>\$ 32.4</b>	<b>\$ 37.4</b>	<b>\$ 38.9</b>	<b>\$ 40.4</b>	<b>\$ 149.1</b>	<b>\$ 42.5</b>	<b>\$ 47.1</b>
Non-GAAP R&D expense as a % of total revenue	32.0%	30.0%	26.0%	25.0%	28.0%	26.0%	33.0%	31.0%	31.0%	30.0%	32.2%	32.8%	31.0%	29.8%	31.3%	30.8%	32.9%
General and Administrative (G&A) expense on a GAAP basis	\$ 7.3	\$ 25.5	\$ 7.3	\$ 8.5	\$ 48.5	\$ 12.6	\$ 12.4	\$ 13.5	\$ 73.6	\$ 112.1	\$ 32.5	\$ 35.4	\$ 33.4	\$ 33.7	\$ 135.0	\$ 34.3	\$ 35.5
Less: Stock-based compensation expense <sup>1</sup>	\$ 0.7	\$ 18.7	\$ 0.6	\$ 0.5	\$ 20.6	\$ 0.5	\$ 0.5	\$ 0.4	\$ 52.5	\$ 53.8	\$ 13.8	\$ 13.9	\$ 12.7	\$ 12.5	\$ 52.9	\$ (13.0)	\$ (13.7)
Less: Acquisition-related expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (0.5)
<b>Non-GAAP G&amp;A expense</b>	<b>\$ 6.6</b>	<b>\$ 6.8</b>	<b>\$ 6.7</b>	<b>\$ 7.9</b>	<b>\$ 27.9</b>	<b>\$ 12.2</b>	<b>\$ 11.9</b>	<b>\$ 13.1</b>	<b>\$ 21.1</b>	<b>\$ 58.3</b>	<b>\$ 18.7</b>	<b>\$ 21.5</b>	<b>\$ 20.7</b>	<b>\$ 21.2</b>	<b>\$ 82.1</b>	<b>\$ 21.3</b>	<b>\$ 21.3</b>
Non-GAAP G&A expense as a % of total revenue	15.0%	13.0%	12.0%	13.0%	13.0%	18.0%	16.0%	16.0%	22.0%	18.0%	18.6%	18.8%	16.5%	15.6%	17.3%	15.4%	14.8%

1. In connection with tender offers and secondary sales of our common stock, stock-based compensation expense for fiscal 2020 and fiscal 2021, included \$1.5 million and \$32.1 million of expense, respectively, related to the amount paid in excess of the estimated fair value of common stock as of the date of the transactions.





# GAAP to Non-GAAP Reconciliations

(\$'s in Millions)<sup>1</sup>

	FY2021				FY2021	FY2022				FY2022	FY2023				FY2023	FY2024	
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4		Q1	Q2
Total net loss per share on a GAAP basis	\$ (0.31)	\$ (0.78)	\$ (0.14)	\$ (0.11)	\$ (1.32)	\$ (0.24)	\$ (0.37)	\$ (0.33)	\$ (1.70)	\$ (3.48)	\$ (0.4)	\$ (0.4)	\$ (0.38)	\$ (0.26)	\$ (1.47)	\$ (0.28)	\$ (0.34)
Add: Amortization of stock-based compensation capitalized in software development costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.01	\$ -	\$ -
Add: Stock-based compensation expense <sup>1</sup>	\$ 0.03	\$ 0.54	\$ 0.03	\$ 0.03	\$ 0.62	\$ 0.03	\$ 0.02	\$ 0.02	\$ 1.47	\$ 2.41	\$ 0.25	\$ 0.23	\$ 0.25	\$ 0.19	\$ 0.92	\$ (0.42)	\$ 0.24
Add: Adjustment to total fully diluted earnings per share <sup>2</sup>	\$ -	\$ 0.01	\$ (0.01)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (0.01)	\$ -	\$ 0.01	\$ -	\$ -	\$ -	\$ (0.01)	\$ -	\$ -
Add: Amortization of acquired intangibles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Add: Acquisition-related expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Non-GAAP net loss per share</b>	<b>\$ (0.28)</b>	<b>\$ (0.23)</b>	<b>\$ (0.12)</b>	<b>\$ (0.08)</b>	<b>\$ (0.70)</b>	<b>\$ (0.21)</b>	<b>\$ (0.35)</b>	<b>\$ (0.31)</b>	<b>\$ (0.24)</b>	<b>\$ (1.07)</b>	<b>\$ (0.17)</b>	<b>\$ (0.17)</b>	<b>\$ (0.13)</b>	<b>\$ (0.07)</b>	<b>\$ (0.55)</b>	<b>\$ (0.70)</b>	<b>\$ (0.10)</b>
Weighted average shares, basic and diluted	61.1	62.2	64.9	65.2	63.4	65.7	66.5	66.8	133.6	83.3	182.9	185.2	187.1	188.8	186.0	190.8	192.6

	FY2021				FY2021	FY2022				FY2022	FY2023				FY2023	FY2024	
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4		Q1	Q2
Total net loss on a GAAP basis	\$ (18.9)	\$ (48.5)	\$ (9.3)	\$ (6.9)	\$ (83.6)	\$ (15.6)	\$ (24.9)	\$ (22.0)	\$ (227.7)	\$ (290.2)	\$ (78.2)	\$ (74.8)	\$ (72.0)	\$ (49.4)	\$ (274.4)	\$ (53.3)	\$ (66.3)
Add: Amortization of stock-based compensation capitalized in software development costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.4	\$ 0.40	\$ 0.2	\$ 0.2	\$ 0.3	\$ 0.3	\$ 1.0	\$ 0.4	\$ 0.4
Add: Stock-based compensation expense <sup>1</sup>	\$ 1.9	\$ 33.9	\$ 1.7	\$ 1.7	\$ 39.2	\$ 1.7	\$ 1.5	\$ 1.5	\$ 195.7	\$ 200.40	\$ 46.2	\$ 42.4	\$ 46.7	\$ 35.7	\$ 171.0	\$ 40.2	\$ 46.2
Add: Amortization of acquired intangibles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.5
Add: Acquisition-related expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.5
<b>Non-GAAP net loss</b>	<b>\$ (17.0)</b>	<b>\$ (14.6)</b>	<b>\$ (7.6)</b>	<b>\$ (5.2)</b>	<b>\$ (44.4)</b>	<b>\$ (13.9)</b>	<b>\$ (23.4)</b>	<b>\$ (20.5)</b>	<b>\$ (31.6)</b>	<b>\$ (89.4)</b>	<b>\$ (31.8)</b>	<b>\$ (32.2)</b>	<b>\$ (25.0)</b>	<b>\$ (13.4)</b>	<b>\$ (102.4)</b>	<b>\$ (12.7)</b>	<b>\$ (18.8)</b>

1. In connection with tender offers and secondary sales of our common stock, stock-based compensation expense for fiscal 2020 and fiscal 2021, included \$1.5 million and \$32.1 million of expense, respectively, related to the amount paid in excess of the estimated fair value of common stock as of the date of the transactions.

2. The sum of the fully diluted earnings per share impact of individual reconciling items may not total to fully diluted Non-GAAP net loss per share due to the weighted-average shares used in computing the GAAP net loss per share differs from the weighted-average shares used in computing the Non-GAAP net loss per share and due to rounding of the individual reconciling items. The GAAP net loss per share calculation uses a lower share count as it excludes potentially dilutive shares, which are included in calculating the non-GAAP loss per share.



# GAAP to Non-GAAP Reconciliations

(\$'s in Millions)<sup>1</sup>

	FY2021				FY2021	FY2022				FY2022	FY2023				FY2023	FY2024	
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4		Q1	Q2
Total Revenue	\$ 44.3	\$ 50.5	\$ 55.2	\$ 61.8	\$ 211.9	\$ 66.9	\$ 75.1	\$ 82.2	\$ 96.6	\$ 320.8	\$ 100.9	\$ 113.9	\$ 125.3	\$ 135.8	\$ 475.9	\$ 138.0	\$ 143.2
Total gross profit on a GAAP basis	\$ 35.6	\$ 39.9	\$ 44.9	\$ 50.4	\$ 170.8	\$ 54.2	\$ 62.2	\$ 71.1	\$ 69.8	\$ 257.3	\$ 81.5	\$ 92.3	\$ 102.8	\$ 112.3	\$ 388.9	\$ 111.2	\$ 113.9
Add: Amortization of stock-based compensation of capitalized internal-use software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.4	\$ 0.4	\$ 0.2	\$ 0.2	\$ 0.3	\$ 0.3	\$ 1.0	\$ 0.4	\$ 0.4
Add: Stock-based compensation expense in cost of revenue <sup>1</sup>	\$ 0.1	\$ 1.0	\$ 0.1	\$ 0.1	\$ 1.4	\$ 0.1	\$ 0.1	\$ 0.2	\$ 13.5	\$ 13.9	\$ 3.3	\$ 3.6	\$ 3.7	\$ 3.2	\$ 13.8	\$ 3.4	\$ 4.1
Add: Amortization of acquired intangibles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.4
<b>Non-GAAP gross profit</b>	<b>\$ 35.8</b>	<b>\$ 40.9</b>	<b>\$ 45.0</b>	<b>\$ 50.5</b>	<b>\$ 172.2</b>	<b>\$ 54.4</b>	<b>\$ 62.3</b>	<b>\$ 71.3</b>	<b>\$ 83.7</b>	<b>\$ 271.6</b>	<b>\$ 85.0</b>	<b>\$ 96.1</b>	<b>\$ 106.7</b>	<b>\$ 115.9</b>	<b>\$ 403.7</b>	<b>\$ 115.0</b>	<b>\$ 118.8</b>
Non-GAAP gross margin	81.0%	81.0%	81.0%	82.0%	81.0%	81.0%	83.0%	87.0%	87.0%	85.0%	84.2%	84.4%	85.2%	85.3%	84.8%	83.3%	83.0%
	FY2021				FY2021	FY2022				FY2022	FY2023				FY2023	FY2024	
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4		Q1	Q2
Operating Loss	\$ (19.1)	\$ (48.4)	\$ (9.3)	\$ (7.1)	\$ (84.0)	\$ (15.4)	\$ (25.1)	\$ (21.5)	\$ (227.2)	\$ (289.2)	\$ (78.4)	\$ (78.6)	\$ (77.3)	\$ (62.9)	\$ (297.2)	\$ (67.8)	\$ (82.6)
Add: Amortization of stock-based compensation of capitalized internal-use software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.4	\$ 0.4	\$ 0.2	\$ 0.2	\$ 0.3	\$ 0.3	\$ 1.0	\$ 0.4	\$ 0.4
Add: Stock-based compensation expense <sup>1</sup>	\$ 1.9	\$ 33.9	\$ 1.7	\$ 1.7	\$ 39.2	\$ 1.7	\$ 1.5	\$ 1.5	\$ 195.7	\$ 200.4	\$ 46.3	\$ 42.4	\$ 46.7	\$ 35.8	\$ 171.2	\$ 40.2	\$ 46.1
Add: Amortization of acquired intangibles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.5
Add: Acquisition-related expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.5
<b>Non-GAAP operating loss</b>	<b>\$ (17.2)</b>	<b>\$ (14.5)</b>	<b>\$ (7.6)</b>	<b>\$ (5.5)</b>	<b>\$ (44.8)</b>	<b>\$ (13.7)</b>	<b>\$ (23.6)</b>	<b>\$ (20.0)</b>	<b>\$ (31.1)</b>	<b>\$ (88.4)</b>	<b>\$ (32.0)</b>	<b>\$ (36.0)</b>	<b>\$ (30.4)</b>	<b>\$ (26.8)</b>	<b>\$ (125.1)</b>	<b>\$ (27.2)</b>	<b>\$ (35.1)</b>
Non-GAAP operating margin	-39.0%	-29.0%	-14.0%	-9.0%	-21.0%	-20.0%	-31.0%	-24.0%	-32.0%	-28.0%	-31.7%	-31.6%	-24.2%	-19.7%	-26.3%	-19.7%	-24.5%

1. In connection with tender offers and secondary sales of our common stock, stock-based compensation expense for fiscal 2020 and fiscal 2021, included \$1.5 million and \$32.1 million of expense, respectively, related to the amount paid in excess of the estimated fair value of common stock as of the date of the transactions.



# GAAP to Non-GAAP Reconciliations

(\$'s in Millions)<sup>1</sup>

	FY2021				FY2021	FY2022				FY2022	FY2023				FY2023	FY2024	
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4		Q1	Q2
GAAP gross profit of license revenue	\$ 6.7	\$ 8.3	\$ 9.2	\$ 11.5	\$ 35.7	\$ 10.1	\$ 11.8	\$ 9.9	\$ 15.6	\$ 47.3	\$ 10.0	\$ 15.0	\$ 17.4	\$ 20.2	\$ 62.5	\$ 14.6	\$ 16.2
Add: Amortization of stock-based compensation of capitalized internal-use software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Add: Stock-based compensation expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Non-GAAP gross profit of license revenue</b>	<b>\$ 6.7</b>	<b>\$ 8.3</b>	<b>\$ 9.2</b>	<b>\$ 11.5</b>	<b>\$ 35.7</b>	<b>\$ 10.1</b>	<b>\$ 11.8</b>	<b>\$ 9.9</b>	<b>\$ 15.6</b>	<b>\$ 47.3</b>	<b>\$ 10.0</b>	<b>\$ 15.0</b>	<b>\$ 17.4</b>	<b>\$ 20.2</b>	<b>\$ 62.5</b>	<b>\$ 14.6</b>	<b>\$ 16.2</b>
Non-GAAP gross margin of license revenue	98.5%	98.3%	98.3%	98.8%	98.5%	99.2%	99.6%	99.6%	99.7%	99.5%	96.2%	97.7%	97.8%	97.1%	97.3%	96.1%	97.0%
GAAP gross profit of support revenue	\$ 29.5	\$ 32.7	\$ 36.3	\$ 39.9	\$ 138.4	\$ 44.3	\$ 49.9	\$ 58.0	\$ 57.3	\$ 209.5	\$ 68.4	\$ 72.0	\$ 77.4	\$ 84.0	\$ 301.7	\$ 87.1	\$ 87.7
Add: Amortization of stock-based compensation of capitalized internal-use software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Add: Stock-based compensation expense	\$ 0.1	\$ 0.8	\$ 0.1	\$ 0.1	\$ 1.1	\$ 0.1	\$ 0.1	\$ 0.2	\$ 7.7	\$ 8.1	\$ 2.0	\$ 2.2	\$ 2.2	\$ 2.2	\$ 8.5	\$ 2.3	\$ 2.8
<b>Non-GAAP gross profit of support revenue</b>	<b>\$ 29.6</b>	<b>\$ 33.4</b>	<b>\$ 36.4</b>	<b>\$ 40.0</b>	<b>\$ 139.5</b>	<b>\$ 44.4</b>	<b>\$ 50.0</b>	<b>\$ 58.2</b>	<b>\$ 65.0</b>	<b>\$ 217.6</b>	<b>\$ 70.3</b>	<b>\$ 74.2</b>	<b>\$ 79.5</b>	<b>\$ 86.2</b>	<b>\$ 310.2</b>	<b>\$ 89.4</b>	<b>\$ 90.5</b>
Non-GAAP gross margin of support revenue	83.2%	83.5%	85.0%	84.9%	84.2%	84.2%	86.0%	89.7%	90.5%	87.9%	88.8%	88.1%	88.8%	89.0%	88.7%	87.7%	87.0%
GAAP gross profit of Cloud-hosted services revenue	\$ 0.1	\$ 0.0	\$ (0.7)	\$ (0.2)	\$ (0.7)	\$ 0.0	\$ 1.1	\$ 2.8	\$ 0.6	\$ 4.6	\$ 4.0	\$ 4.9	\$ 7.0	\$ 8.3	\$ 24.3	\$ 9.5	\$ 10.8
Add: Amortization of stock-based compensation of capitalized internal-use software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.4	\$ 0.4	\$ 0.2	\$ 0.2	\$ 0.3	\$ 0.3	\$ 1.0	\$ 0.4	\$ 0.4
Add: Stock-based compensation expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.0	\$ 0.0	\$ 0.0	\$ 2.5	\$ 2.5	\$ 0.6	\$ 0.7	\$ 0.8	\$ 0.6	\$ 2.8	\$ 0.6	\$ 0.6
Add: Amortization of acquired intangibles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.4
<b>Non-GAAP gross profit of Cloud-hosted services revenue</b>	<b>\$ 0.1</b>	<b>\$ 0.0</b>	<b>\$ (0.7)</b>	<b>\$ (0.2)</b>	<b>\$ (0.7)</b>	<b>\$ 0.0</b>	<b>\$ 1.1</b>	<b>\$ 2.8</b>	<b>\$ 3.5</b>	<b>\$ 7.4</b>	<b>\$ 4.8</b>	<b>\$ 5.8</b>	<b>\$ 8.1</b>	<b>\$ 9.3</b>	<b>\$ 28.0</b>	<b>\$ 10.5</b>	<b>\$ 12.2</b>
Non-GAAP gross margin of Cloud-hosted services revenue	22.0%	5.2%	-71.9%	-9.5%	-17.6%	0.5%	30.2%	52.9%	49.9%	39.9%	54.5%	55.0%	62.8%	63.9%	59.8%	63.6%	66.3%

1. In connection with tender offers and secondary sales of our common stock, stock-based compensation expense for fiscal 2020 and fiscal 2021, included \$1.5 million and \$32.1 million of expense, respectively, related to the amount paid in excess of the estimated fair value of common stock as of the date of the transactions.



# GAAP to Non-GAAP Reconciliations

(\$'s in Millions)<sup>1</sup>

	FY2021				FY2021	FY2022				FY2022	FY2023				FY2023	FY2024	
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4		Q1	Q2
GAAP gross profit of Total subscription revenue	\$ 36.3	\$ 40.9	\$ 44.8	\$ 51.3	\$ 173.4	\$ 54.4	\$ 62.8	\$ 70.7	\$ 73.5	\$ 261.4	\$ 82.3	\$ 91.9	\$ 101.8	\$ 112.5	\$ 388.5	\$ 111.2	\$ 114.7
Add: Amortization of stock-based compensation of capitalized internal-use software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.4	\$ 0.4	\$ 0.2	\$ 0.2	\$ 0.3	\$ 0.3	\$ 1.0	\$ 0.4	\$ 0.4
Add: Stock-based compensation expense	\$ 0.1	\$ 0.8	\$ 0.1	\$ 0.1	\$ 1.1	\$ 0.1	\$ 0.1	\$ 0.2	\$ 10.2	\$ 10.6	\$ 2.6	\$ 2.9	\$ 2.9	\$ 2.8	\$ 11.2	\$ 2.9	\$ 3.4
Add: Amortization of acquired intangibles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.4
<b>Non-GAAP gross profit of Total subscription revenue</b>	<b>\$ 36.5</b>	<b>\$ 41.7</b>	<b>\$ 44.9</b>	<b>\$ 51.4</b>	<b>\$ 174.4</b>	<b>\$ 54.5</b>	<b>\$ 62.9</b>	<b>\$ 70.9</b>	<b>\$ 84.0</b>	<b>\$ 272.3</b>	<b>\$ 85.1</b>	<b>\$ 95.0</b>	<b>\$ 105.0</b>	<b>\$ 115.6</b>	<b>\$ 400.8</b>	<b>\$ 114.5</b>	<b>\$ 118.9</b>
Non-GAAP gross margin of Total subscription revenue	84.7%	84.9%	84.4%	84.9%	84.7%	83.2%	85.3%	88.5%	89.0%	86.8%	86.5%	86.2%	87.4%	87.5%	86.9%	85.7%	85.5%
GAAP gross profit of Professional services and other	\$ (0.7)	\$ (1.0)	\$ 0.1	\$ (0.9)	\$ (2.6)	\$ (0.1)	\$ (0.6)	\$ 0.4	\$ (3.7)	\$ (4.0)	\$ (0.8)	\$ 0.4	\$ 1.0	\$ (0.2)	\$ 0.4	\$ -	\$ (0.8)
Add: Amortization of stock-based compensation of capitalized internal-use software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Add: Stock-based compensation expense	\$ 0.0	\$ 0.2	\$ 0.0	\$ 0.0	\$ 0.3	\$ 0.0	\$ 0.0	\$ 0.0	\$ 3.3	\$ 3.4	\$ 0.7	\$ 0.7	\$ 0.7	\$ 0.5	\$ 2.6	\$ 0.5	\$ 0.7
<b>Non-GAAP gross profit of Professional services and other</b>	<b>\$ (0.7)</b>	<b>\$ (0.8)</b>	<b>\$ 0.1</b>	<b>\$ (0.9)</b>	<b>\$ (2.3)</b>	<b>\$ (0.1)</b>	<b>\$ (0.6)</b>	<b>\$ 0.4</b>	<b>\$ (0.3)</b>	<b>\$ (0.7)</b>	<b>\$ (0.1)</b>	<b>\$ 1.1</b>	<b>\$ 1.7</b>	<b>\$ 0.2</b>	<b>\$ 2.9</b>	<b>\$ 0.5</b>	<b>\$ (0.1)</b>
Non-GAAP gross margin of Professional services and other	-54.5%	-56.3%	3.9%	-66.7%	-37.9%	-8.6%	-42.9%	19.2%	-15.2%	-9.2%	-3.5%	29.6%	33.2%	6.8%	19.7%	11.4%	-2.4%

1. In connection with tender offers and secondary sales of our common stock, stock-based compensation expense for fiscal 2020 and fiscal 2021, included \$1.5 million and \$32.1 million of expense, respectively, related to the amount paid in excess of the estimated fair value of common stock as of the date of the transactions.



# GAAP to Non-GAAP Reconciliations

(\$'s in Millions)<sup>1</sup>

	FY2021				FY2021	FY2022				FY2022	FY2023				FY2023	FY2024	
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4		Q1	Q2
Total TTM GAAP net cash from operating activities	\$ (45.1)	\$ (39.6)	\$ (48.7)	\$ (39.6)	\$ (39.6)	\$ (20.5)	\$ (40.7)	\$ (55.8)	\$ (56.2)	\$ (56.2)	\$ (72.3)	\$ (100.9)	\$ (93.0)	\$ (84.5)	\$ (84.5)	\$ (66.9)	\$ (43.4)
Add: Purchases of property and equipment	\$ (4.0)	\$ (4.6)	\$ (5.1)	\$ (4.3)	\$ (4.3)	\$ (1.3)	\$ (0.7)	\$ (0.2)	\$ (0.2)	\$ (0.2)	\$ (0.2)	\$ (0.2)	\$ (0.3)	\$ (0.3)	\$ (0.3)	\$ (0.4)	\$ (0.6)
Add: Capitalized internal-use software	\$ (0.4)	\$ (1.0)	\$ (1.9)	\$ (2.9)	\$ (2.9)	\$ (3.9)	\$ (4.7)	\$ (5.7)	\$ (6.4)	\$ (6.4)	\$ (6.6)	\$ (7.1)	\$ (7.9)	\$ (8.7)	\$ (8.7)	\$ (2.7)	\$ (10.9)
<b>Non-GAAP TTM Free Cash Flow</b>	<b>\$ (49.5)</b>	<b>\$ (45.2)</b>	<b>\$ (55.6)</b>	<b>\$ (46.8)</b>	<b>\$ (46.8)</b>	<b>\$ (25.7)</b>	<b>\$ (46.2)</b>	<b>\$ (61.6)</b>	<b>\$ (62.8)</b>	<b>\$ (62.8)</b>	<b>\$ (79.1)</b>	<b>\$ (108.2)</b>	<b>\$ (101.2)</b>	<b>\$ (93.5)</b>	<b>\$ (93.5)</b>	<b>\$ (70.0)</b>	<b>\$ (54.9)</b>
Non-GAAP TTM Free Cash Flow Margin	-35.0%	-27.0%	-29.0%	-22.0%	-22.0%	-11.0%	-18.0%	-22.0%	-20.0%	-20.0%	-22.3%	-27.5%	-23.2%	-19.6%	-19.6%	-13.6%	-10.1%

