

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 first quarter and full year 2025, 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.

Q4 2024 Highlights.

Profitability

- Q4 2024 adjusted EBITDA was positive \$21.2 million.

Revenue

- Cloud subscription revenue was \$98.9 million in Q4 2024, representing growth of 19% over Q4 2023.
- Subscriptions revenue was \$136.8 million in Q4 2024, representing growth of 18% over Q4 2023.
- Total revenue was \$166.7 million in Q4 2024, representing growth of 15% over Q4 2023.

Retention

- Cloud subscription revenue retention rate was 116% as of December 31, 2024.

Non-GAAP Gross Margins*

- Subscriptions gross margin was 90%.
- Professional services gross margin was 31%.
- Overall gross margin was 80%.

Full Year 2024 Highlights.

Profitability

- 2024 adjusted EBITDA was positive \$20.3 million.

Revenue

- Cloud subscription revenue was \$368.0 million in 2024, representing growth of 21% over 2023.
- Subscriptions revenue was \$490.6 million in 2024, representing growth of 19% over 2023.
- Total revenue was \$617.0 million in 2024, representing growth of 13% over 2023.

Retention

- Cloud subscription revenue retention rate was 116% as of December 31, 2024.

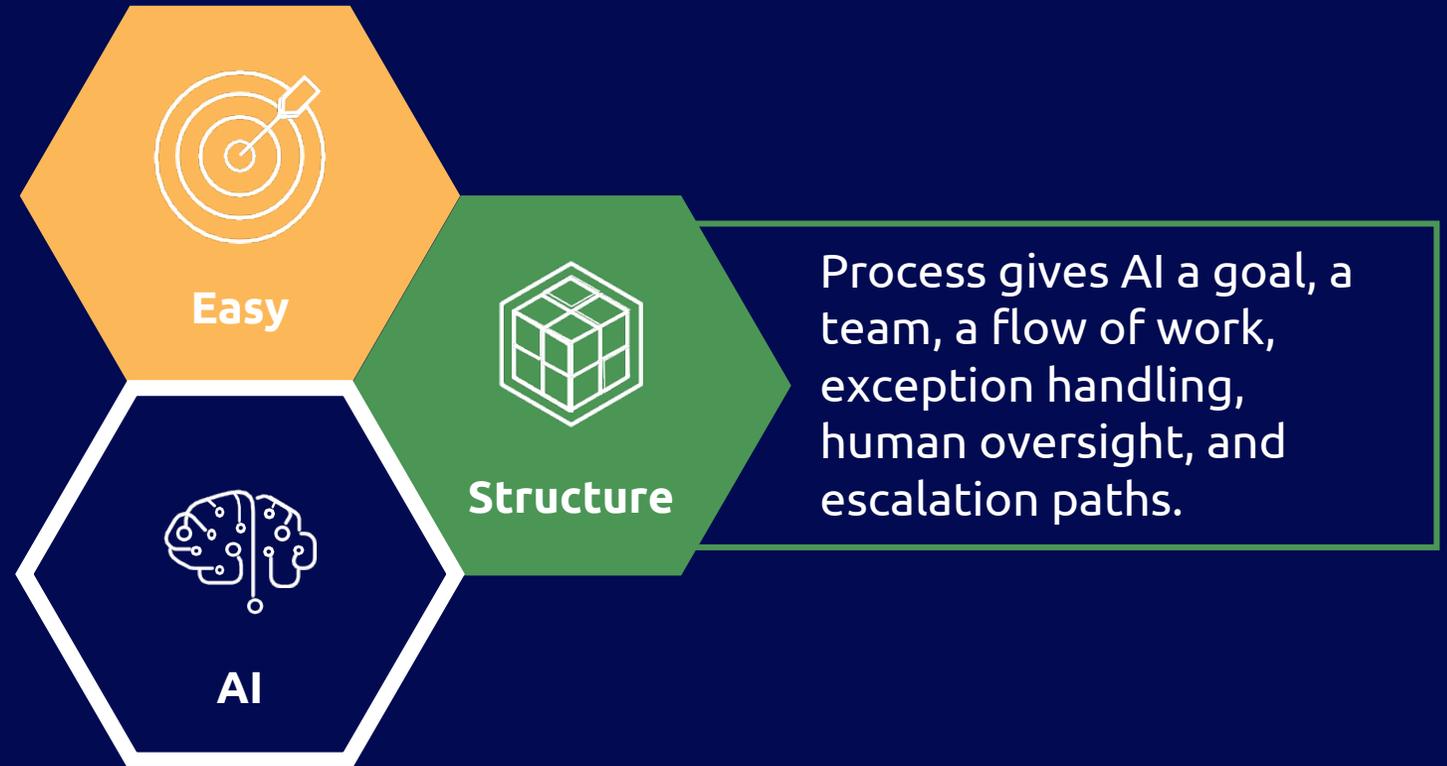
Non-GAAP Gross Margins*

- Subscriptions gross margin was 89%.
- Professional services gross margin was 29%.
- Overall gross margin was 77%.

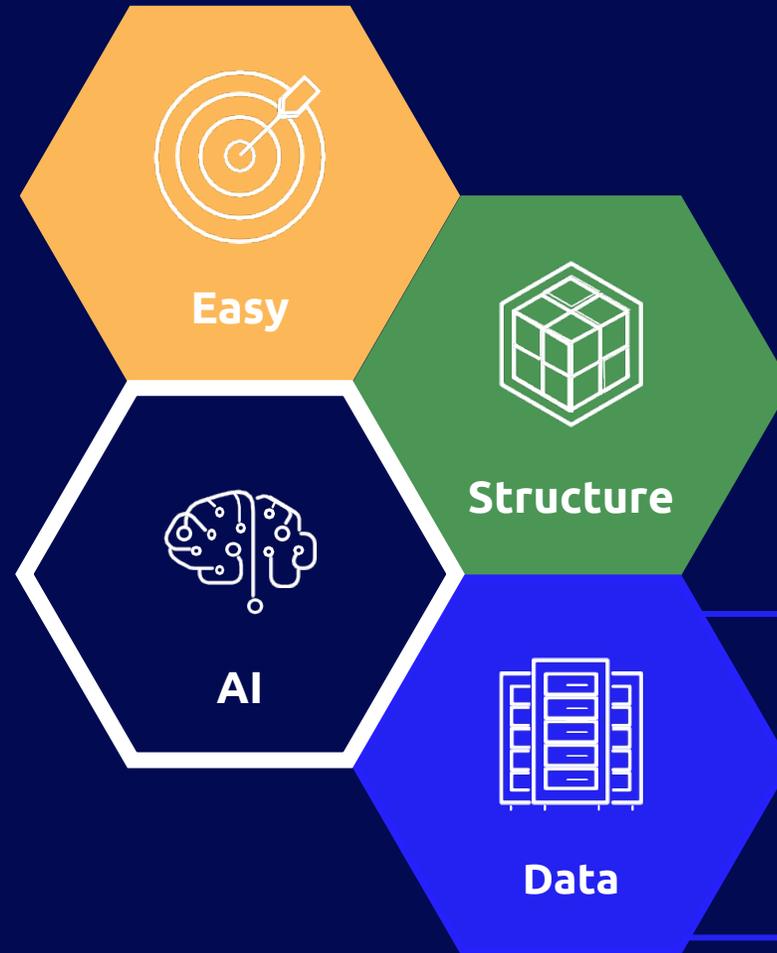
AI works best inside a Process



AI works best inside a Process

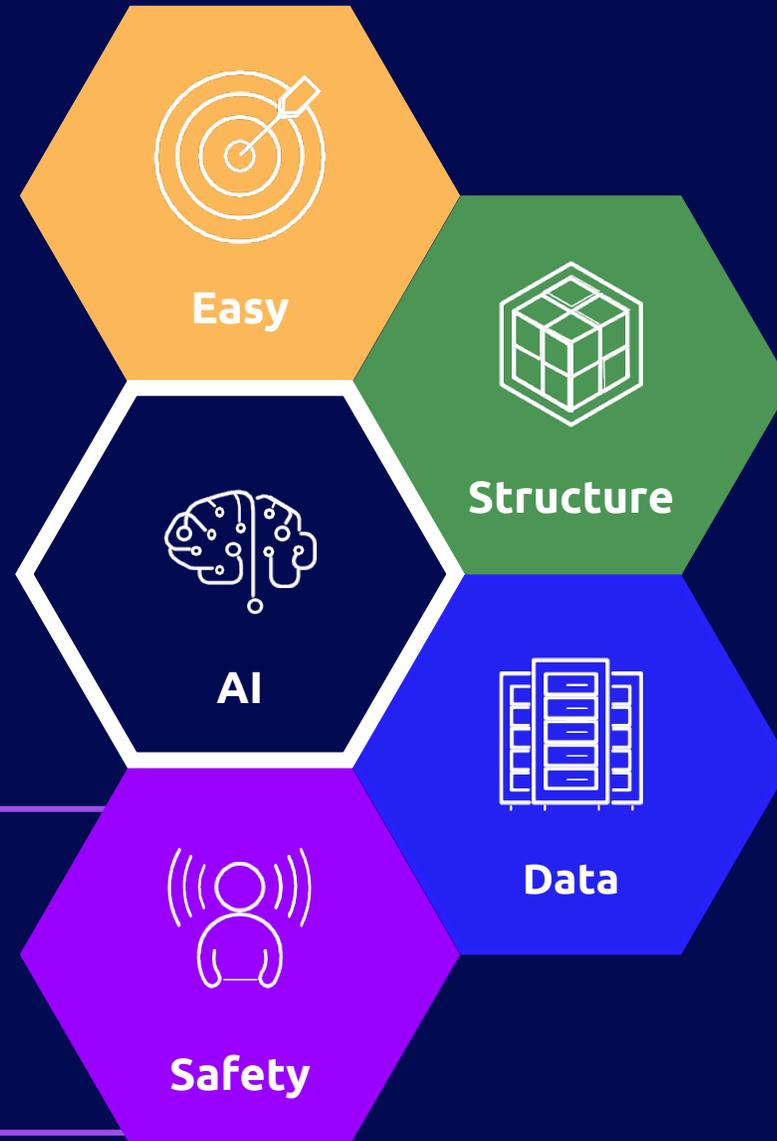


AI works best inside a Process



Process provides access to the whole of enterprise data and regulates data access for privacy.

AI works best inside a Process



Process puts guardrails on AI agents. AI becomes powerful and safe.

AI works best inside a Process



Process tracks every action AI makes, enabling measurement of ROI of AI investments.

AI works best inside a Process

Process provides the tools and infrastructure required to scale AI usage.



AI works best inside a Process



Cloud Gross Renewal Rate.

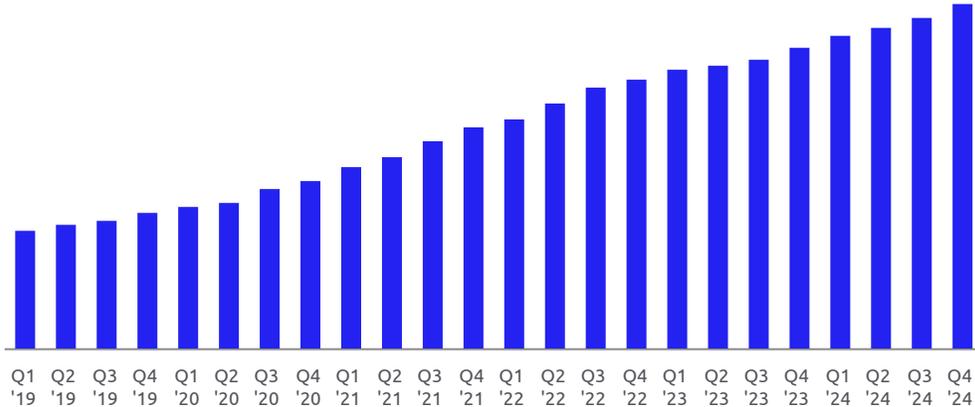
	Q1	Q2	Q3	Q4
2022	99%	99%	99%	99%
2023	98%	98%	97%	98%
2024	99%	99%	99%	99%

Annualized Recurring Revenue ("ARR").

Total ARR



\$250K+ ARR Customers



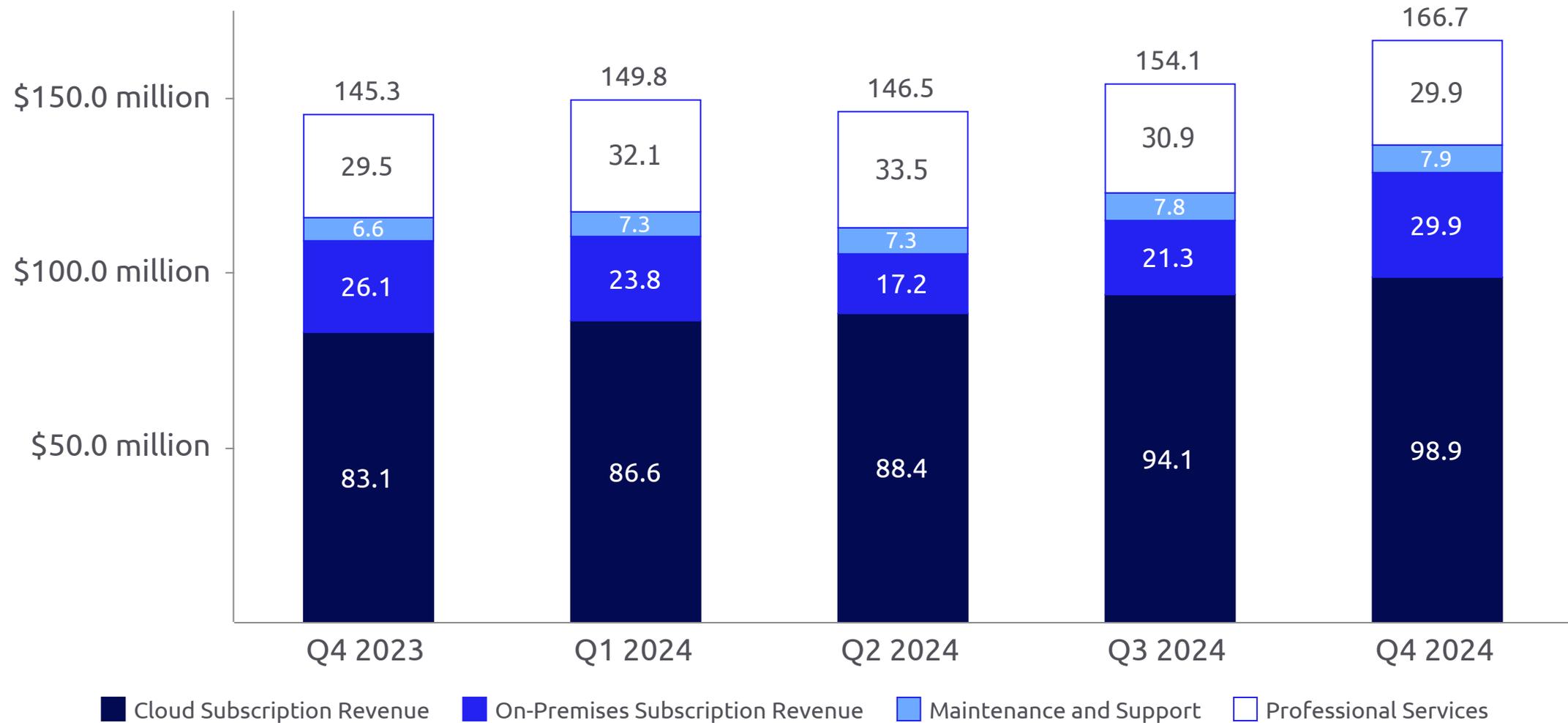
\$500K+ ARR Customers



\$1M+ ARR Customers

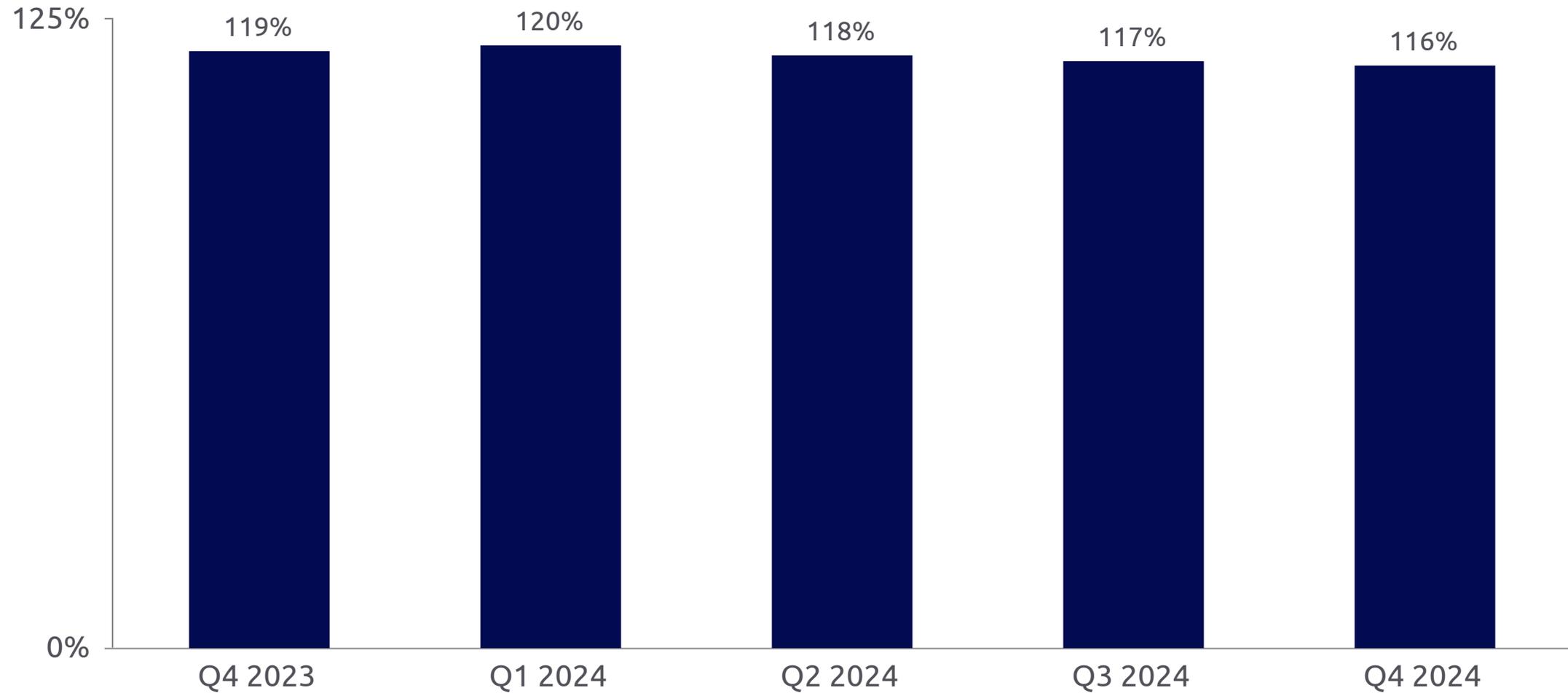


Total Revenue.*



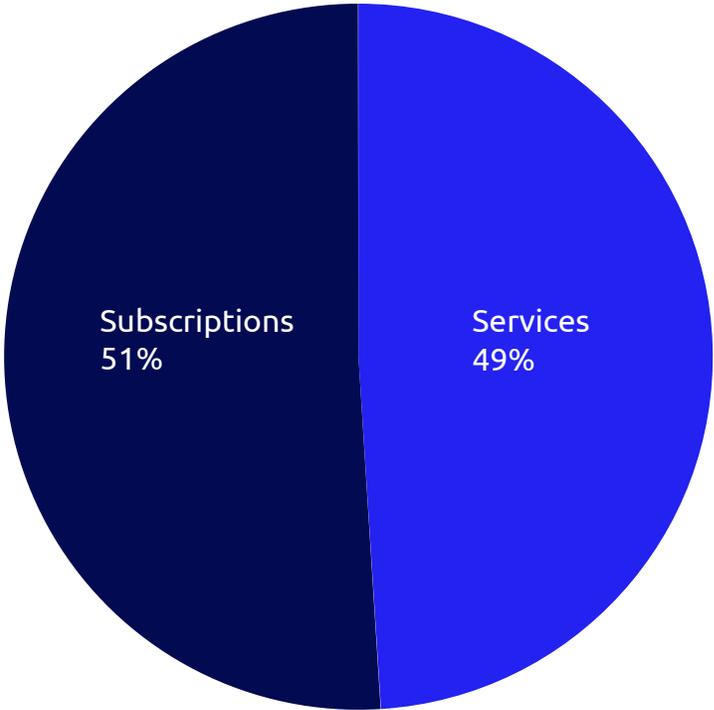
* Reported in millions. Totals may not foot due to rounding.

Cloud Subscription Revenue Retention Rate.*

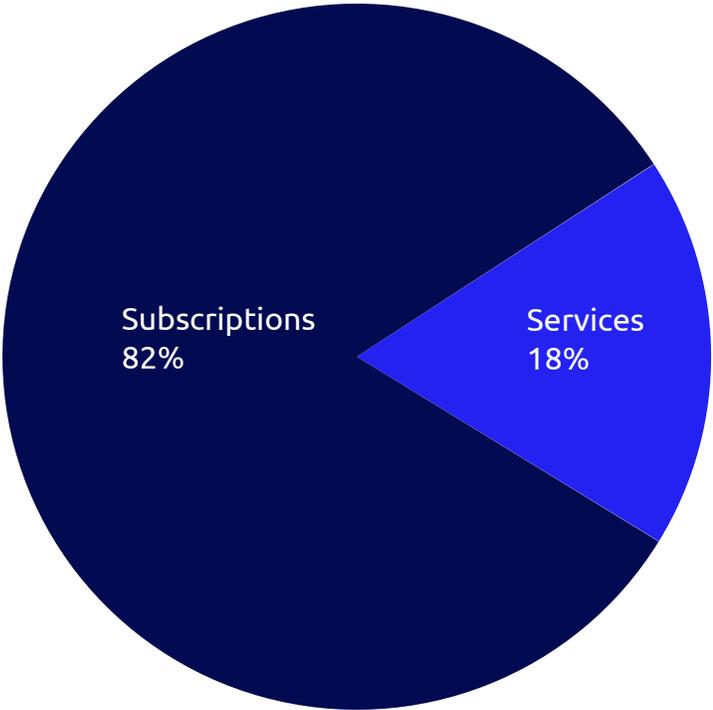


Subscriptions vs. Professional Services Revenues.

IPO (Q2 2017)

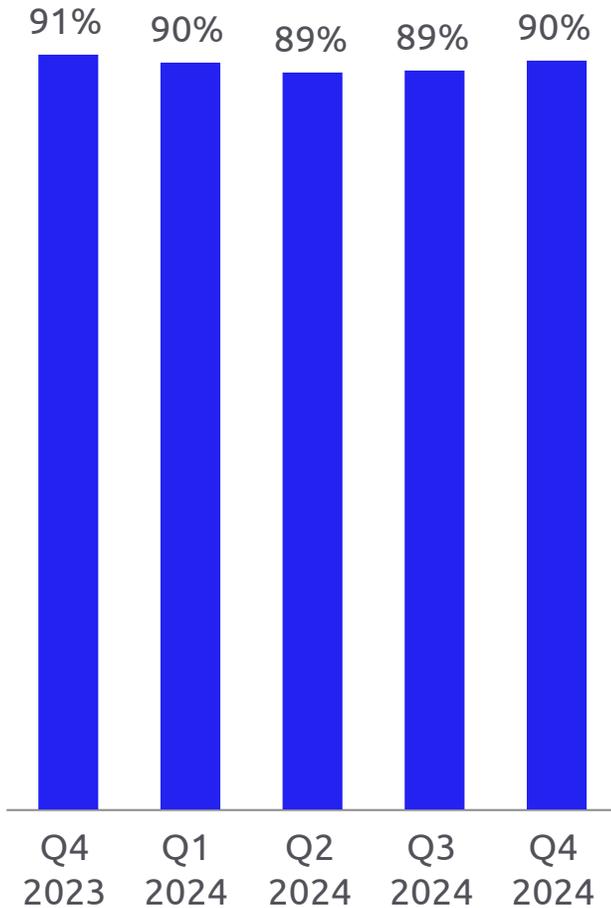


Q4 2024

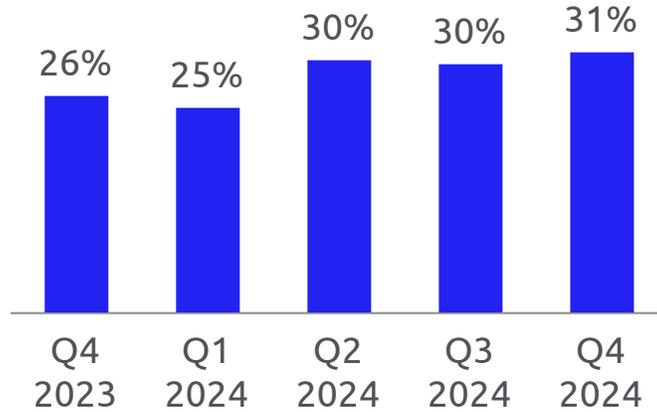


Non-GAAP Gross Margins.*

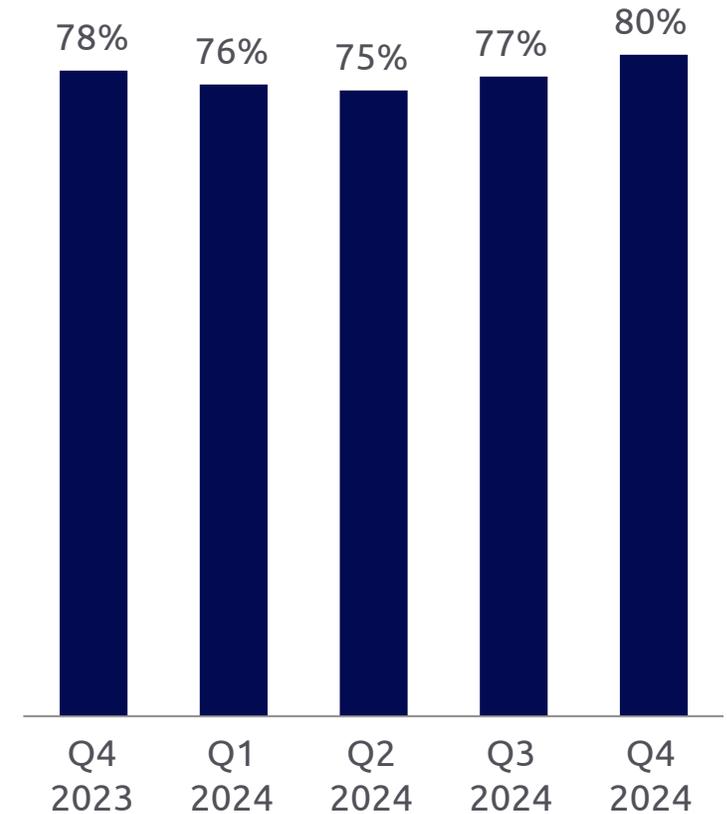
Subscriptions



Professional Services



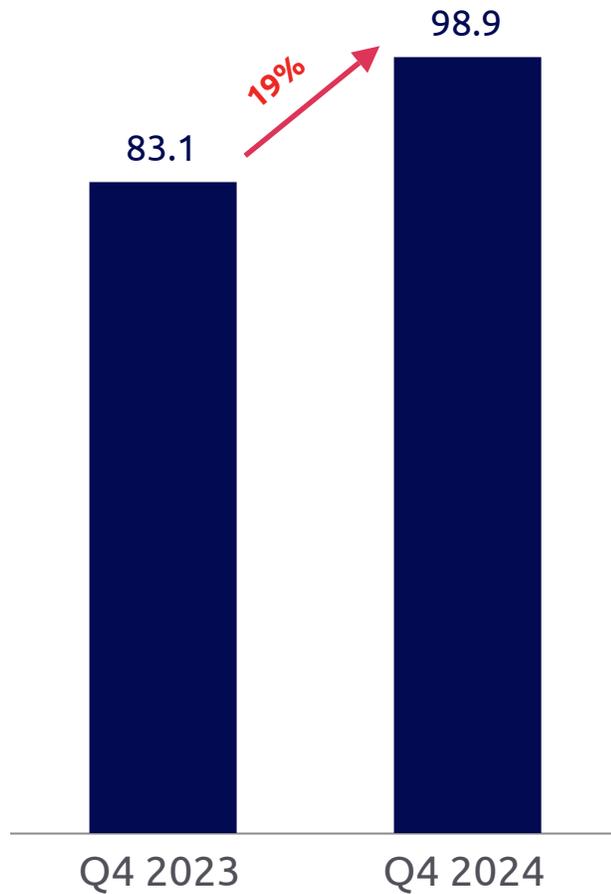
Overall



Q4 2024 Summary.*

Cloud Subscription Revenue

(USD, in millions)

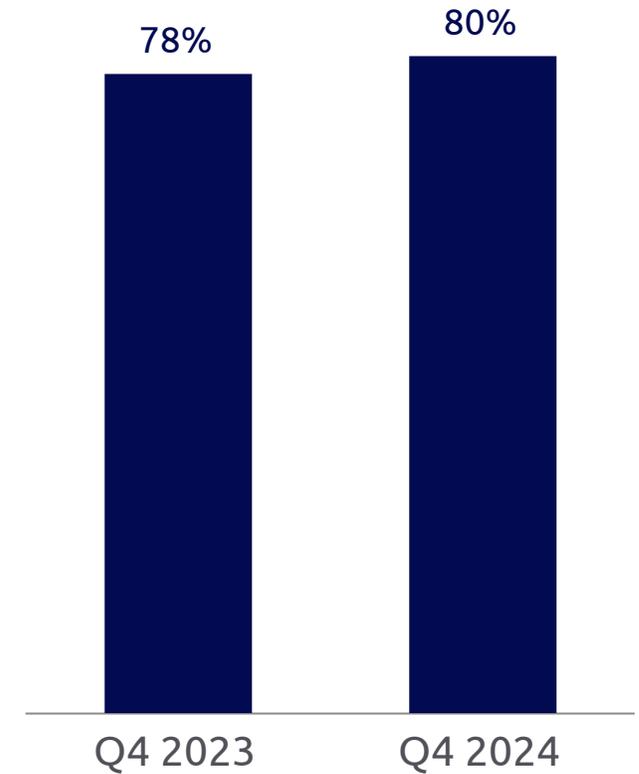


Cloud Subscription Revenue Retention

As of December 31, 2024



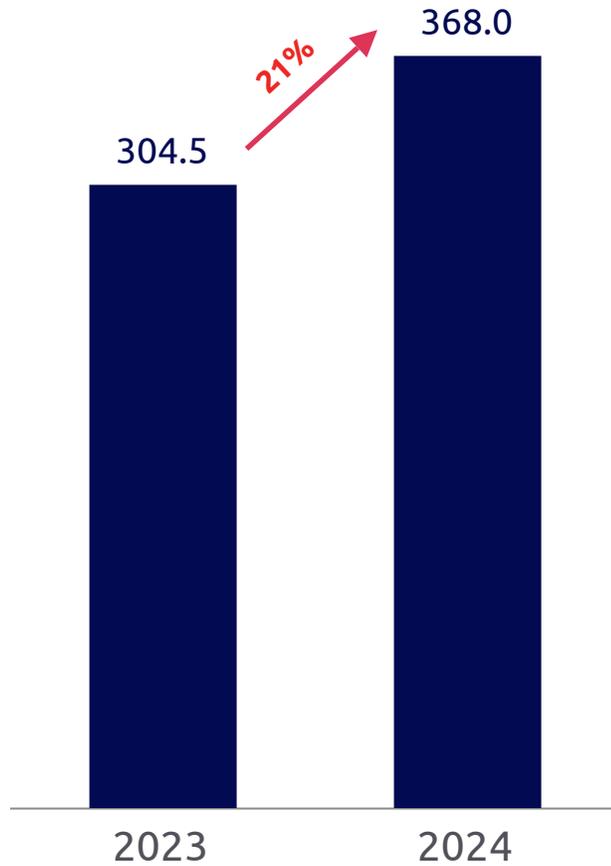
Non-GAAP Overall Gross Margins*



Full Year 2024 Summary.

Cloud Subscription Revenue

(USD, in millions)

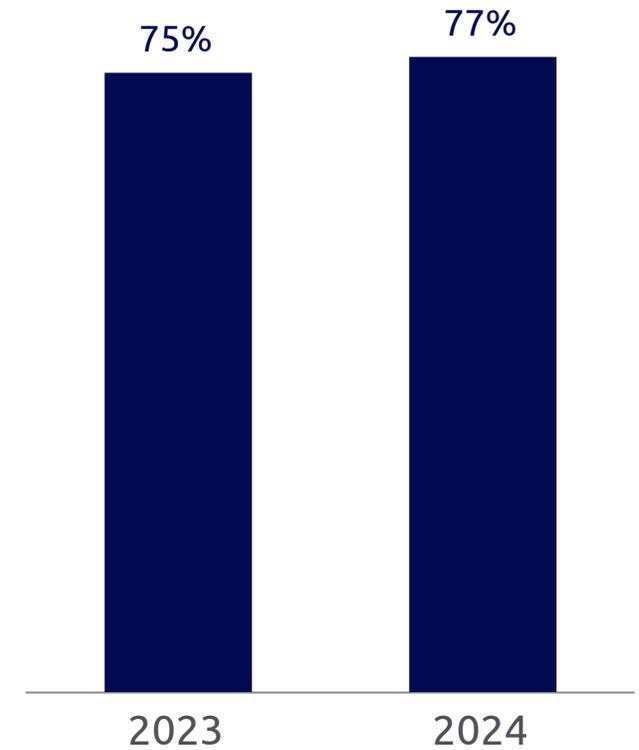


Cloud Subscription Revenue Retention

As of December 31, 2024



Non-GAAP Overall Gross Margins*



Guidance.

Given on February 19, 2025

(in millions, except for EPS)	Q1 2025			Full Year 2025		
Cloud Subscription Revenue	\$97.0	–	\$99.0	\$419.0	–	\$421.0
Cloud Subscription Revenue Growth YoY	12%	–	14%	14%	–	14%
Total Revenue	\$162.0	–	\$164.0	\$680.0	–	\$684.0
Total Revenue Increase YoY	8%	–	9%	10%	–	10%
Adjusted EBITDA	\$8.0	–	\$10.0	\$38.0	–	\$42.0
Non-GAAP Diluted Earnings per Share*	\$0.02	–	\$0.05	\$0.17	–	\$0.22

Appendix

Balance Sheet.

\$ in thousands

	As of	
	December 31, 2024	December 31, 2023
Assets		
Cash and cash equivalents	\$ 118,552	\$ 149,351
Short-term investments and marketable securities	41,308	9,653
Accounts receivable, net of allowance	195,069	171,561
Deferred commissions, current	36,630	34,261
Prepaid expenses and other current assets	43,984	49,529
Property and equipment, net	37,109	42,682
Goodwill	25,555	27,106
Intangible assets, net of accumulated amortization	2,240	3,889
Right-of-use assets for operating leases	31,081	39,975
Deferred commissions, net of current portion	60,540	59,764
Other assets	28,971	39,732
Total assets	\$ 621,039	\$ 627,503
Liabilities and Stockholders' Equity		
Accounts payable and accrued expenses	15,710	17,220
Accrued compensation and related benefits	34,223	38,003
Deferred revenue	281,760	235,992
Debt	9,598	66,368
Operating lease liabilities	12,378	11,698
Other current liabilities	1,087	1,891
Long-term debt	240,826	140,221
Non-current operating lease liabilities	52,189	59,067
Deferred revenue, non-current	5,477	4,700
Other non-current liabilities	431	2
Total liabilities	653,679	575,162
Stockholders' equity		
Common stock	7	7
Additional paid-in capital	591,281	595,781
Accumulated other comprehensive loss	(11,774)	(23,555)
Accumulated deficit	(612,154)	(519,892)
Total stockholders' equity	(32,640)	52,341
Total liabilities and stockholders' equity	\$ 621,039	\$ 627,503

Income Statement.

\$ in thousands, except for per share data

	Three Months Ended December 31,		Year Ended December 31, 2024	
	2024	2023	2024	2023
	<i>(unaudited)</i>			
Revenue				
Cloud subscriptions	\$ 98,924	\$ 83,100	\$ 368,030	\$ 304,481
Term license subscriptions	29,925	26,106	92,188	82,282
Maintenance and support	7,930	6,577	30,350	25,574
Total subscriptions revenue	136,779	115,783	490,568	412,337
Professional services	29,906	29,536	126,454	133,026
Total revenue	166,685	145,319	617,022	545,363
Cost of revenue				
Subscriptions	13,873	11,071	53,487	43,563
Professional services	21,812	23,244	96,692	99,759
Total cost of revenue	35,685	34,315	150,179	143,322
Gross profit	131,000	111,004	466,843	402,041
Operating expenses				
Sales and marketing	55,272	61,043	230,885	242,381
Research and development	37,188	34,596	154,977	153,098
General and administrative	33,507	32,193	141,834	114,535
Total operating expenses	125,967	127,832	527,696	510,014
Operating income (loss)	5,033	(16,828)	(60,853)	(107,973)
Other non-operating expense (income)				
Other expense (income), net	12,655	(12,966)	6,773	(17,603)
Interest expense	5,661	5,072	23,582	17,862
Total other non-operating expense (income)	18,316	(7,894)	30,355	259
Loss before income taxes	(13,283)	(8,934)	(91,208)	(108,232)
Income tax expense	364	1,072	1,054	3,209
Net loss	\$ (13,647)	\$ (10,006)	\$ (92,262)	\$ (111,441)
Net loss per share:				
Basic and diluted	\$ (0.18)	\$ (0.14)	\$ (1.26)	\$ (1.52)
Weighted average common shares outstanding:				
Basic and diluted	73,953	73,310	72,988	73,102

Stock-Based Compensation Expense.

<i>\$ in thousands</i>	<u>Three Months Ended December 31,</u>		<u>Year Ended December 31,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	<i>(unaudited)</i>			
Cost of revenue				
Subscriptions	\$ 207	\$ 212	\$ 848	\$ 925
Professional services	1,310	1,457	5,674	6,055
Operating expenses				
Sales and marketing	1,930	2,380	8,200	10,842
Research and development	2,857	3,020	11,716	12,486
General and administrative	2,730	3,103	12,607	13,079
Total stock-based compensation expense	<u>\$ 9,034</u>	<u>\$ 10,172</u>	<u>\$ 39,045</u>	<u>\$ 43,387</u>

Reconciliation of GAAP to Non-GAAP Measures.

\$ in thousands

	GAAP Measure	Stock-Based Compensation	Litigation Expense	JPI Amortization	Severance Costs	Lease Impairment and Lease-Related Charges	Short-Swing Profit Payment	Non-GAAP Measure
Three Months Ended December 31, 2024								
Subscriptions cost of revenue	\$ 13,873	\$ (207)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 13,666
Professional services cost of revenue	21,812	(1,310)	—	—	—	—	—	20,502
Total cost of revenue	35,685	(1,517)	—	—	—	—	—	34,168
Total operating expenses	125,967	(7,517)	(1,160)	(3,152)	—	(318)	—	113,820
Operating income	5,033	9,034	1,160	3,152	—	318	—	18,697
Income tax expense	364	241	—	—	—	—	—	605
Net (loss) income	(13,647)	8,793	1,160	3,152	—	318	—	(224)
Net (loss) income per share, basic and diluted ^(a)	\$ (0.18)	\$ 0.12	\$ 0.02	\$ 0.04	\$ —	\$ —	\$ —	\$ (0.01)
Year Ended December 31, 2024								
Subscriptions cost of revenue	\$ 53,487	\$ (848)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 52,639
Professional services cost of revenue	96,692	(5,674)	—	—	(1,398)	—	—	89,620
Total cost of revenue	150,179	(6,522)	—	—	(1,398)	—	—	142,259
Total operating expenses	527,696	(32,523)	(4,602)	(15,795)	(4,136)	(6,104)	—	464,536
Operating (loss) income	(60,853)	39,045	4,602	15,795	5,534	6,104	—	10,227
Income tax expense	1,054	1,499	—	—	1,096	—	—	3,649
Net (loss) income	(92,262)	37,546	4,602	15,795	4,438	6,104	(1,799)	(25,576)
Net (loss) income per share, basic and diluted	\$ (1.26)	\$ 0.51	\$ 0.06	\$ 0.22	\$ 0.06	\$ 0.08	\$ (0.02)	\$ (0.35)

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

Reconciliation of GAAP to Non-GAAP Measures.

\$ in thousands

	GAAP Measure	Stock-Based Compensation	Litigation Expense	JPI Amortization	Severance Costs	Non-GAAP Measure
Three Months Ended December 31, 2023						
Subscriptions cost of revenue	\$ 11,071	\$ (212)	\$ —	\$ —	\$ —	\$ 10,859
Professional services cost of revenue	23,244	(1,457)	—	—	—	21,787
Total cost of revenue	34,315	(1,669)	—	—	—	32,646
Total operating expenses	127,832	(8,503)	(708)	(4,553)	—	114,068
Operating (loss) income	(16,828)	10,172	708	4,553	—	(1,395)
Income tax expense	1,072	571	—	—	—	1,643
Net (loss) income	(10,006)	9,601	708	4,553	—	4,856
Net (loss) income per share, basic ^(a)	\$ (0.14)	\$ 0.13	\$ 0.01	\$ 0.06	\$ —	\$ 0.07
Net (loss) income per share, diluted ^(b)	\$ (0.14)	\$ 0.13	\$ 0.01	\$ 0.06	\$ —	\$ 0.06
Year Ended December 31, 2023						
Subscriptions cost of revenue	\$ 43,563	\$ (925)	\$ —	\$ —	\$ (30)	\$ 42,608
Professional services cost of revenue	99,759	(6,055)	—	—	(158)	93,546
Total cost of revenue	143,322	(6,980)	—	—	(188)	136,154
Total operating expenses	510,014	(36,407)	2,064	(6,038)	(6,111)	463,522
Operating (loss) income	(107,973)	43,387	(2,064)	6,038	6,299	(54,313)
Income tax expense	3,209	1,302	—	—	139	4,650
Net (loss) income	(111,441)	42,085	(2,064)	6,038	6,160	(59,222)
Net (loss) income per share, basic and diluted	\$ (1.52)	\$ 0.58	\$ (0.03)	\$ 0.08	\$ 0.08	\$ (0.81)

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

^(b) Accounts for the impact of 2.0 million shares of dilutive securities resulting in total diluted shares of 75.3 million.

Reconciliation of GAAP to Non-GAAP Measures.

\$ in thousands

	Three Months Ended December 31,		Year Ended December 31, 2024	
	2024	2023	2024	2023
Reconciliation of adjusted EBITDA:				
GAAP net loss	(13,647)	(10,006)	(92,262)	(111,441)
Other expense (income), net	12,655	(12,966)	6,773	(17,603)
Interest expense	5,661	5,072	23,582	17,862
Income tax expense	364	1,072	1,054	3,209
Depreciation expense and amortization of intangible assets	2,527	2,427	10,030	9,473
Stock-based compensation expense	9,034	10,172	39,045	43,387
Litigation Expense	1,160	708	4,602	(2,064)
JPI Amortization	3,152	4,553	15,795	6,038
Severance Costs	—	—	5,534	6,299
Lease Impairment and Lease-Related Charges	318	—	6,104	—
Adjusted EBITDA	<u>\$ 21,224</u>	<u>\$ 1,032</u>	<u>\$ 20,257</u>	<u>\$ (44,840)</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.

	Q1 2024	Q2 2024	Q3 2024	Q4 2024	FY 2024	Q4 2023	FY 2023
Reconciliation of non-GAAP overall gross margin:							
GAAP overall gross margin	74.6%	73.1%	75.9%	78.6%	75.7%	76.4%	73.7%
Add back:							
Non-GAAP adjustments to overall gross margin	1.2%	2.1%	1.0%	0.9%	1.2%	1.1%	1.3%
Non-GAAP overall gross margin	75.8%	75.2%	76.9%	79.5%	76.9%	77.5%	75.0%
Reconciliation of non-GAAP subscriptions gross margin:							
GAAP subscriptions gross margin	89.6%	88.3%	88.6%	89.9%	89.1%	90.4%	89.4%
Add back:							
Non-GAAP adjustments to subscriptions gross margin	0.2%	0.2%	0.1%	0.1%	0.2%	0.2%	0.3%
Non-GAAP subscriptions gross margin	89.8%	88.5%	88.7%	90.0%	89.3%	90.6%	89.7%
Reconciliation of non-GAAP professional services gross margin:							
GAAP professional services gross margin	20.0%	21.9%	25.6%	27.1%	23.5%	21.3%	25.0%
Add back:							
Non-GAAP adjustments to professional services gross margin	4.9%	8.5%	4.3%	4.3%	5.6%	4.9%	4.6%
Non-GAAP professional services gross margin	24.9%	30.4%	29.9%	31.4%	29.1%	26.2%	29.6%



Total invoice
16,604,076

Avg. invoice volume
5,464

Avg. cycle time
2 w, 1 d

No. of closed cases
1,706

Invoice volume vs number of cases

Cycle Time

Top five variants

