ncno-20241031000190273331/312025Q3FALSExbrli:sharesiso4217:USDiso4217:USDxbrli:sharesxbrli:pure00019027332024-02-012024-10-3100019027332024-11-290001902733us-gaap:VariableInterestEntityPrimaryBeneficiaryMember2024-01-310001902733us-gaap:VariableInterestEntityPrimaryBeneficiaryMember2024-10-3100019027332024-01-3100019027332024-10-310001902733us-gaap:RelatedPartyMember2024-01-310001902733us-gaap:RelatedPartyMember2024-10-310001902733us-gaap:LicenseAndServiceMember2023-08-012023-10-310001902733us-gaap:LicenseAndServiceMember2024-08-012024-10-310001902733us-gaap:LicenseAndServiceMember2023-02-012023-10-310001902733us-gaap:LicenseAndServiceMember2024-02-012024-10-310001902733ncno:ProfessionalServicesMember2023-08-012023-10-310001902733ncno:ProfessionalServicesMember2024-08-012024-10-310001902733ncno:ProfessionalServicesMember2023-02-012023-10-310001902733ncno:ProfessionalServicesMember2024-02-012024-10-3100019027332023-08-012023-10-3100019027332024-08-012024-10-3100019027332023-02-012023-10-310001902733us-gaap:CommonStockMember2023-07-310001902733us-gaap:AdditionalPaidInCapitalMember2023-07-310001902733us-gaap:AccumulatedOtherComprehensiveIncomeMember2023-07-310001902733us-gaap:RetainedEarningsMember2023-07-3100019027332023-07-310001902733us-gaap:CommonStockMember2023-08-012023-10-310001902733us-gaap:AdditionalPaidInCapitalMember2023-08-012023-10-310001902733us-gaap:AccumulatedOtherComprehensiveIncomeMember2023-08-012023-10-310001902733us-gaap:RetainedEarningsMember2023-08-012023-10-310001902733us-gaap:CommonStockMember2023-10-310001902733us-gaap:AdditionalPaidInCapitalMember2023-10-310001902733us-gaap:AccumulatedOtherComprehensiveIncomeMember2023-10-310001902733us-gaap:RetainedEarningsMember2023-10-3100019027332023-10-310001902733us-gaap:CommonStockMember2024-07-310001902733us-gaap:AdditionalPaidInCapitalMember2024-07-310001902733us-gaap:AccumulatedOtherComprehensiveIncomeMember2024-07-310001902733us-gaap:RetainedEarningsMember2024-07-3100019027332024-07-310001902733us-gaap:CommonStockMember2024-08-012024-10-310001902733us-gaap:AdditionalPaidInCapitalMember2024-08-012024-10-310001902733us-gaap:AccumulatedOtherComprehensiveIncomeMember2024-08-012024-10-310001902733us-gaap:RetainedEarningsMember2024-08-012024-10-310001902733us-gaap:CommonStockMember2024-10-310001902733us-gaap:AdditionalPaidInCapitalMember2024-10-310001902733us-gaap:AccumulatedOtherComprehensiveIncomeMember2024-10-310001902733us-gaap:RetainedEarningsMember2024-10-310001902733us-gaap:CommonStockMember2023-01-310001902733us-gaap:AdditionalPaidInCapitalMember2023-01-310001902733us-gaap:AccumulatedOtherComprehensiveIncomeMember2023-01-310001902733us-gaap:RetainedEarningsMember2023-01-3100019027332023-01-310001902733us-gaap:CommonStockMember2023-02-012023-10-310001902733us-gaap:AdditionalPaidInCapitalMember2023-02-012023-10-310001902733us-gaap:AccumulatedOtherComprehensiveIncomeMember2023-02-012023-10-310001902733us-gaap:RetainedEarningsMember2023-02-012023-10-310001902733us-gaap:CommonStockMember2024-01-310001902733us-gaap:AdditionalPaidInCapitalMember2024-01-310001902733us-gaap:AccumulatedOtherComprehensiveIncomeMember2024-01-310001902733us-gaap:RetainedEarningsMember2024-01-310001902733us-gaap:CommonStockMember2024-02-012024-10-310001902733us-gaap:AdditionalPaidInCapitalMember2024-02-012024-10-310001902733us-gaap:AccumulatedOtherComprehensiveIncomeMember2024-02-012024-10-310001902733us-gaap:RetainedEarningsMember2024-02-012024-10-310001902733ncno:CustomerOneMemberus-gaap:CustomerConcentrationRiskMemberus-gaap:AccountsReceivableMember2024-02-012024-10-310001902733ncno:NCinoKKMember2019-10-012019-10-310001902733ncno:NCinoKKMemberncno:NCinoKKMember2019-10-310001902733ncno:NCinoKKMember2023-10-012023-10-3100019027332023-10-012023-10-310001902733ncno:NCinoKKMemberncno:NCinoKKMember2023-10-310001902733us-gaap:MoneyMarketFundsMemberus-gaap:FairValueInputsLevel1Memberus-gaap:FairValueMeasurementsRecurringMember2024-01-310001902733us-gaap:MoneyMarketFundsMemberus-gaap:FairValueInputsLevel2Memberus-gaap:FairValueMeasurementsRecurringMember2024-01-310001902733us-gaap:MoneyMarketFundsMemberus-gaap:FairValueInputsLevel3Memberus-gaap:FairValueMeasurementsRecurringMember2024-01-310001902733us-gaap:FairValueInputsLevel1Memberus-gaap:FairValueMeasurementsRecurringMember2024-01-310001902733us-gaap:FairValueInputsLevel2Memberus-gaap:FairValueMeasurementsRecurringMember2024-01-310001902733us-gaap:FairValueInputsLevel3Memberus-gaap:FairValueMeasurementsRecurringMember2024-01-310001902733us-gaap:MoneyMarketFundsMemberus-gaap:FairValueInputsLevel1Memberus-gaap:FairValueMeasurementsRecurringMember2024-10-310001902733us-gaap:MoneyMarketFundsMemberus-gaap:FairValueInputsLevel2Memberus-gaap:FairValueMeasurementsRecurringMember2024-10-310001902733us-gaap:MoneyMarketFundsMemberus-gaap:FairValueInputsLevel3Memberus-gaap:FairValueMeasurementsRecurringMember2024-10-310001902733us-gaap:FairValueInputsLevel1Memberus-gaap:FairValueMeasurementsRecurringMember2024-10-310001902733us-gaa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of ContentsUNITED STATESSECURITIES AND EXCHANGE COMMISSIONWashington, D.C. 20549FORM 10-Q(Mark One)â˜'Â Â Â Â QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the quarterly period ended October 31, 2024ORâ˜Â Â Â Â TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934For the transition period from __to __ Commission File Number: 001-41211nCino, Inc.(Exact name of Registrant as specified in its charter)Delaware87-4154342(State or other jurisdiction ofincorporation or organization)(I.R.S. EmployerIdentification No.)6770 Parker Farm DriveWilmington, North Carolina 28405(Address of principal executive offices including zip code)(888) 676-2466(Registrantâ€™s telephone number, including area code)Securities Registered Pursuant to Section 12(b) of the Act:Title of each classTrading Symbol(s)Name of each exchange on which registeredCommon stock, par value $0.0005 per shareNCNOThe Nasdaq Global Select MarketIndicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes â˜' No oIndicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (Â§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes â˜' No oIndicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of â€œlarge accelerated filer,â€ â€œaccelerated filer,â€ â€œsmaller reporting company,â€ and â€œemerging growth companyâ€ in Rule 12b-2 of the Exchange Act.Large accelerated filerâ˜'Accelerated filerâ˜Non-accelerated filerâ˜Smaller reporting companyâ˜Emerging growth companyâ˜If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to SectionÂ 13(a) of the Exchange Act. â˜Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes â˜ No â˜'Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 115,793,932 shares of common stock, $0.0005 par value per share, as of November 29, 2024.Table of ContentsTABLE OF CONTENTSPageTable of ContentsCAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTSThis report contains forward-looking statements that are based on our beliefs and assumptions and on information currently available to us. Forward-looking statements include information concerning our possible or assumed future results of operations, business strategies and plans, trends, market sizing, competitive position, industry environment, potential growth opportunities and product capabilities, among other things. Forward-looking statements include all statements that are not historical facts and, in some cases, can be identified by terms such as â€œaim,â€ â€œanticipates,â€ â€œbelieves,â€ â€œcould,â€ â€œestimates,â€ â€œexpects,â€ â€œgoal,â€ â€œintends,â€ â€œmay,â€ â€œplans,â€ â€œpotential,â€ â€œpredicts,â€ â€œprojects,â€ â€œseeks,â€ â€œshould,â€ â€œstrive,â€ â€œwill,â€ â€œwould,â€ or similar expressions and the negatives of those terms.Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including those described in â€œRisk Factors,â€ â€œManagementâ€™s Discussion and Analysis of Financial Condition and Results of Operations,â€ and elsewhere in this report. Given these uncertainties, you should not place undue reliance on these forward-looking statements.Any forward-looking statement made by us in this report speaks only as of the date on which it is made. Except as required by law, we disclaim any obligation to update these forward-looking statements publicly, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.As used in this report, the terms â€œnCino,â€ the â€œCompany,â€ â€œwe,â€ â€œus,â€ and â€œourâ€ mean nCino, Inc. and its subsidiaries unless the context indicates otherwise.iTable of ContentsPART I. FINANCIAL INFORMATIONItem 1. Financial StatementsnCino, Inc.CONDENSED CONSOLIDATED BALANCE SHEETS(In thousands, except share and per share data)January 31, 2024October 31, 2024(Unaudited)AssetsCurrent assetsCash and cash equivalents (VIE: $2,277 and $1,595 at JanuaryÂ 31, 2024 and OctoberÂ 31, 2024, respectively)$112,085Â $257,894Â Accounts receivable, less allowances of $1,451 and $1,172 at JanuaryÂ 31, 2024 and OctoberÂ 31, 2024, respectively112,975Â 65,013Â Costs capitalized to obtain revenue contracts, current portion, net10,544Â 12,214Â Prepaid expenses and other current assets15,171Â 13,523Â Total current assets250,775Â 348,644Â Property and equipment, net79,145Â 75,711Â Operating lease right-of-use assets, net19,261Â 14,938Â Costs capitalized to obtain revenue contracts, noncurrent, net17,425Â 20,185Â Goodwill838,869Â 908,559Â Intangible assets, net115,572Â 128,344Â Investments (related party $2,500 at JanuaryÂ 31, 2024 and OctoberÂ 31, 2024)9,294Â 9,294Â Long-term prepaid expenses and other assets10,089Â 10,931Â Total assets$1,340,430Â $1,516,606Â Liabilities, redeemable non-controlling interest, and stockholdersâ€™ equityCurrent liabilitiesAccounts payable$11,842Â $12,123Â Accrued compensation and benefits16,283Â 16,370Â Accrued expenses and other current liabilities10,847Â 11,594Â Deferred revenue, current portion170,941Â 132,382Â Financing obligations, current portion1,474Â 1,614Â Operating lease liabilities, current portion3,649Â 4,830Â Total current liabilities215,036Â 178,913Â Operating lease liabilities, noncurrent16,423Â 11,829Â Deferred income taxes, noncurrent3,687Â 10,577Â Deferred revenue, noncurrentâ€”Â 431Â Revolving credit facility, noncurrentâ€”Â 166,000Â Financing obligations, noncurrent52,680Â 51,624Â Other long-term liabilitiesâ€”Â 3,726Â Total liabilities287,826Â 423,100Â Commitments and contingencies (Note 12)Redeemable non-controlling interest (Note 3)3,428Â 5,243Â Stockholdersâ€™ equityPreferred stock, $0.001 par value; 10,000,000 shares authorized, and none issued and outstanding as of JanuaryÂ 31, 2024 and OctoberÂ 31, 2024â€”Â â€”Â Common stock, $0.0005 par value; 500,000,000 shares authorized as of JanuaryÂ 31, 2024 and OctoberÂ 31, 2024; 113,684,299 and 115,650,585 shares issued and outstanding as of JanuaryÂ 31, 2024 and OctoberÂ 31, 2024, respectively57Â 58Â Additional paid-in capital1,400,881Â 1,456,411Â Accumulated other comprehensive income996Â 1,615Â Accumulated deficit(352,758)(369,821)Total stockholdersâ€™ equity1,049,176Â 1,088,263Â Total liabilities, redeemable non-controlling interest, and stockholdersâ€™ equity$1,340,430Â $1,516,606Â The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.1Table of ContentsnCino, Inc.CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS(In thousands, except share and per share data)(Unaudited)Three Months Ended October 31,Nine Months Ended October 31,2023202420232024RevenuesSubscription$104,759Â $119,894Â $301,996Â $344,211Â Professional services and other17,183Â 18,903Â 50,854Â 55,076Â Total revenues121,942Â 138,797Â 352,850Â 399,287Â Cost of revenuesSubscription30,605Â 33,769Â 89,481Â 98,916Â Professional services and other17,420Â 19,976Â 52,779Â 59,940Â Total cost of revenues48,025Â 53,745Â 142,260Â 158,856Â Gross profit73,917Â 85,052Â 210,590Â 240,431Â Operating expensesSales and marketing38,446Â 29,729Â 100,551Â 89,487Â Research and development29,043Â 33,039Â 87,127Â 97,291Â General and administrative19,334Â 23,108Â 59,239Â 66,046Â Total operating expenses86,823Â 85,876Â 246,917Â 252,824Â Loss from operations(12,906)(824)(36,327)(12,393)Non-operating income (expense)Interest income685Â 482Â 2,057Â 1,408Â Interest expense(854)(1,653)(3,277)(4,965)Other income (expense), net(2,320)432Â (2,633)(162)Loss before income taxes(15,395)(1,563)(40,180)(16,112)Income tax provision1,782Â 2,589Â 4,720Â 1,360Â Net loss(17,177)(4,152)(44,900)(17,472)Net loss attributable to redeemable non-controlling interest (Note 3)(320)(186)(868)(409)Adjustment attributable to redeemable non-controlling interest (Note 3)(478)1,286Â (526)2,205Â Net loss attributable to nCino, Inc.$(16,379)$(5,252)$(43,506)$(19,268)Net loss per share attributable to nCino, Inc.:Basic and diluted(0.15)(0.05)(0.39)(0.17)Weighted average number of common shares outstanding:Basic and diluted112,951,553Â 115,611,833Â 112,484,017Â 114,970,622Â The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.2Table of ContentsnCino, Inc.CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS(In thousands)(Unaudited)Three Months Ended October 31,Nine Months Ended October 31,2023202420232024Net loss$(17,177)$(4,152)$(44,900)$(17,472)Other comprehensive income:Foreign currency translation74Â 213Â 214Â 622Â Other comprehensive income74Â 213Â 214Â 622Â Comprehensive loss(17,103)(3,939)(44,686)(16,850)Less comprehensive loss attributable to redeemable non-controlling interest:Net loss attributable to redeemable non-controlling interest(320)(186)(868)(409)Foreign currency translation attributable to redeemable non-controlling interest12Â 5Â 2Â 3Â Comprehensive loss attributable to redeemable non-controlling interest(308)(181)(866)(406)Comprehensive loss attributable to nCino, Inc.$(16,795)$(3,758)$(43,820)$(16,444)The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.3Table of ContentsnCino, Inc.CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY(In thousands, except share data)(Unaudited)Three Months Ended October 31, 2023Common StockAdditionalPaid-inCapitalOther Comprehensive Income (Loss)AccumulatedDeficitTotalSharesAmountBalance, July 31, 2023112,661,660Â $56Â $1,364,757Â $844Â $(337,516)$1,028,141Â Exercise of stock options106,772Â 1Â 967Â â€”Â â€”Â 968Â Stock issuance upon vesting of restricted stock units262,298Â â€”Â â€”Â â€”Â â€”Â â€”Â Stock issuance under the employee stock purchase planâ€”Â â€”Â â€”Â â€”Â â€”Â â€”Â Stock-based compensationâ€”Â â€”Â 15,817Â â€”Â â€”Â 15,817Â Other comprehensive incomeâ€”Â â€”Â â€”Â 62Â â€”Â 62Â Net loss attributable to nCino, Inc., including adjustment to redeemable non-controlling interestâ€”Â â€”Â 478Â â€”Â (16,857)(16,379)Balance, October 31, 2023113,030,730Â $57Â $1,382,019Â $906Â $(354,373)$1,028,609Â Three Months Ended October 31, 2024Common StockAdditionalPaid-inCapitalOther Comprehensive Income (Loss)AccumulatedDeficitTotalSharesAmountBalance, July 31, 2024115,387,309Â $58Â $1,439,245Â $1,407Â $(365,855)$1,074,855Â Exercise of stock options78,206Â â€”Â 486Â â€”Â â€”Â 486Â Stock issuance upon vesting of restricted stock units185,070Â â€”Â â€”Â â€”Â â€”Â â€”Â Stock issuance under the employee stock purchase planâ€”Â â€”Â â€”Â â€”Â â€”Â â€”Â Stock-based compensationâ€”Â â€”Â 17,966Â â€”Â â€”Â 17,966Â Other comprehensive incomeâ€”Â â€”Â â€”Â 208Â â€”Â 208Â Net loss attributable to nCino, Inc., including adjustment to redeemable non-controlling interestâ€”Â â€”Â (1,286)â€”Â (3,966)(5,252)Balance, October 31, 2024115,650,585Â $58Â $1,456,411Â $1,615Â $(369,821)$1,088,263Â The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.4Table of ContentsnCino, Inc.CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY(In thousands, except share data)(Unaudited)Nine Months Ended October 31, 2023Common StockAdditionalPaid-inCapitalOtherComprehensiveIncome (Loss)AccumulatedDeficitTotalSharesAmountBalance, January 31, 2023111,424,132Â $56Â $1,333,669Â $694Â $(310,341)$1,024,078Â Exercise of stock options447,440Â 1Â 3,175Â â€”Â â€”Â 3,176Â Stock issuance upon vesting of restricted stock units1,039,074Â â€”Â â€”Â â€”Â â€”Â â€”Â Stock issuance under the employee stock purchase plan120,084Â â€”Â 2,698Â â€”Â â€”Â 2,698Â Stock-based compensationâ€”Â â€”Â 41,951Â â€”Â â€”Â 41,951Â Other comprehensive incomeâ€”Â â€”Â â€”Â 212Â â€”Â 212Â Net loss attributable to nCino, Inc., including adjustment to redeemable non-controlling interestâ€”Â â€”Â 526Â â€”Â (44,032)(43,506)Balance, October 31, 2023113,030,730Â $57Â $1,382,019Â $906Â $(354,373)$1,028,609Â Nine Months Ended October 31, 2024Common StockAdditionalPaid-inCapitalOther Comprehensive Income (Loss)AccumulatedDeficitTotalSharesAmountBalance, January 31, 2024113,684,299Â $57Â $1,400,881Â $996Â $(352,758)$1,049,176Â Exercise of stock options290,917Â â€”Â 2,223Â â€”Â â€”Â 2,223Â Stock issuance upon vesting of restricted stock units1,581,387Â 1Â (1)â€”Â â€”Â â€”Â Stock issuance under the employee stock purchase plan93,982Â â€”Â 2,514Â â€”Â â€”Â 2,514Â Stock-based compensationâ€”Â â€”Â 52,999Â â€”Â â€”Â 52,999Â Other comprehensive incomeâ€”Â â€”Â â€”Â 619Â â€”Â 619Â Net loss attributable to nCino, Inc., including adjustment to redeemable non-controlling interestâ€”Â â€”Â (2,205)â€”Â (17,063)(19,268)Balance, October 31, 2024115,650,585Â $58Â $1,456,411Â $1,615Â $(369,821)$1,088,263Â The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.5Table of ContentsnCino, Inc.CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS(In thousands)(Unaudited)Nine Months Ended October 31,20232024Cash flows from operating activitiesNet loss attributable to nCino, Inc.$(43,506)$(19,268)Net loss and adjustment attributable to redeemable non-controlling interest(1,394)1,796Â Net loss(44,900)(17,472)Adjustments to reconcile net loss to net cash provided by operating activities:Depreciation and amortization37,337Â 26,132Â Non-cash operating lease costs3,581Â 3,844Â Amortization of costs capitalized to obtain revenue contracts7,368Â 8,724Â Amortization of debt issuance costs138Â 60Â Stock-based compensation41,969Â 53,015Â Deferred income taxes881Â (2,496)Provision for bad debt1,124Â 25Â Net foreign currency losses (gains)2,275Â (658)Loss on disposal of long-lived assets161Â 35Â Change in operating assets and liabilities:Accounts receivable35,455Â 50,184Â Costs capitalized to obtain revenue contracts(5,959)(13,199)Prepaid expenses and other assets3,374Â 656Â Accounts payable1,184Â 1,056Â Accrued expenses and other liabilities(7,999)(148)Deferred revenue(23,789)(41,604)Operating lease liabilities(3,063)(2,936)Net cash provided by operating activities49,137Â 65,218Â Cash flows from investing activitiesAcquisition of business, net of cash acquiredâ€”Â (90,839)Acquisition of assets(356)(450)Purchases of property and equipment(3,083)(1,466)Purchase of investment(2,500)â€”Â Net cash used in investing activities(5,939)(92,755)Cash flows from financing activitiesInvestment from redeemable non-controlling interest983Â â€”Â Proceeds from borrowings on revolving credit facilityâ€”Â 241,000Â Payments on revolving credit facility(30,000)(75,000)Payments of debt issuance costsâ€”Â (1,382)Exercise of stock options3,176Â 2,223Â Stock issuance under the employee stock purchase plan2,698Â 2,514Â Principal payments on financing obligations(888)(916)Net cash provided by (used in) financing activities(24,031)168,439Â Effect of foreign currency exchange rate changes on cash, cash equivalents, and restricted cash(762)(93)Net increase in cash, cash equivalents, and restricted cash18,405Â 140,809Â Cash, cash equivalents, and restricted cash, beginning of period87,418Â 117,444Â Cash, cash equivalents, and restricted cash, end of period$105,823Â $258,253Â Reconciliation of cash, cash equivalents, and restricted cash, end of period:Cash and cash equivalents$100,475Â $257,894Â Restricted cash included in prepaid expenses and other current assets5,000Â â€”Â Restricted cash included in long-term prepaid expenses and other assets348Â 359Â Total cash, cash equivalents, and restricted cash, end of period$105,823Â $258,253Â 6Table of ContentsnCino, Inc.CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)(In thousands)(Unaudited)Nine Months Ended October 31,20232024Supplemental disclosure of cash flow informationCash paid for taxes, net of refunds$2,244Â $2,770Â Cash paid for interest$3,458Â $4,846Â Supplemental disclosure of noncash investing and financing activitiesPurchase of property and equipment, accrued but not paid$200Â $51Â Deferred costs, accrued but not paid$â€”Â $120Â The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.7Table of ContentsnCino, Inc.NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS(In thousands, except share and per share amounts and unless otherwise indicated)NoteÂ 1. Description of BusinessThe Company is a software-as-a-service ("SaaS") company that provides software applications to financial institutions to streamline employee and client interactions. The Company is headquartered in Wilmington, North Carolina and has various locations in the U.S., North America, Europe, Asia Pacific, and South Africa.The Companyâ€™s fiscal year ends on JanuaryÂ 31.NoteÂ 2. Summary of Significant Accounting PoliciesPrinciples of Consolidation and Basis of Presentation: The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") as set forth in the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") and applicable rules and regulations of the Securities Exchange Commission ("SEC") regarding interim financial reporting. Certain information and disclosures normally included in the financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. Therefore, these unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes included in the Company's Annual Report on Form 10-K for the fiscal year ended JanuaryÂ 31, 2024 filed with the SEC on March 26, 2024. The unaudited condensed consolidated financial statements include accounts of the Companyâ€™s wholly-owned subsidiaries, as well as a variable interest entity in which the Company is the primary beneficiary. All intercompany accounts and transactions are eliminated.The Company is subject to the normal risks associated with technology companies that have not demonstrated sustainable income from operations, including product development, the risk of customer acceptance and market penetration of its products and services and, ultimately, the need to attain profitability to generate positive cash resources.In the opinion of management, the accompanying unaudited condensed consolidated financial statements reflect all normal recurring adjustments necessary to present fairly the financial position, results of operations, comprehensive loss and cash flows for the interim periods, but are not necessarily indicative of the results of operations to be anticipated for the full fiscal 2025 or any future period.Variable Interest Entity: The Company holds an interest in a Japanese company (â€œnCino K.K.â€) that is considered a variable interest entity ("VIE"). nCino K.K. is considered a VIE as it has insufficient equity capital to finance its activities without additional financial support. The Company is the primary beneficiary of nCino K.K. as it has the power over the activities that most significantly impact the economic performance of nCino K.K. and has the obligation to absorb expected losses and the right to receive expected benefits that could be significant to nCino K.K., in accordance with accounting guidance. As a result, the Company consolidated nCino K.K. and all significant intercompany accounts have been eliminated. The Company will continue to assess whether it has a controlling financial interest and whether it is the primary beneficiary at each reporting period. Other than the Companyâ€™s equity investments, the Company has not provided financial or other support to nCino K.K. that it was not contractually obligated to provide. The assets of the VIE can only be used to settle the obligations of the VIE and the creditors of the VIE do not have recourse to the Company. The assets and liabilities of the VIE were not significant to the Companyâ€™s consolidated financial statements except for cash which is reflected on the unaudited condensed consolidated balance sheets. See Note 3 "Variable Interest Entity and Redeemable Non-Controlling Interest" for additional information regarding the Companyâ€™s variable interest.Redeemable Non-Controlling Interest: Redeemable non-controlling interest relates to minority investors of nCino K.K. An agreement with the minority investors of nCino K.K. contains redemption features whereby the interest held by the minority investors are redeemable eitherÂ at the option of the (i) minority investors or (ii) the Company, both beginning on the eighth anniversary of the initial capital contribution. If the interest of the minority investors were to be redeemed under this agreement, the Company would be required to redeem the interest based on a prescribed formula derived from the relative revenues of nCino K.K. and the Company. The balance of the redeemable non-controlling interest is reported at the greater of the initial carrying amount adjusted for the redeemable non-controlling interestâ€™s share of earnings or losses and other comprehensive income or loss, or its estimated redemption value. The resulting changes in the estimated redemption amount 8Table of ContentsnCino, Inc.NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS(In thousands, except share and per share amounts and unless otherwise indicated)(increases or decreases) are recorded with corresponding adjustments against retained earnings or, in the absence of retained earnings, additional paid-in-capital. These interests are presented on the unaudited condensed consolidated balance sheets outside of equity under the caption â€œRedeemable non-controlling interest.â€Use of Estimates: The preparation of unaudited condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the unaudited condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates and assumptions made by the Companyâ€™s management are used for, but not limited to, revenue recognition including determining the nature and timing of satisfaction of performance obligations, variable consideration, and stand-alone selling price; the average period of benefit associated with costs capitalized to obtain revenue contracts; fair value of assets acquired and liabilities assumed for business combinations; the useful lives of intangible assets; income taxes and the related valuation allowance on deferred tax assets; redemption value of redeemable non-controlling interest; and stock-based compensation. The Company assesses these estimates on a regular basis using historical experience and other factors. Actual results could differ from these estimates.Concentration of Credit Risk and Significant Customers: The Companyâ€™s financial instruments that are exposed to concentration of credit risk consist primarily of cash, cash equivalents, restricted cash, and accounts receivable. The Companyâ€™s cash and cash equivalents exceeded federally insured limits at JanuaryÂ 31, 2024 and OctoberÂ 31, 2024. The Company maintains its cash, cash equivalents and restricted cash with high-credit-quality financial institutions.As of JanuaryÂ 31, 2024, no individual customer represented 10% of accounts receivable and, as of OctoberÂ 31, 2024, one individual customer represented 10% of accounts receivable. For the three and nine months ended OctoberÂ 31, 2023 and 2024, no individual customer represented more than 10% of the Companyâ€™s total revenues.Restricted Cash: Restricted cash primarily consisted of a minimum cash balance the Company maintained with a lender under the Company's revolving credit facility at JanuaryÂ 31, 2024. Restricted cash consists of deposits held as collateral for the Company's bank guarantees issued in place of security deposits for certain property leases and credit cards at OctoberÂ 31, 2024. Restricted cash is included in long-term prepaid expenses and other assets and on the unaudited condensed consolidated balance sheets.Allowances: The Company records allowances for doubtful accounts based upon the credit worthiness of customers, historical experience, the age of the accounts receivable, current market and economic conditions, and supportable forecasts about the future. Relevant risk characteristics include customer size and historical loss patterns. This estimate is analyzed quarterly and adjusted as necessary. The Company records the allowance against bad debt expense through the unaudited condensed consolidated statements of operations, included in general and administrative expenses, up to the amount of revenues recognized to date. Any incremental allowance is recorded as an offset to deferred revenue on the unaudited condensed consolidated balance sheets. Receivables are written off and charged against the recorded allowance when the Company has exhausted collection efforts without success.A summary of activity in the allowance for doubtful accounts and reserve for expected credit losses is as follows:Three Months Ended October 31,Nine Months Ended October 31,2023202420232024Balance, beginning of period$876Â $1,204Â $899Â $1,451Â Charged to bad debt expense368Â â€”Â 1,124Â 25Â Charged to deferred revenue981Â â€”Â 923Â â€”Â Write-offs and otherâ€”Â (32)(721)(304)Translation adjustments(4)â€”Â (4)â€”Â Balance, end of period$2,221Â $1,172Â $2,221Â $1,172Â Investments: The Company's investments are non-marketable equity investments without readily determinable fair value and for which the Company does not have control or significant influence. The investments are measured at cost with adjustments for observable changes in price or impairment as permitted by the measurement alternative. The Company assesses 9Table of ContentsnCino, Inc.NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS(In thousands, except share and per share amounts and unless otherwise indicated)at each reporting period if the investments continue to qualify for the measurement alternative. Gains or losses resulting from observable price changes are recognized currently in the Company's unaudited condensed consolidated statements of operations. The Company assesses the investments whenever events or changes in circumstances indicate that the carrying value of the investments may not be recoverable.Recent Accounting Pronouncements Not Yet Adopted: In November 2023, the FASB issued Accounting Standards Update ("ASU") 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures. The guidance includes amendments to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The ASU is effective for fiscal years beginning after December 15, 2023 on a retrospective basis, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The Company is currently evaluating the impact that the adoption of this standard will have on the Companyâ€™s unaudited condensed consolidated financial statements.In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. The guidance includes amendments to enhance existing income tax disclosure requirements, primarily related to the rate reconciliation and income taxes paid disclosures. The ASU is effective for annual periods beginning after December 15, 2024 on a prospective basis with the option to apply the ASU retrospectively. Early adoption is permitted. The Company is currently evaluating the impact that the adoption of this standard will have on the Companyâ€™s unaudited condensed consolidated financial statements.In November 2024, the FASB issued ASU 2024-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40). The guidance includes amendments to require public companies to provide additional disclosure about certain costs and expenses. The ASU is effective for annual periods beginning after December 15, 2026, and interim periods beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating the impact that the adoption of this standard will have on the Companyâ€™s unaudited condensed consolidated financial statements.NoteÂ 3. Variable Interest Entity and Redeemable Non-Controlling InterestIn October 2019, the Company entered into an agreement with Japan Cloud Computing, L.P. and M30 LLC (collectively, the â€œInvestorsâ€) to engage in the investment, organization, management, and operation of nCino K.K. that is focused on the distribution of the Companyâ€™s products in Japan. In October 2019, the Company initially contributed $4.7 million in cash in exchange for 51% of the outstanding common stock of nCino K.K. As of OctoberÂ 31, 2024, the Company controls a majority of the outstanding common stock in nCinoÂ K.K. In October 2023, the Company made a further investment in nCino K.K. of $1.0 million that, including additional investments in nCino K.K. of $1.0 million by existing third-party investors in October 2023, maintained the Company's ownership of 51%.All of the common stock held by the Investors is callable by the Company or puttable by the Investors at the option of the Investors or at the option of the Company beginning on the eighth anniversary of the agreement with the Investors. Should the call or put option be exercised, the redemption value would be determined based on a prescribed formula derived from the discrete revenues of nCino K.K. and the Company and may be settled, at the Companyâ€™s discretion, with Company stock or cash or a combination of the foregoing. As a result of the put right available to the Investors, the redeemable non-controlling interests in nCino K.K. are classified outside of permanent equity in the Companyâ€™s unaudited condensed consolidated balance sheets. 10Table of ContentsnCino, Inc.NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS(In thousands, except share and per share amounts and unless otherwise indicated)The following table summarizes the activity in the redeemable non-controlling interests for the period indicated below:Three Months Ended October 31,Nine Months Ended October 31,2023202420232024Balance, beginning of period$2,995Â $4,133Â $3,589Â $3,428Â Investment by redeemable non-controlling interest983Â â€”Â 983Â â€”Â Net loss attributable to redeemable non-controlling interest (excluding adjustment to non-controlling interest)(320)(186)(868)(409)Foreign currency translation12Â 5Â 2Â 3Â Adjustment to redeemable non-controlling interest(478)1,286Â (526)2,205Â Stock-based compensation expense16Â 5Â 18Â 16Â Balance, end of period$3,198Â $5,243Â $3,198Â $5,243Â 1 nCino K.K. stock options granted in accordance with nCino K.K.'s equity incentive plan.NoteÂ 4. Fair Value MeasurementsFinancial Assets and Liabilities Measured at Fair Value on a Recurring BasisThe Company uses a three-tier fair value hierarchy, which prioritizes the inputs used in the valuation methodologies in measuring fair value:LevelÂ 1. Quoted prices (unadjusted) in active markets for identical assets or liabilities.LevelÂ 2. Significant other inputs that are directly or indirectly observable in the marketplace.LevelÂ 3. Significant unobservable inputs which are supported by little or no market activity.The carrying amounts of cash equivalents, accounts receivable, accounts payable, and accrued expenses approximate fair value as of JanuaryÂ 31, 2024 and OctoberÂ 31, 2024 because of the relatively short duration of these instruments. The carrying amount of any outstanding borrowings on the Company's revolving credit facility approximates fair value due to the variable interest rates of the borrowings.The Company evaluated its financial assets and liabilities subject to fair value measurements on a recurring basis to determine the appropriate level in which to classify them for each reporting period. The following table summarizes the Companyâ€™s financial assets measured at fair value as of JanuaryÂ 31, 2024 and OctoberÂ 31, 2024 and indicates the fair value hierarchy of the valuation:FairÂ valueÂ measurementsÂ onÂ aÂ recurringÂ basis as of January 31, 2024LevelÂ 1LevelÂ 2LevelÂ 3Assets:Money market accounts (included in cash and cash equivalents)$38,649Â $â€”Â $â€”Â Time deposits (included in long-term prepaid expenses and other assets)359Â â€”Â â€”Â Total assets$39,008Â $â€”Â $â€”Â 11Table of ContentsnCino, Inc.NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS(In thousands, except share and per share amounts and unless otherwise indicated)FairÂ valueÂ measurementsÂ onÂ aÂ recurringÂ basis as of October 31, 2024LevelÂ 1LevelÂ 2LevelÂ 3Assets:Money market accounts (included in cash and cash equivalents)$33,606Â $â€”Â $â€”Â Time deposits (included in long-term prepaid expenses and other assets)359Â â€”Â â€”Â Total assets$33,965Â $â€”Â $â€”Â All of the Companyâ€™s money market accounts are classified within LevelÂ 1 because the Companyâ€™s money market accounts are valued using quoted market prices in active exchange markets including identical assets.Financial Assets and Liabilities Measured at Fair Value on a Non-Recurring BasisThe Company's assets measured at fair value on a non-recurring basis include the investments accounted for under the measurement alternative. There was no adjustment or impairment recognized for the three and nine months ended OctoberÂ 31, 2023 and 2024.NoteÂ 5. RevenuesRevenues by Geographic AreaRevenues by geographic region were as follows:Three Months Ended October 31,Nine Months Ended October 31,2023202420232024United States$98,526Â $109,191Â $288,287Â $316,357Â International23,416Â 29,606Â 64,563Â 82,930Â $121,942Â $138,797Â $352,850Â $399,287Â The Company disaggregates its revenues from contracts with customers by geographic location. Revenues by geography are determined based on the region of the Companyâ€™s contracting entity, which may be different than the region of the customer. For the three and nine months ended OctoberÂ 31, 2023 and 2024, no country outside the United States represented 10% or more of total revenues.12Table of ContentsnCino, Inc.NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS(In thousands, except share and per share amounts and unless otherwise indicated)Contract AmountsAccounts ReceivableAccounts receivable, less allowance for doubtful accounts, is as follows as of JanuaryÂ 31, 2024 and OctoberÂ 31, 2024:As of January 31, 2024As of October 31, 2024Trade accounts receivable$106,170Â $48,316Â Unbilled accounts receivable7,699Â 16,951Â Allowance for doubtful accounts(1,451)(1,172)Other accounts receivable557Â 918Â Total accounts receivable, net$112,975Â $65,013Â Deferred Revenue and Remaining Performance ObligationsSignificant movements in the deferred revenue balance during the period consisted of increases due to payments received or due in advance prior to the transfer of control of the underlying performance obligations to the customer, which were offset by decreases due to revenues recognized in the period. During the nine months endedÂ OctoberÂ 31, 2024, $167.9 million of revenues were recognized out of the deferred revenue balance as of JanuaryÂ 31, 2024.Remaining performance obligations were $1.10 billion as ofÂ OctoberÂ 31, 2024. The Company expects to recognize approximately 67% of its remaining performance obligation as revenues in the next 24 months, approximately 27% more in the following 25 to 48 months, and the remainder thereafter.NoteÂ 6. Property and EquipmentProperty and equipment, net consisted of the following:As of January 31, 2024As of October 31, 2024Furniture and fixtures$12,066Â $11,742Â Computers and equipment8,010Â 7,109Â Buildings and land56,379Â 56,379Â Leasehold improvements27,712Â 28,081Â Construction in progress170Â 213Â 104,337Â 103,524Â Less accumulated depreciation(25,192)(27,813)$79,145Â $75,711Â 13Table of ContentsnCino, Inc.NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS(In thousands, except share and per share amounts and unless otherwise indicated)The Company recognized depreciation expense as follows:Three Months Ended October 31,Nine Months Ended October 31,2023202420232024Cost of subscription revenues$150Â $124Â $437Â $366Â Cost of professional services and other revenues457Â 322Â 1,375Â 991Â Sales and marketing450Â 316Â 1,334Â 981Â Research and development731Â 602Â 2,201Â 1,830Â General and administrative300Â 192Â 889Â 576Â Total depreciation expense$2,088Â $1,556Â $6,236Â $4,744Â NoteÂ 7. Business CombinationsDocFox, Inc. (â€œDocFoxâ€)On March 20, 2024 (the "DocFox Acquisition Date"), the Company acquired through a merger the outstanding equity interests of DocFox, which provides a solution to automate onboarding experiences for commercial and business banking. The Company acquired DocFox for its complementary product set, which helps simplify and automate the onboarding and account opening process. The Company has included the financial results of DocFox in the consolidated statements of operations from the DocFox Acquisition Date. Including the $2.0 million in post combination expense referenced below, transaction costs associated with the DocFox acquisition were approximately $3.9 million and were recorded in general and administrative expenses for the three months ended April 30, 2024.The Company paid a total of $74.3 million in cash as of the DocFox Acquisition Date. Included in the total cash paid was $6.2 million for DocFox common stock options that were cash settled on the DocFox Acquisition Date. The $6.2 million fair value of the DocFox common stock options was allocated between consideration transferred and post combination expense in the amounts of $4.2 million and $2.0 million, respectively. As there was no future service requirement due to accelerated vesting of these options, the entire $2.0 million was recorded as transaction cost immediately following the acquisition and not in consideration transferred. The $2.0 million is included within general and administrative expense for the three months ended April 30, 2024. The estimated fair value of the consideration transferred was $72.4 million on the DocFox Acquisition Date.In addition, the Company issued 198,505 RSUs with an approximate fair value of $6.1 million to certain employees of DocFox, which will vest over four years subject to such employees' continued employment. The RSUs will be recorded as stock-based compensation expense post-acquisition as the RSUs vest and has been excluded from the purchase consideration.14Table of ContentsnCino, Inc.NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS(In thousands, except share and per share amounts and unless otherwise indicated)The following table summarizes the preliminary fair values of assets acquired and liabilities assumed as of the DocFox Acquisition Date:Fair ValueCash and cash equivalents$1,400Â Accounts receivable1,898Â Operating lease right-of-use assets, net405Â Other current and noncurrent assets444Â Intangible assets24,600Â Goodwill57,430Â Accounts payable, accrued expenses, and other liabilities, current and noncurrent(3,495)Deferred revenue, current and noncurrent(3,505)Operating lease liabilities, current and noncurrent(405)Deferred income taxes(6,407)Net assets acquired$72,365Â The transaction was accounted for using the acquisition method and, as a result, tangible and intangible assets acquired and liabilities assumed were recorded at their estimated fair values at the DocFox Acquisition Date. Any excess consideration over the fair value of the assets acquired and liabilities assumed was recognized as goodwill and is subject to revision as the purchase price allocation is complete. The Company determined the acquisition date contract assets and liabilities in accordance with ASC 606.Due to the timing of the transaction, initial accounting for the acquisition is not complete, and further measurement period adjustments may occur in fiscal year 2025, but no later than one year from the DocFox Acquisition Date. The Company has estimated the preliminary fair value of net assets acquired based on information currently available and with the assistance of independent third-party valuations and will continue to adjust those estimates as additional information becomes available, valuations are finalized and the tax returns for the pre-acquisition period are completed. The primary areas of the acquisition accounting that remain preliminary relate to, but are not limited to, (i) finalizing the review and valuation of intangible assets (including key assumptions, inputs and estimates), (ii) finalizing the Company's review of certain assets acquired and liabilities assumed, (iii) finalizing the evaluation and valuation of certain legal matters and/or loss contingencies, including those that the Company may not yet be aware of but meet the requirement to qualify as a pre-acquisition contingency, (iv) finalizing our estimate of the impact of acquisition accounting on deferred income taxes or liabilities, including uncertain tax positions, and (v) finalizing the Companyâ€™s review of the acquired contracts and related contract assets and liabilities. As the initial acquisition accounting is based on preliminary assessments, actual values may differ materially when final information becomes available. The Company believes the information gathered to date provides a reasonable basis for estimating the preliminary fair values of assets acquired and liabilities assumed. The Company will continue to evaluate these items until they are satisfactorily resolved and make necessary adjustments, within the allowable measurement period.The following table sets forth the components of the preliminary fair value of identifiable intangible assets and their estimated useful lives over which the acquired intangible assets will be amortized on a straight-line basis, as this approximates the pattern in which economic benefits of the assets are consumed as of the DocFox Acquisition Date:Fair ValueUseful LifeTrade name$200Â 1 yearCustomer relationships16,400Â 10 yearsDeveloped technology8,000Â 5 yearsTotal intangible assets subject to amortization$24,600Â Developed technology represents the preliminary fair value of DocFox's technology. Customer relationships represent the preliminary fair value of the underlying relationships with DocFox's customers. Trade names represents the preliminary fair value of DocFoxâ€™s company name. The Company continues to assess the rates used in the preliminary 15Table of ContentsnCino, Inc.NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS(In thousands, except share and per share amounts and unless otherwise indicated)valuation methods such as, but not limited to, the discount rates for developed technology, customer relationships and trade name and customer attrition rate for customer relationships.Goodwill is primarily attributable to expanded market opportunities, synergies expected from the acquisition, and assembled workforce. The goodwill is not expected to be deductible for tax. The financial results of DocFox since the DocFox Acquisition Date are included in the Company's unaudited condensed consolidated financial statements and are not material to the Company. The Company has not disclosed pro-forma revenue and earnings attributable to DocFox as they did not have a material effect on the Companyâ€™s unaudited condensed consolidated financial statements.Integrated Lending Technologies, LLC (â€œILTâ€)On April 1, 2024 (the "ILT Acquisition Dateâ€), the Company acquired all outstanding membership interests of ILT, which provides consumer loan origination software that streamlines direct and indirect lending operations. The Company acquired ILT for its complementary products and believes this will provide greater value for new and existing customers. The Company has included the financial results of ILT in the consolidated statements of operations from the ILT Acquisition Date. Transaction costs associated with the ILT acquisition were approximately $0.9 million and were recorded in general and administrative expenses for the three months ended April 30, 2024.The fair value of the consideration transferred was $19.9 million and paid in cash on the ILT Acquisition Date, subject to a net working capital adjustment. The net working capital adjustment was finalized in July 2024, resulting in an increase to the purchase price of $0.1 million which was recorded to goodwill.The following table summarizes the preliminary fair values of assets acquired and liabilities assumed as of the ILT Acquisition Date:Fair ValueCash and cash equivalents$164Â Accounts receivable343Â Intangible assets8,660Â Goodwill11,111Â Accounts payable, accrued expenses, and other liabilities, current and noncurrent(240)Net assets acquired$20,038Â The transaction was accounted for using the acquisition method and, as a result, tangible and intangible assets acquired, and liabilities assumed were recorded at their estimated fair values at the ILT Acquisition Date. Any excess consideration over the fair value of the assets acquired and liabilities assumed was recognized as goodwill and is subject to revision as the purchase price allocation is completed. The Company determined the acquisition date contract assets and liabilities in accordance with ASC 606.Due to the timing of the transaction, initial accounting for the acquisition is not complete, and further measurement period adjustments may occur in fiscal year 2025, but no later than one year from the ILT Acquisition Date. The Company has estimated the preliminary fair value of net assets acquired based on information currently available and with the assistance of independent third-party valuations and will continue to adjust those estimates as additional information becomes available and valuations are finalized. The primary areas of the acquisition accounting that remain preliminary relate to, but are not limited to, (i) finalizing the review and valuation of intangible assets (including key assumptions, inputs and estimates), (ii) finalizing the Company's review of certain assets acquired and liabilities assumed, and (iii) finalizing the Companyâ€™s review of the acquired contracts and related contract assets and liabilities. As the initial acquisition accounting is based on preliminary assessments, actual values may differ materially when final information becomes available. The Company believes the information gathered to date provides a reasonable basis for estimating the preliminary fair values of assets acquired and

liabilities assumed. The Company will continue to evaluate these items until they are satisfactorily resolved and make necessary adjustments, within the allowable measurement period.16Table of ContentsnCino, Inc.NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS(In thousands, except share and per share amounts and unless otherwise indicated)The following table sets forth the components of the preliminary fair value of identifiable intangible assets and their estimated useful lives over which the acquired intangible assets will be amortized on a straight-line basis, as this approximates the pattern in which economic benefits of the assets are consumed as of the ILT Acquisition Date:Fair ValueUseful LifeTrade name$210Â 1 yearCustomer relationships5,870Â 10 yearsDeveloped technology2,580Â 5 yearsTotal intangible assets subject to amortization$8,660Â Developed technology represents the preliminary estimated fair value of ILTâ€™s technology. Customer relationships represent the preliminary estimated fair value of the underlying relationships with ILTâ€™s customers. Trade name represents the preliminary estimated fair value of ILTâ€™s company name. The Company continues to assess the rates used in the preliminary valuation methods such as, but not limited to, the discount rates for developed technology, customer relationships and trade name and customer attrition rate for customer relationships.Goodwill is primarily attributable to expanded market opportunities, synergies expected from the acquisition, and assembled workforce and approximately $11.1 million is expected to be deductible for tax purposes.The financial results of ILT since the ILT Acquisition Date are included in the Company's unaudited condensed consolidated financial statements and are not material to the Company. The Company has not disclosed pro-forma revenue and earnings attributable to ILT as they did not have a material effect on the Companyâ€™s condensed consolidated financial statements.NoteÂ 8. Goodwill and Intangible AssetsGoodwillThe change in the carrying amounts of goodwill was as follows:Balance, January 31, 2024$838,869Â Acquisitions68,541Â Translation adjustments1,149Â Balance, October 31, 2024$908,559Â Intangible assetsIntangible assets, net are as follows:AsÂ ofÂ January 31, 2024AsÂ ofÂ October 31, 2024GrossAmountAccumulatedAmortizationNetÂ CarryingAmountGrossAmountAccumulatedAmortizationNetÂ CarryingAmountDevelopedÂ technology$83,468Â $(38,010)$45,458Â $88,080Â $(4
and trade name14,624Â (14,624)â€”Â 424Â (256)168Â Other919Â (424)495Â 1,369Â (743)626Â $190,715Â $(75,143)$115,572Â $204,294Â $(75,950)$128,344Â During the nine months ended OctoberÂ 31, 2024, the Company wrote off approximately $20.6Â million of fully amortized intangible assets and the corresponding accumulated amortization.17Table of ContentsnCino, Inc.NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS(In thousands, except share and per share amounts and unless otherwise indicated)The Company recognized amortization expense for intangible assets as follows:Three Months Ended October 31,Nine Months Ended October 31,2023202420232024Cost of subscription revenues$3,990Â $4,404Â $12,431Â $12,926Â Cost of professional services and other revenues82Â 82Â 247Â 247Â Sales and marketing12,880Â 2,871Â 18,423Â 8,215Â Total amortization expense$16,952Â $7,357Â $31,101Â $21,388Â During the third quarter of fiscal 2024, the Company rebranded the SimpleNexus solution to nCino Mortgage, resulting in a change to the trade name useful life and recorded incremental amortization of $10.1 million to fully amortize the remaining trade name intangible asset.The expected future amortization expense for intangible assets as of OctoberÂ 31, 2024 is as follows:Fiscal Year Ending January 31,2025 (remaining)$7,355Â 202628,896Â 202727,628Â 202813,170Â 202913,069Â Thereafter38,226Â $128,344Â The expected amortization expense is an estimate. Actual amounts of amortization expense may differ from estimated amounts due to additional intangible asset acquisitions, changes in foreign currency exchange rates, impairment of intangible assets, future changes to expected asset lives of intangible assets, and other events.NoteÂ 9. Stock-Based CompensationStock OptionsStock option activity for the nine months ended October 31, 2024 was as follows:Number ofSharesWeightedAverageExerciseÂ PriceOutstanding, January 31, 20241,212,704Â $7.14Â Grantedâ€”Â â€”Â Expired or forfeited(1,375)12.06Â Exercised(290,917)7.58Â Outstanding, October 31, 2024920,412Â $7.00Â Exercisable, October 31, 2024920,412Â $7.00Â Fully vested or expected to vest, October 31, 2024920,412Â $7.00Â 18Table of ContentsnCino, Inc.NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS(In thousands, except share and per share amounts and unless otherwise indicated)Restricted Stock UnitsRSU activity during the nine months ended October 31, 2024 was as follows:NumberÂ ofSharesWeightedÂ AverageGrant Date FairValueNonvested, January 31, 20245,626,125Â $33.19Â Granted3,027,506Â 33.46Â Vested(1,581,387)33.59Â Forfeited(704,777)34.93Â Nonvested, October 31, 20246,367,467Â $33.08Â As of OctoberÂ 31, 2024, total unrecognized compensation expense related to non-vested RSUs was $166.6 million, adjusted for estimated forfeitures, based on the estimated fair value of the Companyâ€™s common stock at the time of grant. That cost is expected to be recognized over a weighted average period of 2.85 years.Employee Stock Purchase PlanThe first offering period for the Employee Stock Purchase Plan ("ESPP") began on July 1, 2021 and ended on December 31, 2021. Thereafter, offering periods begin each year on January 1 and July 1.The fair value of ESPP shares during the nine months ended October 31, 2023 and 2024 was estimated at the date of grant using the Black-Scholes option valuation model based on assumptions as follows for ESPP awards: Nine Months Ended October 31,20232024Expected life (in years)0.500.50Expected volatility61.66% - 61.86%38.70% - 38.91%Expected dividends0.00%0.00%Risk-free interest rate4.77% - 5.53%5.24% - 5.37%Stock-Based Compensation ExpenseTotal stock-based compensation expense included in our unaudited condensed consolidated statements of operations were as follows:Three Months Ended October 31,Nine Months Ended October 31,2023202420232024Cost of subscription revenues$515Â $733Â $1,314Â $2,088Â Cost of professional services and other revenues2,571Â 2,940Â 6,660Â 8,699Â Sales and marketing4,153Â 4,394Â 11,194Â 12,534Â Research and development4,386Â 4,208Â 11,665Â 13,720Â General and administrative4,198Â 5,696Â 11,136Â 15,974Â Total stock-based compensation expense$15,823Â $17,971Â $41,969Â $53,015Â 19Table of ContentsnCino, Inc.NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS(In thousands, except share and per share amounts and unless otherwise indicated)NoteÂ 10. LeasesOperating LeasesThe Company leases its facilities and a portion of its equipment under various non-cancellable agreements, which expire at various times through December 2033, some of which include options to extend for up to five years.The components of lease expense were as follows:Three Months Ended October 31,Nine Months Ended October 31,2023202420232024Operating lease expense$1,225Â $1,418Â $3,842Â $4,144Â Variable lease expense464Â 657Â 1,398Â 1,927Â Short-term lease expense94Â 41Â 328Â 189Â Sublease income$â€”Â (232)â€”Â $(232)Total lease expense$1,783Â $1,884Â $5,568Â $6,028Â Supplemental cash flow information related to operating leases were as follows:Nine Months Ended October 31,20232024Cash paid for amounts included in the measurement of operating lease liabilities$3,324Â $3,236Â Operating right-of-use assets obtained in exchange for operating lease liabilities2,142Â 810Â Operating right-of-use assets and operating lease liabilities disposed of115Â 1,947Â The weighted-average remaining lease term and weighted-average discount rate for the Company's operating lease liabilities as of OctoberÂ 31, 2024 were 6.25 years and 6.8%, respectively.Future minimum lease payments as of OctoberÂ 31, 2024 were as follows:Fiscal Year Ending January 31,Operating Leases2025 (remaining)$1,166Â 20265,088Â 20273,307Â 20282,796Â 20291,729Â Thereafter6,564Â Total lease liabilities20,650Â Less: imputed interest(3,991)Total lease obligations16,659Â Less: current obligations(4,830)Long-term lease obligations$11,829Â 20Table of ContentsnCino, Inc.NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS(In thousands, except share and per share amounts and unless otherwise indicated)NoteÂ 11. Revolving Credit FacilityOn February 11, 2022, the Company entered into a Credit Agreement (the â€œ2022 Credit Agreementâ€), by and among the Company, nCino OpCo (the â€œBorrowerâ€), certain subsidiaries of the Company as guarantors, and Bank of America, N.A. as lender (the â€œLenderâ€), pursuant to which the Lender provided to the Borrower a senior secured revolving credit facility of up to $50.0Â million (the â€œ2022 Credit Facilityâ€). The 2022 Credit Facility included borrowing capacity available for letters of credit subject to a sublimit of $7.5Â million. Any issuance of letters of credit would have reduced the amount available under the 2022 Credit Facility. The Company was also required to maintain at least $5.0Â million of the Company's cash and/or marketable securities with the Lender which was considered restricted cash and was included in long-term prepaid expenses and other assets as of JanuaryÂ 31, 2024.On February 9, 2024, the Company entered into a First Amendment to extend the existing maturity date of the 2022 Credit Facility provided for under the 2022 Credit Agreement to February 11, 2025.On March 17, 2024, the Company entered into the Second Amendment which increased our borrowing availability to $100.0Â million and extended the existing maturity date of the 2022 Credit Facility to March 17, 2029.Borrowings under the 2022 Credit Facility accrued interest, at the Borrowerâ€™s option, at: (i) a base rate equal to the greatest of (a) the Lenderâ€™s â€œprime rateâ€, (b) the federal funds rate plus 0.50%, and (c) the Term SOFR rate plus 1.00% (provided that the base rate shall not be less than 0.00%), plus a margin of 1.3125%; or (ii) the Term SOFR rate (provided that the Term SOFR shall not be less than 0.00%), plus a margin of 2.3125%, in each case with such margin subject to a step down based on achievement of a certain leverage ratio. The Company was also required to pay an unused commitment fee to the Lender of 0.30% of the average daily unutilized commitments (with a step down based on achievement of a certain leverage ratio). The Company was also required to pay customary letter of credit fees.On October 28, 2024, the Company terminated the 2022 Credit Agreement above and entered into a new Credit Agreement (the "2024 Credit Agreement"), by and among the Company, nCino OpCo, Inc. (the "Borrower"), certain subsidiaries of the Company as guarantors, the lenders party thereto (the "Lenders") and Bank of America, N.A. as administrative agent (the "Agent"). The 2024 Credit Agreement includes a senior secured revolving credit facility of up to $250.0Â million (the "2024 Credit Facility") with a maturity date of October 28, 2029. The 2024 Credit Facility includes borrowing capacity available for letters of credit subject to a sublimit of $45.0Â million. Any issuances of letters of credit will reduce the amount available under the 2024 Credit Facility.Borrowings under the 2024 Credit Facility bear interest, at the Borrowerâ€™s option, at: (i) a base rate equal to the greatest of (a) the Agentâ€™s â€œprime rateâ€, (b) the federal funds rate plus 0.50%, and (c) the Term SOFR rate plus 1.00% (provided that the base rate shall not be less than 0.00%), plus a margin of 1.00%; or (ii) the Term SOFR rate (provided that the Term SOFR shall not be less than 0.00%), plus a margin of 2.00%, in each case with such margin subject to step ups based on certain leverage ratios. The Company is also required to pay an unused commitment fee to the Lenders of 0.25% of the average daily unutilized commitments (with step ups based on certain leverage ratios). The Company must also pay customary letter of credit fees.The Company may repay amounts borrowed any time without penalty. Borrowings under the 2024 Credit Facility may be reborrowed.The 2024 Credit Agreement contains representations and warranties, affirmative, negative and financial covenants, and events of default that are customary for loans of this type. The financial covenants require the Company and its subsidiaries on a consolidated basis to maintain (i) a Consolidated Total Leverage Ratio not in excess of 4.00:1.00 as of the end of any fiscal quarter, and (ii) a Consolidated Interest Coverage Ratio not less than 3.00:1.00 as of the end of any fiscal quarter, commencing with the fiscal quarter ending January 31, 2025.The 2024 Credit Facility is guaranteed by the Company and each of its current and future material domestic subsidiaries (the â€œGuarantorsâ€) and secured by substantially all of the personal property, subject to customary exceptions, of the Borrower and the Guarantors, in each case, now owned or later acquired, including a pledge of all of the Borrowerâ€™s capital 21Table of ContentsnCino, Inc.NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS(In thousands, except share and per share amounts and unless otherwise indicated)stock, the capital stock of all of the Companyâ€™s domestic subsidiaries, and 65% of the capital stock of foreign subsidiaries that are directly owned by the Borrower or a Guarantor.The Company had $0.0 million and no letters of credit issued under the 2022 Credit Facility as of JanuaryÂ 31, 2024. The Company had $166.0 million outstanding and no letters of credit issued under the 2024 Credit Facility and was in compliance with all covenants as of OctoberÂ 31, 2024. As of OctoberÂ 31, 2024, the applicable interest rate was 6.72%. The available borrowing capacity under the 2024 Credit Facility was $84.0Â million as of OctoberÂ 31, 2024.NoteÂ 12. Commitments and ContingenciesIn addition to the operating lease commitments described in Note 10 "Leases", the Company has additional contractual commitments as described further below.Purchase CommitmentsThe Companyâ€™s purchase commitments consist of non-cancellable agreements to purchase goods and services, primarily licenses and hosting services, entered into in the ordinary course of business.Financing ObligationsThe Company's financing obligations consist of leases for the Company's headquarters and parking deck in which the Company is deemed the owner of for accounting purposes. The leases will be analyzed for applicable lease accounting upon expiration of the purchase option, if not exercised.Purchase commitments and future minimum lease payments required under financing obligations as of OctoberÂ 31, 2024 is as follows:Fiscal Year Ending January 31,Purchase commitmentsFinancing obligations - leased facility2025 (remaining)$20,922Â $1,143Â 202683,388Â 4,653Â 202781,195Â 3,958Â 202874,698Â â€”Â 20291,226Â â€”Â Thereafter357Â â€”Â Total$261,786Â $9,754Â Residual financing obligations and assets49,560Â Less: amount representing interest(6,076)Financing obligations$53,238Â A portion of the associated lease payments are recognized as interest expense and the remainder reduces the financing obligations. The weighted-average discount rate for the Company's financing obligations as of OctoberÂ 31, 2024 was 5.7%.IndemnificationIn the ordinary course of business, the Company generally includes standard indemnification provisions in its arrangements with third parties, including vendors, customers, and the Companyâ€™s directors and officers. Pursuant to these provisions, the Company may be obligated to indemnify such parties for losses or claims suffered or incurred. It is not possible to determine the maximum potential loss under these indemnification provisions due to the Companyâ€™s limited history of prior indemnification claims and the unique facts and circumstances involved in each particular provision. The Company has not 22Table of ContentsnCino, Inc.NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS(In thousands, except share and per share amounts and unless otherwise indicated)accrued any material liabilities related to such obligations in the accompanying unaudited condensed consolidated financial statements.Legal ProceedingsFrom time to time, the Company is involved in legal proceedings or is subject to claims arising in the ordinary course of business including the following:On September 26, 2022, a purported stockholder of the Company filed a complaint in the Delaware Court of Chancery in connection with the series of mergers in which the Company became the parent of nCino OpCo and SimpleNexus. On December 28, 2023, the Delaware Court of Chancery granted in full defendants' motions to dismiss the complaint. On January 25, 2024, the plaintiff filed a notice of appeal. On September 12, 2024, the Delaware Supreme Court summarily affirmed the dismissal of the complaint in its entirety.Other Commitments and ContingenciesThe Company may be subject to audits related to its non-income taxes by tax authorities in jurisdictions where it conducts business. These audits may result in assessments of additional taxes that are subsequently resolved with the authorities or potentially through the courts. The Company accrues for any assessments if deemed probable and estimable.NoteÂ 13. Related-Party TransactionsOn November 1, 2022, the Company's wholly-owned subsidiary, nCino OpCo, acquired preferred shares of ZestFinance, Inc. (d/b/a ZEST AI) ("Zest AI"), a private company, for $2.5 million and is included in investments as of JanuaryÂ 31, 2024 and OctoberÂ 31, 2024 on the Company's unaudited condensed consolidated balance sheets. The investment is considered a related party transaction as entities affiliated with Insight Partners, a beneficial owner of the Company, own greater than ten percent of Zest AI. On May 23, 2023, the Company announced a strategic partnership with Zest AI to build an integration into the Company's consumer banking solution to enable lenders with streamlined access to consumer credit lending insights.NoteÂ 14. Basic and Diluted Loss per ShareBasic loss per share is computed by dividing net loss attributable to nCino, Inc. by the weighted-average number of common shares outstanding for the fiscal period. Diluted loss per share is computed by giving effect to all potential weighted average dilutive common stock, including stock options issued and outstanding, nonvested RSUs issued and outstanding, and shares issuable pursuant to the ESPP. The dilutive effect of outstanding awards is reflected in diluted earnings per share by application of the treasury stock method. Diluted loss per share for the three and nine months ended OctoberÂ 31, 2023 and 2024 is the same as the basic loss per share as there was a net loss for those periods, and inclusion of potentially issuable shares was anti-dilutive.The components of basic and diluted loss per share for periods presented are as follows (in thousands, except share and per share data):Three Months Ended October 31,Nine Months Ended October 31,2023202420232024Basic and diluted loss per share:NumeratorNet loss attributable to nCino, Inc.$(16,379)$(5,252)$(43,506)$(19,268)DenominatorWeighted-average common shares outstanding112,951,553Â 115,611,833Â 112,484,017Â 114,970,622Â Basic and diluted loss per share attributable to nCino, Inc.(0.15)(0.05)(0.39)(0.17)23Table of ContentsnCino, Inc.NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS(In thousands, except share and per share amounts and unless otherwise indicated)The following potential outstanding common stock were excluded from the diluted loss per share computation because the effect would have been anti-dilutive:Nine Months Ended October 31,20232024Stock options issued and outstanding1,551,058Â 920,412Â Nonvested RSUs issued and outstanding5,785,669Â 6,367,467Â Shares issuable pursuant to the ESPP61,412Â 77,914Â NoteÂ 15. Subsequent EventIn November 2024, the Company acquired all of the outstanding equity of Artesian Solutions Limited, operating as "FullCircl", a UK-based SaaS platform built to help financial institutions automate and accelerate onboarding and improve client lifecycle management. Approximately $129.7Â million of the purchase price was funded with proceeds from the 2024 Credit Facility. An additional $15.0Â million will be retained by the Company for two years as security upon the satisfaction and performance of certain warranties and covenants arising under the Share Purchase Agreement. The acquisition will be accounted for as a business combination under ASC 805, Business Combinations. The Company is in the process of finalizing the accounting for this transaction and will complete the preliminary allocation of the purchase consideration to the assets acquired and liabilities assumed by the end of our fourth quarter of fiscal 2025.24Table of ContentsItem 2. Managementâ€™s Discussion and Analysis of Financial Condition and Results of OperationsThe following discussion of our financial condition and results of operations should be read together with our unaudited condensed consolidated financial statements and related notes and other financial information included in this

Quarterly Report on Form 10-Q and our Annual Report on Form 10-K for the fiscal year ended JanuaryÂ 31, 2024 filed with the SEC on MarchÂ 26, 2024. The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to these differences include those discussed below and elsewhere in this Quarterly Report on Form 10-Q and in our Annual Report on Form 10-K, particularly in the section titled â€œRisk Factors.â€ Our historical results are not necessarily indicative of the results that may be expected for any period in the future. Our fiscal year ends on JanuaryÂ 31 of each year and references in this Quarterly Report on Form 10-Q to a fiscal year mean the year in which that fiscal year ends. For example, references in this Quarterly Report on Form 10-Q to "fiscal 2025" refer to the fiscal year ended JanuaryÂ 31, 2025.OverviewThrough its single software-as-a-service ("SaaS") platform, nCino helps financial institutions ("FI") serving corporate and commercial, small business, consumer, and mortgage customers modernize and more effectively onboard clients, open accounts, make loans and navigate the loan lifecycle, and effectively monitor and manage their portfolio. With the nCino Bank Operating System, FIs can:â€¢digitally serve their clients across lines of business,â€¢improve efficiency,â€¢elevate employee experience and performance,â€¢manage risk and compliance more effectively,â€¢establish an active data, audit, and business intelligence hub, andâ€¢embrace the value of intelligent automation and uncover data-driven insights.nCino was originally founded in a bank to improve that FIâ€™s operations and client service. After realizing that the same problemsâ€”cumbersome legacy technology, fragmented data, disconnected business functions, and a disengaged workforce made it difficult to maintain relevancy in their clients' livesâ€”were endemic across the financial services industry, nCino spun out as a separate company in late 2011. This heritage is the foundation of our deep banking domain expertise, which differentiates us, continues to drive our strategy, and makes us uniquely qualified to help FIs become more efficient by providing an end-to-end platform that spans business lines and combines capabilities for a seamless experience.The nCino Bank Operating System was initially designed to help transform commercial and small business lending for community and regional banks. This solution was introduced to enterprise banks in the United States ("U.S.") in 2014, and then internationally in 2017, and has subsequently expanded across North America, Europe, the Middle East, South Africa and Asia-Pacific. Throughout this market expansion, we broadened the nCino Bank Operating System by adding functionality for consumer lending, client onboarding, deposit account opening, analytics and artificial intelligence and machine learning. In fiscal 2020, we made two acquisitions as part of our strategy to build out our nIQ capabilities and we established our nCino K.K joint venture to facilitate our entry into the Japanese market. An acquisition in fiscal 2022 expanded our capabilities to the U.S. point-of-sale mortgage market.On March 20, 2024 (the "DocFox Acquisition Date"), we acquired DocFox, Inc. ("DocFox") which provides a solution for automating onboarding experiences for commercial and business banking, for an aggregate preliminary purchase price of $74.3 million. We funded the purchase consideration with $75.0 million borrowed under the 2022 Credit Facility as further described in Note 11 "Revolving Credit Facility" of the notes to our unaudited condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q. We have included the financial results of DocFox in our unaudited condensed consolidated financial statements from the DocFox Acquisition Date.We acquired Integrated Lending Technologies, LLC ("ILT") on April 1, 2024 (the "ILT Acquisition Date"), which provides consumer loan origination software that streamlines direct and indirect lending operations, for an aggregate purchase 25Table of Contentsprice of $20.0 million in cash. We have included the financial results of ILT in our unaudited condensed consolidated financial statements from the ILT Acquisition Date.See Note 7 "Business Combinations" of the notes to our unaudited condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for more information on the DocFox and ILT acquisitions.In November 2024, we acquired Artesian Solutions Limited, operating as ("FullCircl"), a UK-based SaaS platform built to help financial institutions automate and accelerate onboarding and improve client lifecycle management. We funded $129.7Â million of the purchase consideration with borrowings made in October 2024 under the 2024 Credit Facility as further described in Note 11 "Revolving Credit Facility" of the notes to our unaudited condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q. See Note 15 "Subsequent Event" of the notes to our unaudited condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for more information on the FullCircl acquisition.We generally offer the nCino Bank Operating System on a subscription basis pursuant to non-cancellable multi-year contracts that typically range from three to five years, and we employ a â€œland and expandâ€ business model. The nCino Bank Operating System is designed to scale with our customers, and once our solution is deployed, we seek to have our customers expand adoption within and across lines of business.We sell our solutions directly through our business development managers, account executives, field sales engineers, and customer success managers. Our sales efforts in the U.S. are organized around FIs based on size, whereas internationally, we focus our sales efforts by geography. As of OctoberÂ 31, 2024, we had 205 sales and sales support personnel in the U.S. and 99 sales and support personnel in offices outside the U.S.To help customers go live with our solutions, we offer professional services including configuration and implementation, training, and advisory services. For enterprise FIs, we generally work with system integration ("SI") partners such as Accenture, Deloitte, and PwC for the delivery of professional services for the nCino Bank Operating System. For regional FIs, we work with SIs such as West Monroe Partners, and for community banks, we work with SIs or perform configuration and implementation ourselves. We expect enterprise FIs to make up a greater proportion of our nCino Bank Operating System sales.For the three months ended October 31, 2023 and 2024, our total revenues were $121.9 million and $138.8 million, respectively, representing a 13.8% increase. For the three months ended October 31, 2023 and 2024, our subscription revenues were $104.8 million and $119.9 million, respectively, representing a 14.4% increase. Due to our investments in growth, we recorded net losses attributable to nCino, Inc. of $16.4 million and $5.3 million for the three months ended October 31, 2023 and 2024, respectively. For the nine months ended October 31, 2023 and 2024, our total revenues were $352.9 million and $399.3 million, respectively, representing a 13.2% increase. For the nine months ended October 31, 2023 and 2024, our subscription revenues were $302.0 million and $344.2 million, respectively, representing a 14.0% increase. Due to our investments in growth, we recorded net losses attributable to nCino, Inc. of $43.5 million and $19.3 million for the nine months ended October 31, 2023 and 2024, respectively.Factors Affecting Our Operating ResultsMarket Adoption of Our Solution. Our future growth depends on our ability to expand our reach to new FI customers and increase adoption with existing customers as they broaden their use of our solutions within and across lines of business. Our success in growing our customer base and expanding adoption of our solutions by existing customers requires a focused direct sales engagement and the ability to convince key decision makers at FIs to replace legacy third-party point solutions or internally developed software with our solutions. In addition, growing our customer base will require us to increasingly penetrate markets outside the U.S., which accounted for 21.3% of total revenues for the three months ended October 31, 2024 and 20.8% for the nine months ended October 31, 2024. For new customers, our sales cycles are typically lengthy, generally ranging from six to nine months for smaller FIs to 12 to 18 months or more for larger FIs. Key to landing new customers is our ability to successfully take our existing customers live and help them achieve measurable returns on their investment, thereby turning them into referenceable accounts. If we are unable to successfully address the foregoing challenges, our ability to grow our business and achieve profitability will be adversely affected, which may in turn reduce the value of our common stock.Mix of Subscription and Professional Services Revenues. The initial deployment of our solutions by our customers requires a period of implementation and configuration services that typically range from three months to 18 months, 26Table of Contentsdepending on the scope. As a result, during the initial go-live period for a customer on the nCino Bank Operating System, professional services revenues generally make up a substantial portion of our revenues from that customer, whereas over time, revenues from established customers are more heavily weighted to subscriptions. While professional services revenues will fluctuate as a percentage of total revenues in the future and tend to be higher in periods of faster growth, over time we expect subscription revenues will make up an increasing proportion of our total revenues as our overall business grows.Macroeconomic Environment. We are currently operating in a higher interest rate environment as the U.S. Federal Reserve has raised interest rates as a means to manage inflation. These rate increases have had an impact on the real estate market in the U.S. and specifically, the demand for mortgages and mortgage-related products and services, which has had a negative impact on our nCino Mortgage business.We will continue to monitor the impact the macroeconomic environment may have on our business.Continued Investment in Innovation and Growth. We have made substantial investments in product development, sales and marketing, and strategic acquisitions since our inception to achieve a leadership position in our market and grow our revenues and customer base. We intend to continue to increase our investment in product development in the coming years to maintain and build on this advantage. We also intend to invest in sales and marketing both in the U.S. and internationally to further grow our business. To capitalize on the market opportunity we see ahead of us, we expect to continue to optimize our operating plans for revenue growth and profitability.Components of Results of OperationsRevenuesWe derive our revenues from subscription and professional services and other revenues.Subscription Revenues. Our subscription revenues consist principally of fees from customers for accessing our solutions and maintenance and support services that we generally offer under non-cancellable multi-year contracts, which typically range from three to five years for the nCino Bank Operating System and one to three years for nCino Mortgage. Specifically, we offer:â€¢Client onboarding, loan origination, and deposit account opening applications targeted at a FIâ€™s commercial, small business, and retail lines of business, for which we generally charge on a per seat basis.â€¢nIQ for which we generally charge based on the asset size of the customer or on a usage basis.â€¢Through nCino Mortgage, a digital homeownership solution uniting people, systems, and stages of the mortgage process into a seamless end-to-end journey for which we generally charge on a per seat basis. â€¢Maintenance and support services as well as internal-use or â€œsandboxâ€ development licenses, for which we generally charge as a percentage of the related subscription fees.Our subscription revenues are generally recognized ratably over the term of the contract beginning upon activation. For new customers, we may activate a portion of seats at inception of the agreement, with the balance activated at contractually specified points in time thereafter, to pattern our invoicing after the customerâ€™s expected rate of implementation and adoption. Where seats are activated in stages, we charge subscription fees from the date of activation through the anniversary of the initial activation date, and annually thereafter. Subscription fees associated with the nCino Bank Operating System are generally billed annually in advance while subscription fees for nCino Mortgage are generally billed monthly in advance. Maintenance and support fees, as well as development licenses, are provided over the same periods as the related subscriptions, so fees are invoiced and revenues are recognized over the same periods. Subscription fees invoiced are recorded as deferred revenue pending recognition as revenues. In certain cases, we are authorized to resell access to Salesforceâ€™s CRM solution along with the nCino Bank Operating System. When we resell such access, we charge a higher subscription price and remit a higher subscription fee to Salesforce for these subscriptions.Professional Services and Other Revenues. Professional services and other revenues consist of fees for implementation and configuration assistance, training, and advisory services. For enterprise and larger regional FIs, we generally work with SI partners to provide the majority of implementation services for the nCino Bank Operating System, for which these SI partners bill our customers directly. We have historically delivered professional services ourselves for 27Table of Contentscommunity banks and smaller credit unions and nCino Mortgage has historically provided professional services directly to its customers. Revenues for implementation, training, and advisory services are generally recognized on a proportional performance basis, based on labor hours incurred relative to total budgeted hours. To date, our losses on professional services contracts have not been material. During the initial go-live period for a customer on the nCino Bank Operating System, professional services revenues generally make up a substantial portion of our revenues from that customer, whereas over time, revenues from established customers are more heavily weighted to subscriptions. While professional services revenues will fluctuate as a percentage of total revenues in the future and tend to be higher in periods of faster growth, over time we expect to see subscription revenues make up an increasing proportion of our total revenues.Cost of Revenues and Gross MarginCost of Subscription Revenues. Cost of subscription revenues consists of fees paid to Salesforce for access to the Salesforce Platform, including Salesforceâ€™s hosting infrastructure and data center operations, along with certain integration fees paid to other third parties. When we resell access to Salesforceâ€™s CRM solution, cost of subscription revenues also includes the subscription fees we remit to Salesforce for providing such access. We also incur costs associated with access to other platforms. In addition, cost of subscription revenues includes personnel-related costs associated with delivering maintenance and support services, including salaries, benefits and stock-based compensation expense, travel and related costs, amortization of acquired developed technology, and allocated overhead. Our subscription gross margin will vary from period to period as a function of the utilization of support personnel and the extent to which we recognize subscription revenues from the resale of Salesforceâ€™s CRM solution.Cost of Professional Services and Other Revenues. Cost of professional services and other revenues consists primarily of personnel-related costs associated with delivery of these services, including salaries, benefits and stock-based compensation expense, travel and related costs, and allocated overhead. The cost of providing professional services is significantly higher as a percentage of the related revenues than for our subscription services due to direct labor costs. The cost of professional services revenues has increased in absolute dollars as we have added new customer subscriptions that require professional services and built-out our international professional services capabilities. Realized effective billing and utilization rates drive fluctuations in our professional services and other gross margin on a period-to-period basis.Operating ExpensesSales and Marketing. Sales and marketing expenses consist primarily of personnel costs of our sales and marketing employees, including salaries, sales commissions and incentives, benefits and stock-based compensation expense, travel and related costs. We capitalize incremental costs incurred to obtain contracts, primarily consisting of sales commissions, and subsequently amortize these costs over the expected period of benefit, which we have determined to be approximately four years. Sales and marketing expenses also include outside consulting fees, marketing programs, including lead generation, costs of our annual user conference, advertising, trade shows, other event expenses, amortization of intangible assets, and allocated overhead. We expect sales and marketing expenses will decrease as a percentage of revenues as we leverage the investments we have made to date.Research and Development. Research and development expenses consist primarily of salaries, benefits and stock-based compensation associated with our engineering, product and quality assurance personnel, as well as allocated overhead. Research and development expenses also include the cost of third-party contractors. Research and development costs are expensed as incurred. We expect research and development costs will decrease as a percentage of revenues as we leverage the investments we have made to date.General and Administrative. General and administrative expenses consist primarily of salaries, benefits and stock-based compensation associated with our executive, finance, legal, human resources, information technology, compliance and other administrative personnel. General and administrative expenses also include accounting, auditing and legal professional services fees, travel and other corporate-related expenses, and allocated overhead, as well as acquisition-related expenses, which are primarily related to legal, consulting and other professional services fees. We expect general and administrative expenses will decrease as a percentage of revenues over the long term as we leverage the investments we have made to date.Non-Operating Income (Expense)Interest Income. Interest income consists primarily of interest earned on our cash and cash equivalents.28Table of ContentsInterest Expense. Interest expense consists primarily of interest related to our financing obligations along with interest expense on borrowings, commitment fees, and amortization of debt issuance costs associated with our secured revolving credit facility.Other Income (Expense), Net. Other income (expense), net consists primarily of foreign currency gains and losses, the majority of which is due to intercompany transactions denominated in currencies other than the underlying functional currency of the applicable entity.Income Tax Provision. Income tax provision consists of federal and state income taxes in the U.S. and income taxes in foreign jurisdictions. Results of OperationsThe results of operations presented below should be reviewed in conjunction with the financial statements and notes included elsewhere in this Quarterly Report on Form 10-Q. The following tables present our selected unaudited condensed consolidated statements of operations data for three and nine months ended October 31, 2023 and 2024 in both dollars and as a percentage of total revenues, except as noted.Three Months Ended October 31,Nine Months Ended October 31,2023202420232024($ in thousands, except share and per share amounts)Revenues:Subscription revenues$104,759Â $119,894Â $301,996Â $344,211Â Professional services and other revenues17,183Â 18,903Â 50,854Â 55,076Â Total revenues121,942Â 138,797Â 352,850Â 399,287Â Cost of revenues:Cost of subscription revenues30,605Â 33,769Â 89,481Â 98,916Â Cost of professional services and other revenues17,420Â 19,976Â 52,779Â 59,940Â Total cost of revenues48,025Â 53,745Â 142,260Â 158,856Â Gross profit73,917Â 85,052Â 210,590Â 240,431Â Operating expenses:Sales and marketing38,446Â 29,729Â 100,551Â 89,487Â Research and development29,043Â 33,039Â 87,127Â 97,291Â General and administrative19,334Â 23,108Â 59,239Â 66,046Â Total operating expenses86,823Â 85,876Â 246,917Â 252,824Â Loss from operations(12,906)(824)(36,327)(12,393)Non-operating income (expense):Interest income685Â 482Â 2,057Â 1,408Â Interest expense(854)(1,653)(3,277)(4,965)Other income (expense), net(2,320)432Â (2,633)(162)Loss before income taxes(15,395)(1,563)(40,180)(16,112)Income tax provision1,782Â 2,589Â 4,720Â 1,360Â Net loss(17,177)(4,152)(44,900)(17,472)Net loss attributable to redeemable non-controlling interest(320)(186)(868)(409)Adjustment attributable to redeemable non-controlling interest(478)1,286Â (526)2,205Â Net loss attributable to nCino, Inc.$(16,379)$(5,252)$(43,506)$(19,268)Net loss per share attributable to nCino, Inc.:Basic and diluted(0.15)(0.05)(0.39)(0.17)Weighted average number of common shares outstanding:Basic and diluted112,951,553Â 115,611,833Â 112,484,017Â 114,970,622Â 29Table of ContentsThe Company recognized stock-based compensation expense as follows:Three Months Ended October

31,Nine Months Ended October 31,($ in thousands)2023202420232024Cost of subscription revenues$515Â $733Â $1,314Â $2,088Â Cost of professional services and other revenues2,571Â 2,940Â 6,660Â 8,699Â Sales and marketing4,153Â 4,394Â 11,194Â 12,534Â Research and development4,386Â 4,208Â 11,665Â 13,720Â General and administrative4,198Â 5,696Â 11,136Â 15,974Â Total stock-based compensation expense$15,823Â $17,971Â $41,969Â $53,015Â The Company recognized amortization expense for intangible assets as follows:Three Months Ended October 31,Nine Months Ended October 31,($ in thousands)2023202420232024Cost of subscription revenues$3,990Â $4,404Â $12,431Â $12,926Â Cost of professional services and other revenues82Â 82Â 247Â 247Â Sales and marketing12,880Â 2,871Â 18,423Â 8,215Â Total amortization expense$16,952Â $7,357Â $31,101Â $21,388Â Three Months Ended October 31,Nine Months Ended October 31,2023202420232024Revenues:Subscription revenues85.9Â %86.4Â %85.6Â %86.2Â %Professional services and other revenues14.1Â 13.6Â 14.4Â 13.8Â Total revenues100.0Â 100.0Â 100.0Â 100.0Â Cost of revenues (percentage shown in comparison to related revenues):Cost of subscription revenues29.2Â 28.2Â 29.6Â 28.7Â Cost of professional services and other revenues101.4Â 105.7Â 103.8Â 108.8Â Total cost of revenues39.4Â 38.7Â 40.3Â 39.8Â Gross profit60.6Â 61.3Â 59.7Â 60.2Â Operating expenses:Sales and marketing31.5Â 21.4Â 28.5Â 22.4Â Research and development23.8Â 23.8Â 24.7Â 24.4Â General and administrative15.9Â 16.6Â 16.8Â 16.5Â Total operating expenses71.2Â 61.8Â 70.0Â 63.3Â Loss from operations(10.6)(0.5)(10.3)(3.1)Non-operating income (expense):Interest income0.6Â 0.3Â 0.6Â 0.4Â Interest expense(0.7)(1.2)(0.9)(1.2)Other income (expense), net(1.9)0.3Â (0.7)â€"Â Loss before income taxes(12.6)(1.1)(11.3)(3.9)Income tax provision1.5Â 1.9Â 1.3Â 0.3Â Net loss(14.1)%(3.0)%(12.6)%(4.2)%30Table of ContentsComparison of the Three and Nine Months Ended October 31, 2023 and 2024RevenuesThree Months Ended October 31,Nine Months Ended October 31,($ in thousands)2023202420232024Revenues:Subscription revenues$104,759Â 85.9Â %$119,894Â 86.4Â %$301,996Â 85.6Â %$344,211Â 86.2Â %Professional services and other revenues17,183Â 14.1Â 18,903Â 13.6Â 50,854Â 14.4Â 55,076Â 13.8Â Total revenues$121,942Â 100.0Â %$138,797Â 100.0Â %$352,850Â 100.0Â %$399,287Â 100.0Â %Subscription RevenuesSubscription revenues increased $15.1 million for the three months ended October 31, 2024 compared to the three months ended October 31, 2023, due to initial revenues from customers who did not contribute to subscription revenues during the prior period, and growth from existing customers within and across lines of business. Of the increase, 64.1% was attributable to increased revenues from existing customers as additional seats were activated in accordance with contractual terms and customers expanded their adoption of our solutions, and 35.9% was attributable to initial revenues from customers who did not contribute to subscription revenues during the three months ended October 31, 2023. Subscription revenues were 86.4% of total revenues for the three months ended October 31, 2024 compared to 85.9% of total revenues for the three months ended October 31, 2023, primarily due to growth in our installed base.Subscription revenues increased $42.2 million for the nine months ended October 31, 2024 compared to the nine months ended October 31, 2023, due to initial revenues from customers who did not contribute to subscription revenues during the prior period, and growth from existing customers within and across lines of business. Of the increase, 67.4% was attributable to increased revenues from existing customers as additional seats were activated in accordance with contractual terms and customers expanded their adoption of our solutions, and 32.6% was attributable to initial revenues from customers who did not contribute to subscription revenues during the nine months ended October 31, 2023. Subscription revenues were 86.2% of total revenues for the nine months ended October 31, 2024 compared to 85.6% of total revenues for the nine months ended October 31, 2023, primarily due to growth in our installed base.Professional Services and Other RevenuesProfessional services and other revenues increased $1.7 million for the three months ended October 31, 2024 compared to the three months ended October 31, 2023, primarily due to the addition of new customers as well as expanded adoption by existing customers within and across lines of business where implementation, configuration, and training services were required.Professional services and other revenues increased $4.2 million for the nine months ended October 31, 2024 compared to the nine months ended October 31, 2023, primarily due to the addition of new customers as well as expanded adoption by existing customers within and across lines of business where implementation, configuration, and training services were required.Cost of Revenues and Gross MarginThree Months Ended October 31,Nine Months Ended October 31,($ in thousands)2023202420232024Cost of revenues (percentage shown in comparison to related revenues):Cost of subscription revenues$30,605Â 29.2Â %$33,769Â 28.2Â %$89,481Â 29.6Â %$98,916Â 28.7Â %Cost of professional services and other revenues17,420Â 101.4Â 19,976Â 105.7Â 52,779Â 103.8Â 59,940Â 108.8Â Total cost of revenues$48,025Â 39.4Â $53,745Â 38.7Â $142,260Â 40.3Â $158,856Â 39.8Â Gross profit$73,917Â 60.6Â %$85,052Â 61.3Â %$210,590Â 59.7Â %$240,431Â 60.2Â %31Table of ContentsCost of Subscription RevenuesCost of subscription revenues increased $3.2 million for the three months ended October 31, 2024 compared to the three months ended October 31, 2023, generating a gross margin for subscription revenues of 71.8% compared to a gross margin of 70.8% for the three months ended October 31, 2023. Other costs of subscription revenues increased $1.4 million due to costs associated with access to other platforms and data center costs, as we continued to add new customers and sell additional functionality to existing customers. Personnel costs, including stock-based compensation expense, increased $1.2 million, mainly from an increase in headcount. The increase in cost of subscription revenues also included an increase of $0.5 million in allocated overhead costs due to growth supporting our business. We expect the cost of subscription revenues will continue to increase in absolute dollars as the number of users of the nCino Bank Operating System grows.Cost of subscription revenues increased $9.4 million for the nine months ended October 31, 2024 compared to the nine months ended October 31, 2023, generating a gross margin for subscription revenues of 71.3% compared to a gross margin of 70.4% for the nine months ended October 31, 2023. Other costs of subscription revenues increased $3.5 million due to costs associated with access to other platforms and data center costs and costs related to Salesforce user fees increased $2.2 million as we continued to add new customers and sell additional functionality to existing customers. Personnel costs, including stock-based compensation expense, increased $3.3 million, mainly from an increase in headcount. The increase in cost of subscription revenues also included an increase of $0.5 million in allocated overhead costs due to growth supporting our business. We expect the cost of subscription revenues will continue to increase in absolute dollars as the number of users of the nCino Bank Operating System grows.Cost of Professional Services and Other RevenuesCost of professional services and other revenues increased $2.6 million for the three months ended October 31, 2024 compared to the three months ended October 31, 2023, generating a gross margin for professional services and other revenues of (5.7)% compared to a gross margin of (1.4)% for the three months ended October 31, 2023. For the three months ended October 31, 2024, personnel costs, including stock-based compensation expense, increased $1.9 million for professional services compared to the three months ended October 31, 2023, mainly from an increase in headcount. The increase in cost of professional services and other revenues also included a $0.4 million increase for third-party costs of professional services.Cost of professional services and other revenues increased $7.2 million for the nine months ended October 31, 2024 compared to the nine months ended October 31, 2023, generating a gross margin for professional services and other revenues of (8.8)% compared to a gross margin of (3.8)% for the nine months ended October 31, 2023. For the nine months ended October 31, 2024, personnel costs, including stock-based compensation expense, increased $6.2 million for professional services compared to the nine months ended October 31, 2023, mainly from an increase in headcount. The increase in cost of professional services and other revenues also included a $0.8 million increase for third-party professional services costs.Operating ExpensesThree Months Ended October 31,Nine Months Ended October 31,($ in thousands)2023202420232024Operating expenses:Sales and marketing$38,446Â 31.5Â %$29,729Â 21.4Â %$100,551Â 28.5Â %$89,487Â 22.4Â %Research and development29,043Â 23.8Â 33,039Â 23.8Â 87,127Â 24.7Â 97,291Â 24.4Â General and administrative19,334Â 15.9Â 23,108Â 16.6Â 59,239Â 16.8Â 66,046Â 16.5Â Total operating expenses86,823Â 71.2Â 85,876Â 61.8Â 246,917Â 70.0Â 252,824Â 63.3Â Loss from operations$(12,906)(10.6)%$(824)(0.5)%$(36,327)(10.3)%$(12,393)(3.1)%Sales and MarketingSales and marketing expenses decreased $8.7 million for the three months ended October 31, 2024 compared to the three months ended October 31, 2023, primarily attributable to the decrease in amortization expense of $10.7Â million due to no amortization for the SimpleNexus trade name intangible asset as a result of the rebranding of the SimpleNexus solution to nCino Mortgage during the third quarter of fiscal 2024, partially offset by an increase of $0.6 million in amortization expense for the DocFox and ILT acquisitions. The decrease in sales and marketing expenses was also partially offset by an increase of $1.0 million in personnel costs primarily due to an increase in headcount, an increase in stock-based compensation expense, and 32Table of Contentsan increase in tax equalization expense, partially offset by prior year payroll tax adjustments from certain of our foreign subsidiaries.Sales and marketing expenses decreased $11.1 million for the nine months ended October 31, 2024 compared to the nine months ended October 31, 2023, primarily attributable to the decrease in amortization expense of $11.9 million due to no amortization for the SimpleNexus trade name intangible asset as a result of the rebranding of the SimpleNexus solution to nCino Mortgage during fiscal 2024, partially offset by an increase of $1.7Â million in amortization expense for the DocFox and ILT acquisitions. The decrease in sales and marketing expenses also included a decrease of $0.5 million in sales-related travel costs, a decrease of $0.3Â million in allocated overhead costs, and a decrease of $0.4 million in personnel costs. The decrease in personnel costs was due to prior year payroll tax adjustments from certain of our foreign subsidiaries offset by an increase in stock-based compensation expense. The decrease in sales and marketing expenses was partially offset by an increase of $0.5 million in marketing costs.Our sales and marketing headcount increased by 7 from OctoberÂ 31, 2023 to OctoberÂ 31, 2024. We expect sales and marketing expenses will decrease as a percentage of revenues as we leverage the investments we have made to date.Research and DevelopmentResearch and development expenses increased $4.0 million for the three months ended October 31, 2024 compared to the three months ended October 31, 2023, primarily due to an increase of $2.6 million in personnel costs, mainly from an increase in headcount. The increase in research and development also included an increase of $1.0 million in third-party professional fees primarily attributable to increased contract research and development spend.Research and development expenses increased $10.2 million for the nine months ended October 31, 2024 compared to the nine months ended October 31, 2023, primarily due to an increase of $7.9 million in personnel costs, mainly from an increase in headcount and stock-based compensation expense. The increase in research and development also included an increase of $1.9 million in third-party professional fees primarily attributable to increased contract research and development spend.Our research and development headcount increased by 24 from OctoberÂ 31, 2023 to OctoberÂ 31, 2024. We expect research and development expenses will decrease as a percentage of revenues as we leverage the investments we have made to date.General and AdministrativeGeneral and administrative expenses increased $3.8 million for the three months ended October 31, 2024 compared to the three months ended October 31, 2023, primarily due to an increase of $2.5 million in personnel costs, mostly attributable to a $1.5 million increase in stock-based compensation expense and headcount. The increase in general and administrative spend also included an increase of $2.1 million in third-party professional fees, mostly attributable to an increase for acquisition-related expenses for DocFox, ILT, and FullCircl, partially offset by a decrease in other professional fees. The increase in general and administrative expenses was partially offset by a decrease of $0.8 million in allocated overhead and other general and administrative costs. General and administrative expenses increased $6.8 million for the nine months ended October 31, 2024 compared to the nine months ended October 31, 2023, primarily due to an increase of $6.2 million in personnel costs, mostly attributable to a $4.8 million increase in stock-based compensation expense and headcount. The increase in general and administrative spend also included an increase of $2.7 million in third-party professional fees, mostly attributable to an increase for acquisition-related expenses for DocFox, ILT and FullCircl, partially offset by a decrease in expenses related to litigation expenses and other professional fees. The increase in general and administrative expenses was partially offset by a decrease of $2.2 million in allocated overhead and other general and administrative costs.Our general and administrative headcount increased by 15 from OctoberÂ 31, 2023 to OctoberÂ 31, 2024. We expect general and administrative expenses will decrease as a percentage of revenues as we leverage the investments we have made to date.33Table of ContentsNon-Operating Income (Expense)Three Months Ended October 31,Nine Months Ended October 31,($ in thousands)2023202420232024Interest income$685Â 0.6Â %$482Â 0.3Â %$2,057Â 0.6Â %$1,408Â 0.4Â %Interest expense(854)(0.7)(1,653)(1.2)(3,277)(0.9)(4,965)(1.2)Other income (expense), net(2,320)(1.9)432Â 0.3Â (2,633)(0.7)(162)â€"Â Interest income decreased $0.2 million for the three months ended October 31, 2024 compared to the three months ended October 31, 2023, due to a decrease in our accounts earning interest. Interest expense increased $0.8 million for the three months ended October 31, 2024 compared to the three months ended October 31, 2023, due to borrowing on our revolving credit facility. The decrease of $2.8 million in other income (expense), net for the three months ended October 31, 2024 compared to the three months ended October 31, 2023, was primarily driven by intercompany loans and transactions that are denominated in currencies other than the underlying functional currency of the applicable entity.Interest income decreased $0.6 million for the nine months ended October 31, 2024 compared to the nine months ended October 31, 2023, due to a decrease in our accounts earning interest. Interest expense increased $1.7 million for the nine months ended October 31, 2024 compared to the nine months ended October 31, 2023, due to borrowing on our revolving credit facility. The decrease of $2.5 million in other expense, net for the nine months ended October 31, 2024 compared to the nine months ended October 31, 2023, was primarily driven by intercompany loans and transactions that are denominated in currencies other than the underlying functional currency of the applicable entity.Income Tax ProvisionThree Months Ended October 31,Nine Months Ended October 31,($ in thousands)2023202420232024Income tax provision$1,782Â 1.5Â %$2,589Â 1.9Â %$4,720Â 1.3Â %$1,360Â 0.3Â %Income tax provision was $2.6 million for the three months ended October 31, 2024 compared to a provision of $1.8 million for the three months ended October 31, 2023, and resulted in an effective tax rate of (165.6)% and (11.6)%, respectively. Income tax provision was $1.4 million for the nine months ended October 31, 2024 compared to a provision of $4.7 million for the nine months ended October 31, 2023, and resulted in an effective tax rate of (8.4)% and (11.7)%, respectively. The change in the effective tax rate for the nine months ended October 31, 2024 compared to the effective tax rate for the nine months ended October 31, 2023 was primarily due to a reduction of our valuation allowance offset by profitable foreign jurisdictions and uncertain tax positions.Prior to the DocFox acquisition, we continued to maintain a valuation allowance against our deferred tax assets in several jurisdictions, including the U.S. On the DocFox Acquisition Date, the Company measured and recorded net U.S. deferred tax liabilities, most of which relate to identifiable intangible assets. The deferred tax liabilities recognized provide additional positive evidence that a portion of the Company's U.S. deferred tax assets are realizable. As a result, the Company reduced the valuation allowance by $3.6Â million during the first quarter of the Companyâ€™s fiscal 2025.Non-GAAP Financial MeasureIn addition to providing financial measurements based on GAAP, we provide an additional financial metric that is not prepared in accordance with GAAP (non-GAAP). Management uses this non-GAAP financial measure, in addition to GAAP financial measures, to understand and compare operating results across accounting periods, for financial and operational decision making, for planning and forecasting purposes, and to evaluate our financial performance. We believe that this non-GAAP financial measure helps us to identify underlying trends in our business that could otherwise be masked by the effect of the expenses that we exclude in the calculations of the non-GAAP financial measure.Accordingly, we believe that this financial measure reflects our ongoing business in a manner that allows for meaningful comparisons and analysis of trends in the business and provides useful information to investors and others in understanding and evaluating our operating results, and enhancing the overall understanding of our past performance and future prospects. Although the calculation of non-GAAP financial measures may vary from company to company, our detailed 34Table of Contentspresentation may facilitate analysis and comparison of our operating results by management and investors with other peer companies, many of which use a similar non-GAAP financial measure to supplement their GAAP results in their public disclosures. This non-GAAP financial measure is non-GAAP operating income, as discussed below.Non-GAAP operating income. Non-GAAP operating income is defined as loss from operations as reported in our unaudited condensed consolidated statements of operations excluding the impact of amortization of intangible assets, stock-based compensation expense, acquisition-related expenses, legal expenses related to certain litigation, and restructuring and related charges. Non-GAAP operating income is widely used by securities analysts, investors, and other interested parties to evaluate the profitability of companies. Non-GAAP operating income eliminates potential differences in performance caused by these items that are not indicative of the Company's ongoing operating performance and hinders comparability with prior and future performance.This non-GAAP financial measure does not replace the presentation of our GAAP financial results and should only be used as a supplement to, not as a substitute for, our financial results presented in accordance with GAAP. There are limitations in the use of non-GAAP measures because they do not include all of the expenses that must be included under GAAP and because they involve the exercise of judgment concerning exclusions of items from the comparable non-GAAP financial measure. In addition, other companies may use other measures to evaluate their performance, or may calculate non-GAAP measures differently, all of which could reduce the usefulness of our non-GAAP financial measures as tools for comparison.The following table reconciles non-GAAP operating income to loss from operations, the most directly comparable financial measure, calculated and presented in accordance with GAAP (in thousands):Three Months Ended October 31,Nine Months Ended October 31,($ in thousands)2023202420232024GAAP loss from operations$(12,906)$(824)$(36,327)$(12,393)AdjustmentsAmortization of intangible assets16,952Â 7,357Â 31,101Â 21,388Â Stock-based compensation expense15,823Â 17,971Â 41,969Â 53,015Â Acquisition-related expenses211Â 3,423Â 634Â 9,410Â Litigation expenses1153Â 115Â 4,502Â 365Â Restructuring and related charges150Â â€”Â 627Â â€”Â Total adjustments33,289Â 28,866Â 78,833Â 84,178Â Non-GAAP operating income$20,383Â $28,042Â $42,506Â $71,785Â 1Represents legal expenses related to a closed government antitrust investigation and related settled civil action and a dismissed shareholder derivative lawsuit.Liquidity and Capital ResourcesAs of OctoberÂ 31, 2024, we had $257.9 million in cash and cash equivalents. In November 2024, we used approximately $129.7Â million of our cash for the FullCircl acquisition. See Note 15 "Subsequent Event" of the notes to our unaudited condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for more information on the FullCircl acquisition. As of OctoberÂ 31, 2024, we had an accumulated deficit of $369.8 million. Our net losses have been driven by our investments in developing the nCino Bank Operating System and scaling our sales and marketing organization and finance and administrative functions to support our rapid growth.To date, we have funded our capital needs through issuances of common stock including our initial public offering in July 2020, operating cash flows, and starting fiscal 2023, our revolving line of credit. We generally bill and collect from our customers annually in advance. Our billings are subject to seasonality, with billings in the first and fourth quarters of our fiscal year substantially higher than in the second and third quarters. Because we recognize revenues ratably, our deferred revenue balance mirrors the seasonality of our billings.On March 17, 2024, the Company entered into the Second Amendment for the 2022 Credit Facility which, among other things, increased our borrowing availability to $100.0 million. In March 2024, we borrowed $75.0 million under the 2022 Credit Facility to fund the acquisition of DocFox. In April 2024, July 2024, and October 2024 we repaid $20.0 million, 35Table of Contents$15.0Â million, and $10.0Â million, respectively, under the 2022 Credit Facility. On October 28, 2024, the Company entered into the 2024 Credit Facility, which increased our borrowing availability to $250.0Â million. The Company borrowed $166.0Â million under the 2024 Credit Facility to fund the acquisition of FullCircl and repay the $30.0Â million outstanding under the 2022 Credit Facility. The Company expects to pay an additional $15.0 million in two years for the FullCircl acquisition upon the satisfaction and performance of certain warranties and covenants. As of OctoberÂ 31, 2024, the applicable interest rate was 6.72%. The Company had $166.0 million outstanding and no letters of credit issued under the 2024 Credit Facility and was in compliance with all covenants as of OctoberÂ 31, 2024. See Note 11 "Revolving Credit Facility" of the notes to our unaudited condensed consolidated financial statements included in Part I, Item I of this Quarterly Report on Form 10-Q for more information.We believe that current cash and cash equivalents as well as borrowings available under the Credit Facility will be sufficient to fund our operations and capital requirements for at least the next 12Â months. Our future capital requirements will depend on many factors, including our growth rate, the timing and extent of spending to support research and development efforts to enhance the nCino Bank Operating System and introduce new applications, market acceptance of our solutions, the continued expansion of our sales and marketing activities, capital expenditure requirements, and any potential future acquisitions. We expect to incur capital expenditures in fiscal 2025 and 2026 for planned office build-outs to accommodate our growth, primarily for an international office, which we estimate to spend approximately $2.0Â million and $6.0Â million in fiscal 2025 and 2026, respectively. We may from time-to-time seek to raise additional capital to support our growth. Any equity financing we may undertake could be dilutive to our existing stockholders, and any debt financing we may undertake could require debt service and financial and operational covenants that could adversely affect our business. There is no assurance we would be able to obtain future financing on acceptable terms or at all.nCino K.K.In fiscal 2020, we established nCino K.K., a Japanese company in which we own a controlling interest, for purposes of facilitating our entry into the Japanese market. We have consolidated the results of operations and financial condition of nCino K.K. since its inception. Pursuant to an agreement with the holders of the non-controlling interest in nCino K.K., beginning in 2027 we may redeem the non-controlling interest, or be required to redeem such interest by the holders thereof, based on a prescribed formula derived from the relative revenues of nCino K.K. and the Company. The balance of the redeemable non-controlling interest is reported on our balance sheet below total liabilities but above stockholdersâ€™ equity at the greater of the initial carrying amount adjusted for the redeemable non-controlling interestâ€™s share of earnings or losses and other comprehensive income or loss, or its estimated redemption value. As of JanuaryÂ 31, 2024 and OctoberÂ 31, 2024, the redeemable non-controlling interest was $3.4 million and $5.2 million, respectively.As part of our joint venture obligations, we made an additional cash capital contribution of $1.0 million to nCino K.K. during the third quarter of fiscal 2024.Cash FlowsSummary Cash Flow information for the nine months ended October 31, 2023 and 2024 are set forth below:Nine Months Ended October 31,($ in thousands)20232024Net cash provided by operating activities$49,137Â $65,218Â Net cash used in investing activities(5,939)(92,755)Net cash provided by (used in) financing activities(24,031)168,439Â Net Cash Provided by Operating ActivitiesThe $65.2 million provided by operating activities in the nine months ended October 31, 2024 reflects our net loss of $17.5 million, offset by $88.7 million in non-cash charges and $6.0 million used in changes in working capital accounts. Non-cash charges primarily consisted of stock-based compensation, depreciation and amortization, amortization of costs capitalized to obtain revenue contracts, non-cash operating lease costs, partially offset by deferred income taxes and foreign currency losses related to intercompany loans and transactions. Cash used in working capital accounts was principally a function of a $41.6 million decrease in deferred revenue due to the timing of billings and revenue recognition, and an increase of $13.2 million of capitalized costs to obtain revenue contracts, which consisted primarily of sales commissions, a $2.9 million decrease in operating lease liabilities, and a $0.1 million decrease in accrued expenses and other liabilities. The cash used in 36Table of Contentsworking capital accounts was partially offset by a $50.2 million decrease in accounts receivable due to the timing of billings and collections from customers, a $1.1 million increase in accounts payable, and a $0.7 million decrease in prepaid expenses and other assets.The $49.1 million provided by operating activities in the nine months ended October 31, 2023 reflects our net loss of $44.9 million and $0.8 million used in changes in working capital accounts, offset by $94.8 million in non-cash charges. Non-cash charges primarily consisted of stock-based compensation, depreciation and amortization, amortization of costs capitalized to obtain revenue contracts, non-cash operating lease costs, foreign currency losses related to intercompany loans and transactions, provision for deferred taxes and bad debt. Cash generated by working capital accounts was principally a function of a $35.5 million decrease in accounts receivable due to timing of billings and collections from customers and a $3.4 million decrease in prepaid expenses and other assets, and a $1.2 million increase in accounts payable. The cash generated by working capital accounts was offset by a $23.8 million decrease in deferred revenue, due to the timing of billings and revenue recognition and an $8.0 million decrease in accrued expenses and other current liabilities which includes payments of approximately $5.0 million for severance and other employee costs associated with the restructuring plan and changing commission payment plans from a quarterly basis to a monthly basis. Additional offsets were payments of $6.0 million of capitalized costs to obtain revenue contracts, which consisted primarily of sales commissions, and a $3.1 million decrease in operating lease liabilities.Net Cash Used in Investing ActivitiesThe $92.8 million used in investing activities in the nine months ended October 31, 2024 was comprised of $90.8 million used for the acquisitions of DocFox and ILT, $1.5 million for the purchase of property and equipment and leasehold improvements to support the expansion of our business, and $0.5 million for an asset acquisition. The $5.9 million used in investing activities in the nine months ended October 31, 2023 was comprised of $3.1 million for the purchase of property and equipment and leasehold improvements to support the expansion of our business, $2.5Â million for the purchase of preferred stock in Rich Data Co, and $0.4 million for the final cash consideration relating to an asset acquisition completed in August 2022.Net Cash Provided by (Used in) Financing ActivitiesThe $168.4 million provided by financing activities in the nine months ended October 31, 2024 was comprised principally of $241.0 million proceeds from borrowings on the 2022 and 2024 Credit Facility to fund the acquisition of DocFox and FullCircl, $2.5Â million of proceeds from stock issuances under the employee stock purchase plan, and $2.2 million of proceeds from the exercise of stock options. The cash provided by financing activities was partially offset by payments of $75.0 million on the 2022 Credit Facility, payments of debt issuance costs of $1.4 million, and principal payments of $0.9 million on financing obligations. The $24.0 million used in financing activities in the nine months ended October 31, 2023 was comprised principally of payments of $30.0 million on the Credit Facility and principal payments of $0.9 million on financing obligations. The cash used in financing activities was partially offset by $3.2Â million of proceeds from the exercise of stock options, $2.7 million of proceeds from stock issuances under the employee stock purchase plan, and $1.0Â million in proceeds from the non-controlling interest in our Japan Joint venture.Contractual Obligations and CommitmentsOur estimated future obligations principally consist of leases related to our facilities, purchase obligations related primarily to licenses and hosting services, financing obligations for leases for which we are considered the owners for accounting purposes and the Credit Facility. See Note 10 "Leases," Note 11 "Revolving Credit Facility," and Note 12 "Commitments and Contingencies" of the notes to our unaudited condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for more information.Critical Accounting Policies and EstimatesOur unaudited condensed consolidated financial statements are prepared in accordance with GAAP. The preparation of these financial statements requires our management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and related disclosures. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these judgments and estimates under different assumptions or conditions and any such differences may be significant.37Table of ContentsThere have been no material changes in our critical accounting policies or estimates as compared to those disclosed in the Annual Report on Form 10-K for the fiscal year ended JanuaryÂ 31, 2024 filed with the SEC on MarchÂ 26, 2024.Recent Accounting PronouncementsSee Note 2 "Summary of Significant Accounting Policies" of the notes to our unaudited condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for recently adopted accounting pronouncements and recently issued accounting pronouncements not yet adopted, if applicable.Item 3. Quantitative and Qualitative Disclosures About Market RiskWe are exposed to market risks in the ordinary course of our business. Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk exposure is primarily the result of fluctuations in interest rates and foreign currency exchange rates.Interest Rate RiskAt OctoberÂ 31, 2024, we had cash, cash equivalents and restricted cash of $258.3 million, which consisted primarily of bank deposits and money market funds. Interest-earning instruments carry a degree of interest rate risk. However, our historical interest income has not fluctuated significantly. A hypothetical 10% change in interest rates would not have had a material impact on our financial results included in this Quarterly Report on Form 10-Q. We do not enter into investments for trading or speculative purposes and have not used any derivative financial instruments to manage our interest rate risk exposure.Our 2024 Credit Facility is a senior secured revolving credit facility of up to $250.0Â million. Borrowings bear interest, at the Borrowerâ€™s option, at: (i) a base rate equal to the greatest of (a) the Agentâ€™s â€œprime rateâ€, (b) the federal funds rate plus 0.50%, and (c) the Term SOFR rate plus 1.00% (provided that the base rate shall not be less than 0.00%), plus a margin of 1.00%; or (ii) the Term SOFR rate (provided that the Term SOFR shall not be less than 0.00%), plus a margin of 2.00%, in each case with such margin subject to step ups based on certain leverage ratios. As a result, we are exposed to increased interest rate risk as we make draws. At OctoberÂ 31, 2024, we had $166.0 million outstanding under the 2024 Credit Facility. A hypothetical 100 basis point change in interest rates would not have had a material impact on our financial results included in this Quarterly Report on Form 10-Q. See Note 11 "Revolving Credit Facility" of the notes to our unaudited condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information.Foreign Currency Exchange RiskOur reporting currency is the U.S. dollar and the functional currency of each of our subsidiaries is its local currency. The assets and liabilities of each of our subsidiaries are translated into U.S. dollars at exchange rates in effect at each balance sheet date. Revenues and expenses are translated using the average exchange rate for the relevant period. Equity transactions are translated using historical exchange rates. Decreases in the relative value of the U.S. dollar to other currencies may negatively affect revenues and other operating results as expressed in U.S. dollars. Foreign currency translation adjustments are accounted for as a component of accumulated other comprehensive income (loss) within stockholdersâ€™ equity. Gains or losses due to transactions in foreign currencies are included in non-operating income (expense), other in our unaudited condensed consolidated statements of operations. Furthermore, our customers outside of the U.S. typically pay us in local currency. We have not engaged in hedging of foreign currency transactions to date, although we may choose to do so in the future. We do not believe that an immediate 10% increase or decrease in the relative value of the U.S. dollar to other currencies would have a material effect on operating results or financial condition.At OctoberÂ 31, 2024, based on the balances of our cash, cash equivalents, and restricted cash denominated in foreign currencies, a hypothetical 10% increase or decrease in foreign currency exchange rates would have had an impact of approximately $7.0 million on our cash, cash equivalents and restricted cash at OctoberÂ 31, 2024.Item 4. Controls and ProceduresEvaluation of Disclosure Controls and ProceduresDisclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the â€œExchange Actâ€), means controls and other procedures of a company that are designed to provide 38Table of Contentsreasonable assurance that information required to be disclosed by a company in the reports it files or submits under the Exchange Act is recorded, processed, summarized, and reported, within the time periods specified in the SECâ€™s rules and forms, and that such information is accumulated and communicated to the companyâ€™s management, including its principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures at OctoberÂ 31, 2024, the last day of the period covered by this Quarterly Report on Form 10-Q. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, at OctoberÂ 31, 2024, our disclosure controls and procedures were effective at the reasonable assurance level.Changes in Internal Control over Financial ReportingThere was no change in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the period covered by this Quarterly Report on Form 10-Q that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.Inherent Limitations on the Effectiveness of ControlsOur management, including our Chief Executive Officer and Chief Financial Officer, do not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.PART II. OTHER INFORMATIONItem 1. Legal ProceedingsSee Note 12 "Commitments and Contingencies" of the notes to our unaudited condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for information regarding certain legal proceedings in which we are involved, which is incorporated by reference into this Part II, Item 1.Item 1A. Risk FactorsÂ Â Â Â There are no material changes to the risk factors in the Company's Annual Report on Form 10-K for the fiscal year ended JanuaryÂ 31, 2024 filed with the SEC on MarchÂ 26, 2024 under the heading "Risk Factors." You should consider and read carefully these risks, as well as other information included in this Quarterly Report on Form 10-Q, including the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our unaudited condensed consolidated financial statements and related notes before making an investment decision with respect to our common stock. Those risks are not the only ones we face. The occurrence of any of those risks or additional risks and uncertainties not presently known to us or that we currently believe to be immaterial could materially and adversely affect our business, financial condition, and results of operation. In such case, the trading price of our common stock could decline, and you may lose all or part of your investment.Item 2. Unregistered Sales of Equity Securities and Use of ProceedsNone.39Table of ContentsItem 3. Defaults Upon Senior SecuritiesNot applicable.Item 4. Mine Safety DisclosuresNot applicable.Item 5. Other InformationSecurities Trading Plans of Directors and Executive OfficersDuring the three months ended October 31, 2024, none of our officers or directors, as defined in Rule 16a-1(f), adopted, modified, or terminated a â€œRule 10b5-1 trading arrangementâ€ or a â€œnon-Rule 10b5-1 trading arrangement,â€ as defined in Regulation S-K Item 408.40Table of ContentsItem 6. ExhibitsEXHIBIT INDEXIncorporated by ReferenceExhibitNumberDescription of ExhibitFormFile No.ExhibitFiling DateFiled Herewith3.1Second Amended and Restated Certificate of Incorporation8-K001-412113.1June 24, 20243.2Amended and Restated Bylaws8-K001-412113.1November 29, 202210.1Credit Agreement by and among nCino, Inc., nCino OpCo, Inc., certain subsidiaries of nCino, Inc. as guarantors and Bank of America, N.A., dated October 28, 20248-K001-4121110.1October 30, 202431.1Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.X31.2Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted

Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.X32.1*Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.X32.2*Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.X101.INSXBRL Instance DocumentX101.SCHXBRL Taxonomy Extension Schema DocumentX101.CALXBRL Taxonomy Extension Calculation Linkbase DocumentX101.DEFXBRL Taxonomy Extension Definition Linkbase DocumentX101.LABXBRL Taxonomy Extension Label Linkbase DocumentX101.PREXBRL Taxonomy Extension Presentation Linkbase DocumentX104Cover Page Interactive Data File (embedded within the Inline XBRL document)X*The certifications furnished in Exhibit 32.1 and 32.2 hereto are deemed to accompany this Quarterly Report on Form 10-Q and will not be deemed "filed" for purpose of Section 18 of the Securities Exchange Act of 1934, as amended, except to the extent that the registrant specifically incorporates by reference.41Table of ContentsSIGNATURESPursuant to the requirements of the Securities Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.nCino, Inc.Date: December 4, 2024By:/s/ Pierre NaudÃ©Pierre NaudÃ©Chairman and Chief Executive Officer(Principal Executive Officer)Date: December 4, 2024By:/s/ Gregory D. OrensteinGregory D. OrensteinChief Financial Officer & Treasurer(Principal Financial Officer)42DocumentExhibit 31.1CERTIFICATION PURSUANT TORULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002I, Pierre NaudÃ©, certify that:1.I have reviewed this Quarterly Report on Form 10-Q of nCino, Inc.;2.Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;3.Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;4.The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:(a)Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;(b)Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;(c)Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and(d)Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and5.The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):(a)All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and(b)Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting. Date: December 4, 2024By:/s/ Pierre NaudÃ©Pierre NaudÃ©Chairman and Chief Executive OfficerDocumentExhibit 31.2CERTIFICATION PURSUANT TORULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002I, Gregory D. Orenstein, certify that:1.I have reviewed this Quarterly Report on Form 10-Q of nCino, Inc.;2.Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;3.Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;4.The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:(a)Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;(b)Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;(c)Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and(d)Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and5.The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):(a)All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and(b)Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.Date: December 4, 2024By:/s/ Gregory D. OrensteinGregory D. OrensteinChief Financial Officer & TreasurerDocumentExhibit 32.1CERTIFICATION PURSUANT TO18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TOSECTION 906 OF THE SARBANES-OXLEY ACT OF 2002In connection with the Quarterly Report of nCino, Inc. (the â€œCompanyâ€) on Form 10-Q for the period ending OctoberÂ 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the â€œReportâ€), I certify, pursuant to 18 U.S.C. Â§ 1350, as adopted pursuant to Â§ 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:1.The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and2.The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.Date: December 4, 2024By:/s/ Pierre NaudÃ©Pierre NaudÃ©Chairman and Chief Executive OfficerÂ Â DocumentExhibit 32.2CERTIFICATION PURSUANT TO18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TOSECTION 906 OF THE SARBANES-OXLEY ACT OF 2002In connection with the Quarterly Report of nCino, Inc. (the â€œCompanyâ€) on Form 10-Q for the period ending OctoberÂ 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the â€œReportâ€), I certify, pursuant to 18 U.S.C. Â§ 1350, as adopted pursuant to Â§ 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:1.The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and2.The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.Date: December 4, 2024By:/s/ Gregory D. OrensteinGregory D. OrensteinChief Financial Officer & Treasurer