

Q2 2025 Earnings Call Presentation

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Disclaimer.

In this presentation, we may make statements related to our business that are forward-looking statements under federal securities laws and are made pursuant to the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995, including statements related to our financial results, trends and guidance for the third quarter and full year 2025, the impact of macroeconomic changes, the benefits of our platform, industry and market trends, our go-to-market and growth strategy, our market opportunity and ability to expand our leadership position, our ability to maintain and upsell existing customers, and our ability to acquire new customers. The words "anticipate," "continue," "estimate," "expect," "intend," "will," "plan," and similar expressions are intended to identify forward-looking statements or similar indications of future expectations. These statements reflect our views only as of this presentation and should not be reflected upon as representing our views as of any subsequent date. These statements are subject to a variety of risks and uncertainties that could cause actual results to differ materially from expectations.

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

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

Q2 2025 Highlights.

Profitability

- Q2 2025 adjusted EBITDA was \$8.1 million.

Revenue

- Cloud subscriptions revenue was \$106.9 million in Q2 2025 (+21% Y/Y)
- Subscriptions revenue was \$132.7 million in Q2 2025 (+17% Y/Y)
- Total revenue was \$170.6 million in Q2 2025 (+17% Y/Y)

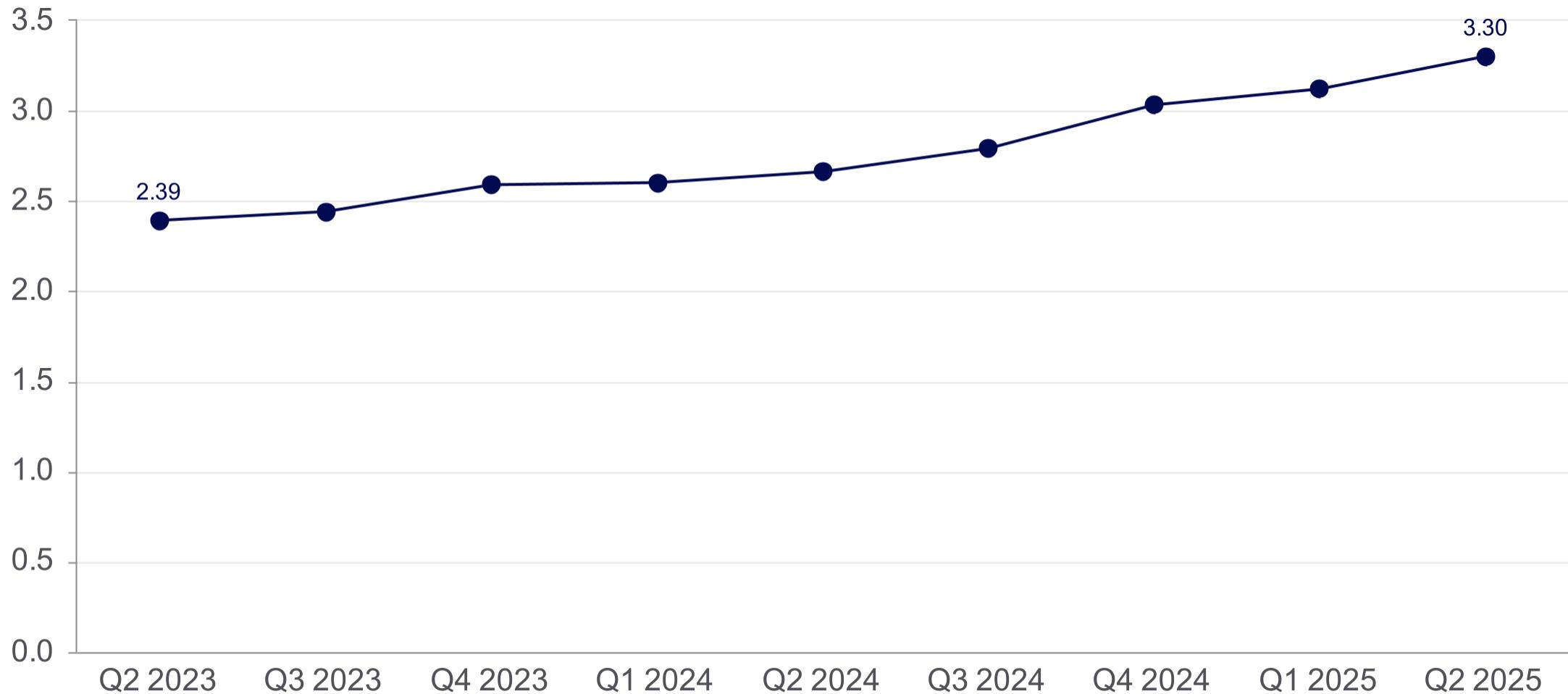
Retention

- Cloud subscriptions revenue retention rate was 111% as of June 30, 2025.

Non-GAAP Gross Margins*

- Subscriptions gross margin was 87%.
- Professional services gross margin was 33%.
- Overall gross margin was 75%.

GTM Productivity.



AI works best inside a Process

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

Simplicity

Scalability

Structure

AI

Analytics

Data

Safety

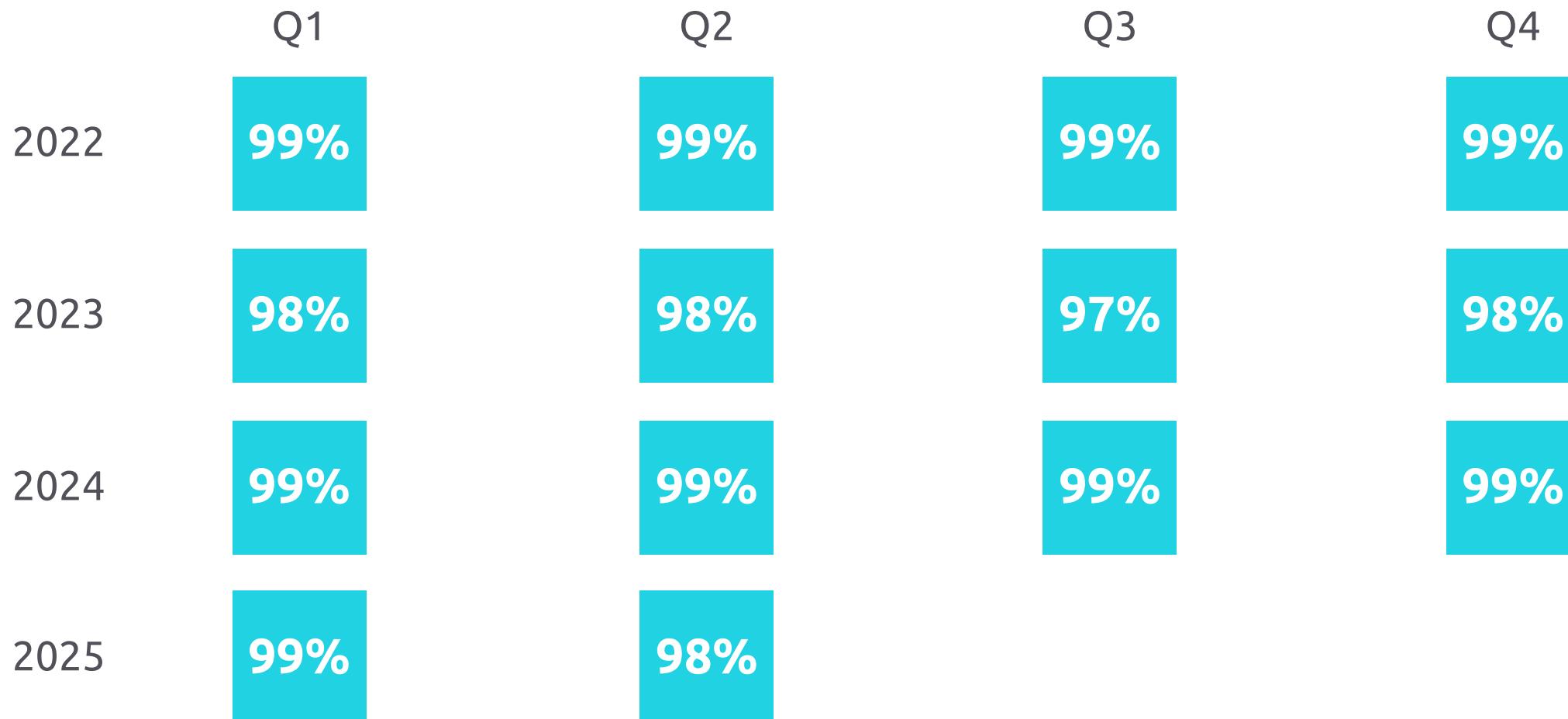
Process tracks every AI action, making the **ROI of AI investments measurable**.

Launch AI in process with **just a few clicks**.

Process gives AI a goal, a team, **a flow of work**, exception handling, human oversight, and escalation paths.

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

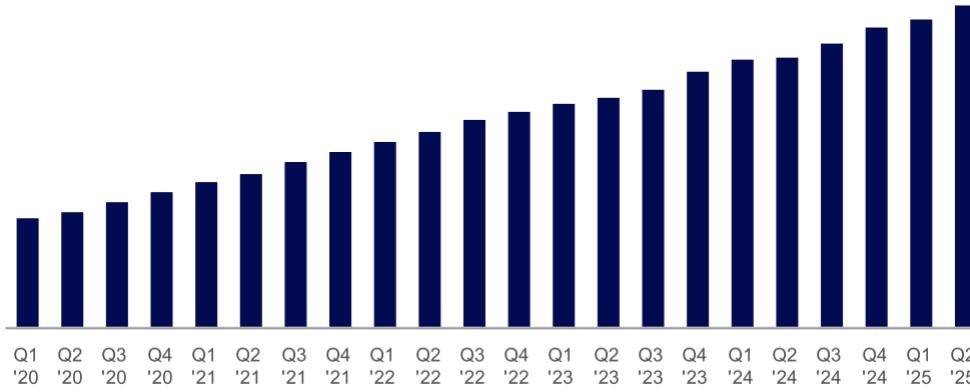
Cloud Gross Renewal Rate.



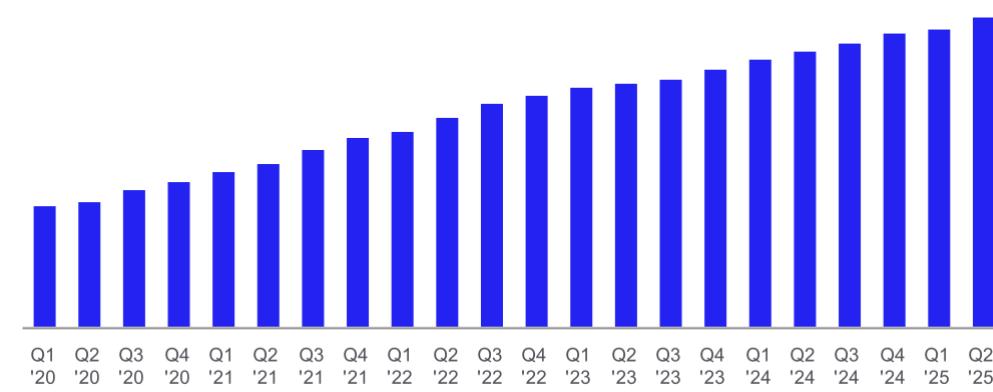
Calculated by dividing the aggregate recurring cloud subscriptions revenue in the current trailing 12-month period by the aggregate recurring cloud subscriptions revenue from the previous trailing 12-month period. The calculation includes the impact of customers that churned during the current trailing 12-month period but excludes the impact of price increases, upsells, and downsell

Annualized Recurring Revenue ("ARR").

Total ARR



\$250K+ ARR Customers



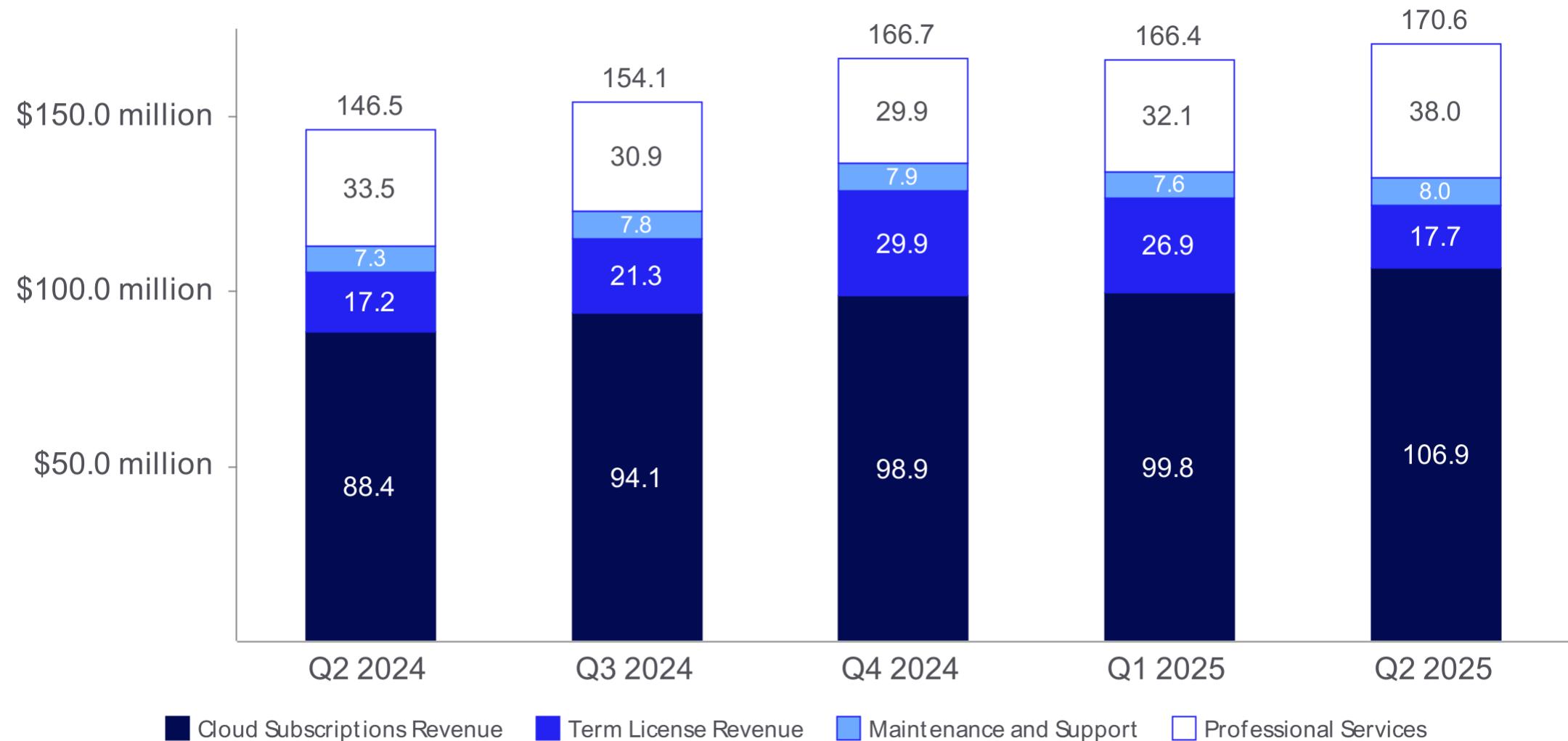
\$500K+ ARR Customers



\$1M+ ARR Customers

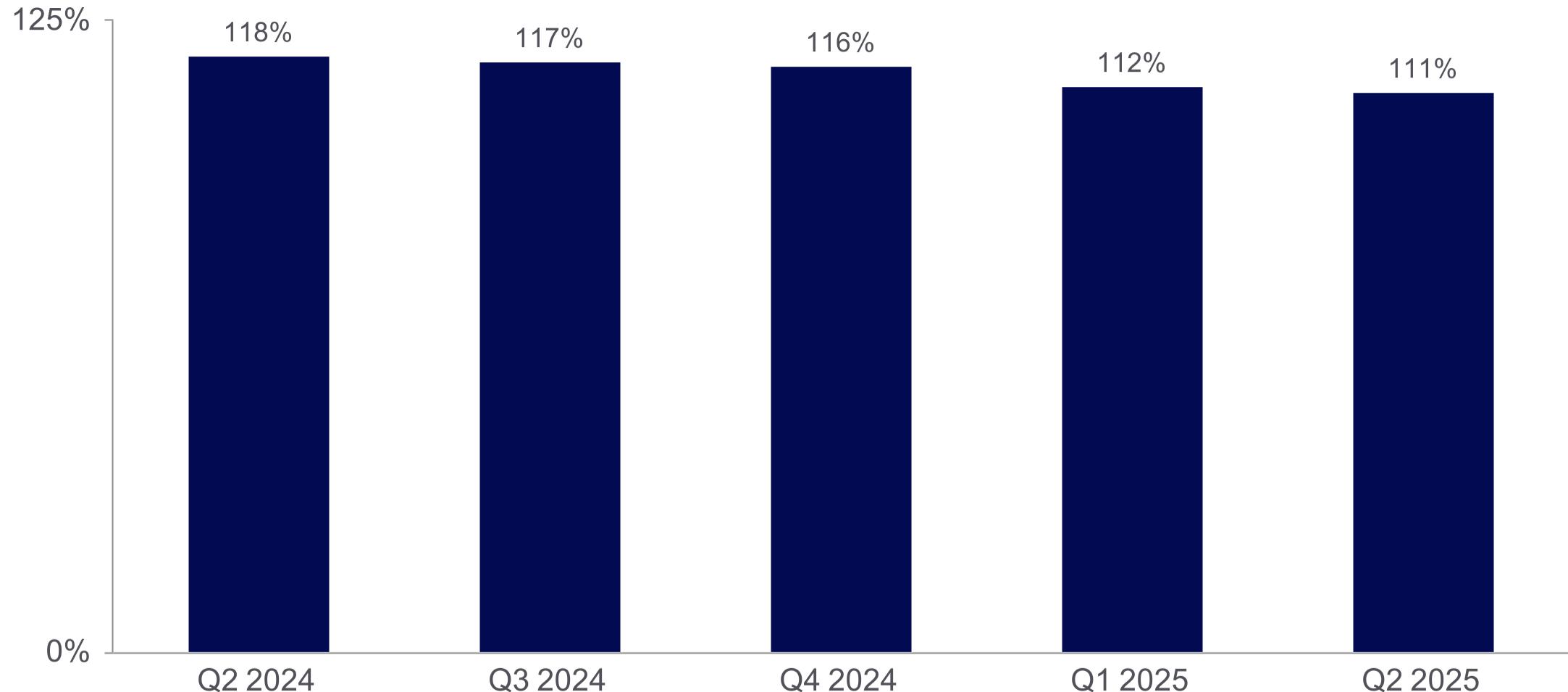


Total Revenue.*

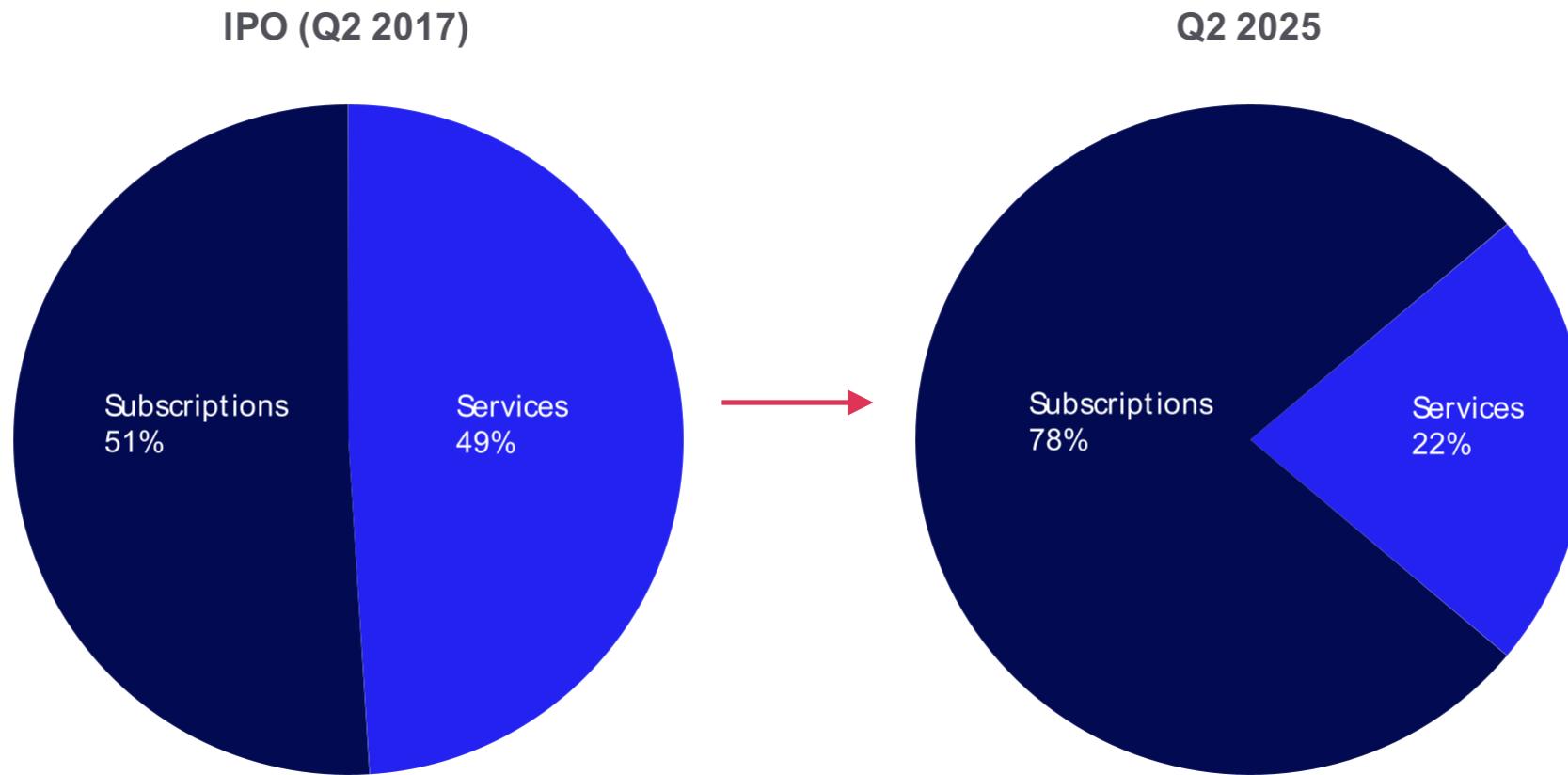


* Reported in millions. Totals may not foot due to rounding.

Cloud Subscriptions Revenue Retention Rate.

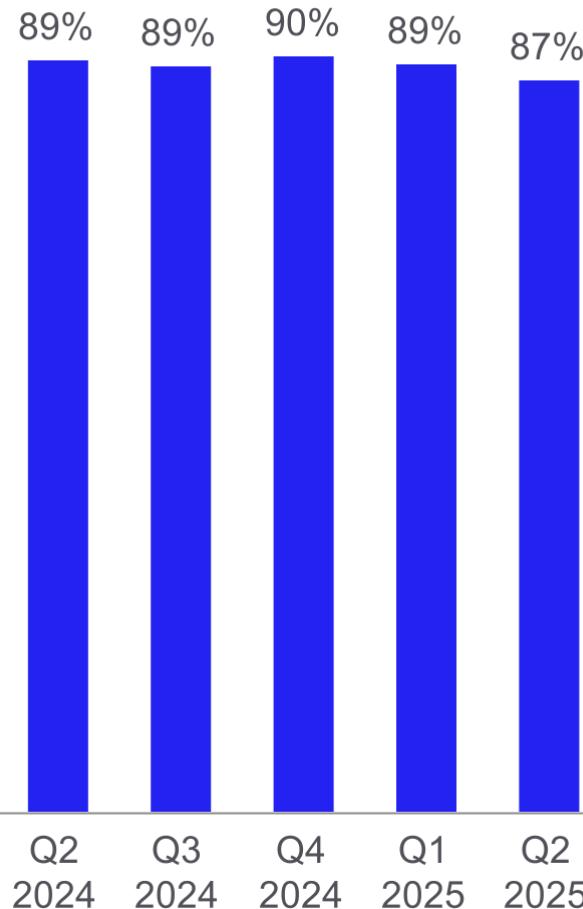


Subscriptions vs. Professional Services Revenues.

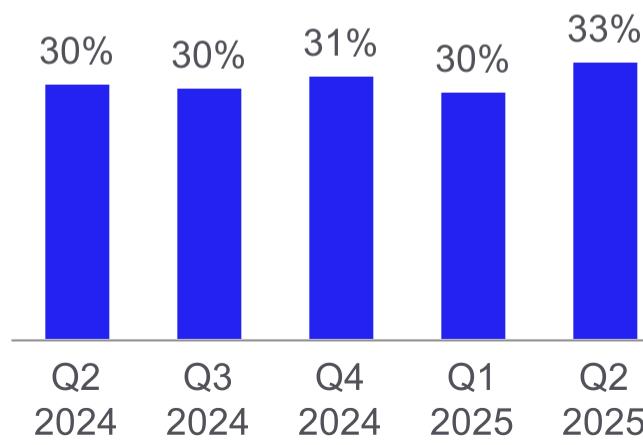


Non-GAAP Gross Margins.*

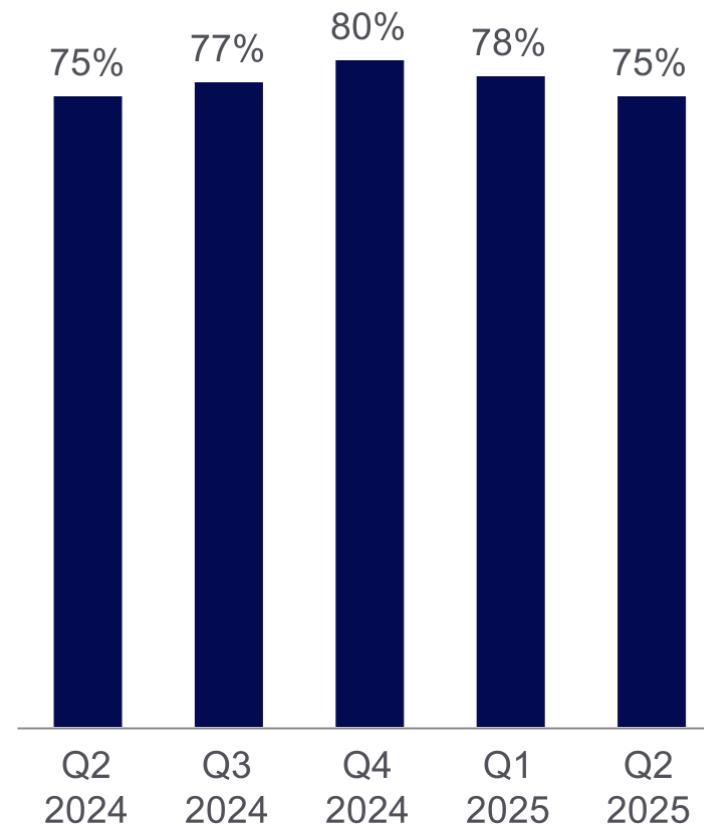
Subscriptions



Professional Services



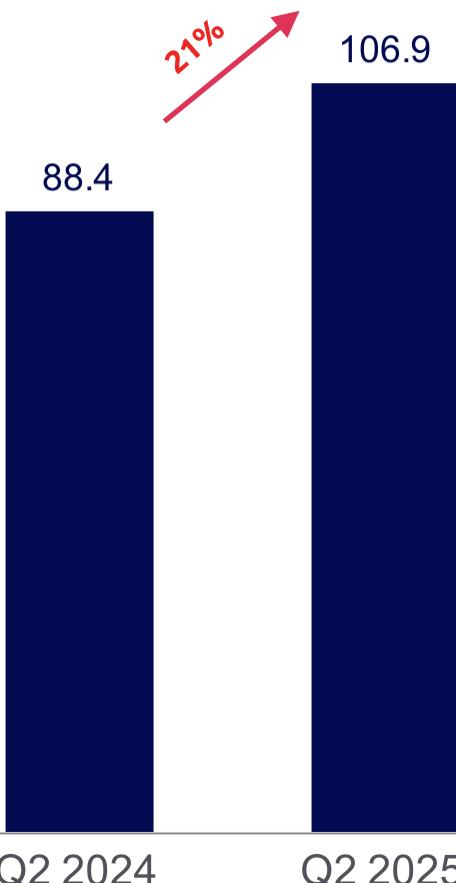
Overall



Q2 2025 Summary.

Cloud Subscriptions Revenue

(USD, in millions)



Cloud Subscriptions Revenue Retention

As of June 30, 2025



Non-GAAP Overall Gross Margins*



Guidance.

Given on August 7, 2025

(in millions, except for EPS)	Q3 2025		Full Year 2025	
Cloud Subscriptions Revenue	\$109.0	–	\$111.0	\$429.0
Cloud Subscriptions Revenue Growth YoY	16%	–	18%	17%
Total Revenue	\$172.0	–	\$176.0	\$695.0
Total Revenue Increase YoY	12%	–	14%	13%
Adjusted EBITDA	\$9.0	–	\$12.0	\$49.0
Non-GAAP Diluted (Loss) Earnings per Share*	\$0.03	–	\$0.07	\$0.28
				\$0.36

Appendix

Balance Sheet.

\$ in thousands	As of	
	June 30, 2025 (unaudited)	December 31, 2024
Assets		
Cash and cash equivalents	\$ 112,207	\$ 118,552
Short-term investments and marketable securities	72,546	41,308
Accounts receivable, net of allowance	151,202	195,069
Deferred commissions, current	34,577	36,630
Prepaid expenses and other current assets	41,149	43,984
Property and equipment, net	34,799	37,109
Goodwill	28,763	25,555
Intangible assets, net	1,882	2,240
Right-of-use assets for operating leases	30,951	31,081
Deferred commissions, net of current portion	59,366	60,540
Other assets	23,306	28,971
Total assets	<u>\$ 590,748</u>	<u>\$ 621,039</u>
Liabilities and Stockholders' Deficit		
Accounts payable and accrued expenses	23,428	15,710
Accrued compensation and related benefits	34,414	34,223
Deferred revenue	264,917	281,760
Debt	9,598	9,598
Operating lease liabilities	13,052	12,378
Long-term debt	236,027	240,826
Non-current operating lease liabilities	49,810	52,189
Deferred revenue, non-current	10,798	5,477
Other current and non-current liabilities	2,445	1,518
Total liabilities	<u>644,489</u>	<u>653,679</u>
Stockholders' deficit		
Common stock	7	7
Treasury stock	(10,000)	—
Additional paid-in capital	605,084	591,281
Accumulated other comprehensive loss	(35,189)	(11,774)
Accumulated deficit	(613,643)	(612,154)
Total stockholders' deficit	<u>(53,741)</u>	<u>(32,640)</u>
Total liabilities and stockholders' deficit	<u>\$ 590,748</u>	<u>\$ 621,039</u>

Income Statement.

\$ in thousands, except for per share data

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
	(unaudited)			
Revenue				
Cloud subscriptions	\$ 106,915	\$ 88,428	\$ 206,741	\$ 175,031
Term license subscriptions	17,703	17,227	44,617	40,998
Maintenance and support	8,039	7,319	15,651	14,639
Total subscriptions revenue	132,657	112,974	267,009	230,668
Professional services	37,983	33,476	70,057	65,617
Total revenue	170,640	146,450	337,066	296,285
Cost of revenue				
Subscriptions	17,154	13,262	32,048	25,532
Professional services	26,767	26,151	50,791	51,878
Total cost of revenue	43,921	39,413	82,839	77,410
Gross profit	126,719	107,037	254,227	218,875
Operating expenses				
Sales and marketing	60,458	66,592	115,011	124,748
Research and development	40,347	39,446	79,864	79,217
General and administrative	36,898	40,193	71,170	73,639
Total operating expenses	137,703	146,231	266,045	277,604
Operating loss	(10,984)	(39,194)	(11,818)	(58,729)
Other non-operating (income) expense				
Other (income) expense, net	(17,564)	(1,545)	(23,280)	6,662
Interest expense	5,319	6,107	10,637	11,753
Total other non-operating (income) expense	(12,245)	4,562	(12,643)	18,415
Income (loss) before income taxes	1,261	(43,756)	825	(77,144)
Income tax expense	1,573	(164)	2,314	(629)
Net loss	\$ (312)	\$ (43,592)	\$ (1,489)	\$ (76,515)
Net loss per share:				
Basic and diluted	\$ (0.00)	\$ (0.60)	\$ (0.02)	\$ (1.05)
Weighted average common shares outstanding:				
Basic and diluted	74,202	72,300	74,148	72,800

Stock-Based Compensation Expense.

\$ in thousands	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
	(unaudited)			
Cost of revenue				
Subscriptions	\$ 205	\$ 217	\$ 448	\$ 430
Professional services	1,355	1,461	2,762	3,039
Operating expenses				
Sales and marketing	2,035	1,997	4,223	4,524
Research and development	3,286	2,919	6,224	5,920
General and administrative	3,812	3,306	7,075	6,593
Total stock-based compensation expense	\$ 10,693	\$ 9,900	\$ 20,732	\$ 20,506

Reconciliation of GAAP to Non-GAAP Measures.

unaudited, \$ in thousands

	GAAP Measure	Stock-Based Compensation	Litigation Expense	JPI Amortization	Severance Costs	Lease Impairment and Lease-Related Charges	Unrealized Foreign Exchange Rate Gains and Losses	Non-GAAP Measure
Three Months Ended June 30, 2025								
Subscriptions cost of revenue	\$ 17,154	\$ (205)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 16,949
Professional services cost of revenue	26,767	(1,355)	—	—	—	—	—	25,412
Total cost of revenue	43,921	(1,560)	—	—	—	—	—	42,361
Total operating expense	137,703	(9,133)	(2,482)	(3,118)	—	(297)	—	122,673
Operating (loss) income	(10,984)	10,693	2,482	3,118	—	297	—	5,606
Non-operating (income) expense	(17,564)	—	—	—	—	—	16,754	(810)
Income tax impact of above items	1,573	295	—	—	—	—	(1,059)	809
Net (loss) income	(312)	10,398	2,482	3,118	—	297	(15,695)	288
Net (loss) income per share, basic	\$ (0.00)	\$ 0.14	\$ 0.03	\$ 0.04	\$ —	\$ —	\$ (0.21)	\$ 0.00
Net (loss) income per share, diluted ^(a)	\$ (0.00)	\$ 0.14	\$ 0.03	\$ 0.04	\$ —	\$ —	\$ (0.21)	\$ 0.00
Three Months Ended June 30, 2024								
Subscriptions cost of revenue	\$ 13,262	\$ (217)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 13,045
Professional services cost of revenue	26,151	(1,461)	—	—	(1,398)	—	—	23,292
Total cost of revenue	39,413	(1,678)	—	—	(1,398)	—	—	36,337
Total operating expense	146,231	(8,222)	(721)	(4,504)	(4,136)	(5,462)	—	123,186
Operating (loss) income	(39,194)	9,900	721	4,504	5,534	5,462	—	(13,073)
Non-operating (income) expense	(1,545)	—	—	—	—	—	(959)	(2,504)
Income tax impact of above items	(164)	537	—	—	1,096	—	103	1,572
Net (loss) income	(43,592)	9,363	721	4,504	4,438	5,462	856	(18,248)
Net (loss) income per share, basic and diluted	\$ (0.60)	\$ 0.13	\$ 0.01	\$ 0.06	\$ 0.06	\$ 0.08	\$ 0.01	\$ (0.25)

Reconciliation of GAAP to Non-GAAP Measures.

unaudited, \$ in thousands

	GAAP Measure	Stock-Based Compensation	Litigation Expense	JPI Amortization	Severance Costs	Lease Impairment and Lease-Related Charges	Unrealized Foreign Exchange Rate Gains and Losses	Non-GAAP Measure
Six Months Ended June 30, 2025								
Subscriptions cost of revenue	\$ 32,048	\$ (448)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 31,600
Professional services cost of revenue	50,791	(2,762)	—	—	—	—	—	48,029
Total cost of revenue	82,839	(3,210)	—	—	—	—	—	79,629
Total operating expense	266,045	(17,522)	(4,194)	(6,202)	—	(609)	—	237,518
Operating (loss) income	(11,818)	20,732	4,194	6,202	—	609	—	19,919
Non-operating (income) expense	(23,280)	—	—	—	—	—	20,770	(2,510)
Income tax impact of above items	2,314	750	—	—	—	—	(1,326)	1,738
Net (loss) income	(1,489)	19,982	4,194	6,202	—	609	(19,444)	10,054
Net (loss) income per share, basic	\$ (0.02)	\$ 0.27	\$ 0.06	\$ 0.08	\$ —	\$ 0.01	\$ (0.26)	\$ 0.14
Net (loss) income per share, diluted ^(a,b)	\$ (0.02)	\$ 0.27	\$ 0.06	\$ 0.08	\$ —	\$ 0.01	\$ (0.26)	\$ 0.13
Six Months Ended June 30, 2024								
Subscriptions cost of revenue	\$ 25,532	\$ (430)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 25,102
Professional services cost of revenue	51,878	(3,039)	—	—	(1,398)	—	—	47,441
Total cost of revenue	77,410	(3,469)	—	—	(1,398)	—	—	72,543
Total operating expense	277,604	(17,037)	(1,463)	(9,008)	(4,136)	(5,462)	—	240,498
Operating (loss) income	(58,729)	20,506	1,463	9,008	5,534	5,462	—	(16,756)
Non-operating expense (income)	6,662	—	—	—	—	—	(12,807)	(6,145)
Income tax impact of above items	(629)	1,141	—	—	1,096	—	1,038	2,646
Net (loss) income	(76,515)	19,365	1,463	9,008	4,438	5,462	11,769	(25,010)
Net (loss) income per share, basic and diluted	\$ (1.05)	\$ 0.27	\$ 0.02	\$ 0.12	\$ 0.06	\$ 0.08	\$ 0.16	\$ (0.34)

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

^(b) Accounts for the impact of 0.4 million shares of dilutive securities.

Reconciliation of GAAP to Non-GAAP Measures.

unaudited, \$ in thousands	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Reconciliation of adjusted EBITDA:				
GAAP net loss	\$ (312)	\$ (43,592)	\$ (1,489)	\$ (76,515)
Other (income) expense, net	(17,564)	(1,545)	(23,280)	6,662
Interest expense	5,319	6,107	10,637	11,753
Income tax expense (benefit)	1,573	(164)	2,314	(629)
Depreciation expense and amortization of intangible assets	2,524	2,580	4,970	4,941
Stock-based compensation expense	10,693	9,900	20,732	20,506
Litigation Expense	2,482	721	4,194	1,463
JPI Amortization	3,118	4,504	6,202	9,008
Severance Costs	—	5,534	—	5,534
Lease Impairment and Lease-Related Charges	297	5,462	609	5,462
Adjusted EBITDA	\$ 8,130	\$ (10,493)	\$ 24,889	\$ (11,815)

Reconciliation of GAAP to Non-GAAP Measures.

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

	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025
Reconciliation of non-GAAP overall gross margin:					
GAAP overall gross margin	73.1%	75.9%	78.6%	76.6%	74.3%
Add back:					
Non-GAAP adjustments to overall gross margin	2.1%	1.0%	0.9%	1.0%	0.9%
Non-GAAP overall gross margin	75.2%	76.9%	79.5%	77.6%	75.2%
Reconciliation of non-GAAP subscriptions gross margin:					
GAAP subscriptions gross margin	88.3%	88.6%	89.9%	88.9%	87.1%
Add back:					
Non-GAAP adjustments to subscriptions gross margin	0.2%	0.1%	0.1%	0.2%	0.1%
Non-GAAP subscriptions gross margin	88.5%	88.7%	90.0%	89.1%	87.2%
Reconciliation of non-GAAP professional services gross margin:					
GAAP professional services gross margin	21.9%	25.6%	27.1%	25.1%	29.5%
Add back:					
Non-GAAP adjustments to professional services gross margin	8.5%	4.3%	4.3%	4.4%	3.6%
Non-GAAP professional services gross margin	30.4%	29.9%	31.4%	29.5%	33.1%

Reconciliation of GAAP to Non-GAAP Measures.

The following table reconciles our GAAP sales and marketing expense to our non-GAAP sales and marketing expense. The non-GAAP adjustment represents adding back the impact of stock-based compensation expense and severance costs recorded to "Sales and marketing expense" within our consolidated income statements.

<i>in thousands</i>	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2024	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025
GAAP sales and marketing expense	56,166	54,912	63,270	63,090	62,581	55,667	61,043	58,156	66,592	50,865	55,272	54,553	60,458
Subtract:													
Sales and marketing stock compensation	2,266	2,667	2,431	2,445	2,772	3,245	2,380	2,527	1,997	1,746	1,930	2,188	2,035
Sales and marketing severance costs	—	—	—	3,731	1,006	—	—	—	3,937	—	—	—	—
Non-GAAP sales and marketing expense	53,900	52,245	60,839	56,914	58,803	52,422	58,663	55,629	60,658	49,119	53,342	52,365	58,423

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