



Investor Presentation

March 2024



Safe Harbor Statement

Statements in this presentation that are not statements of historical facts are forward-looking statements and should be evaluated as such. Forward-looking statements include, but are not limited to, statements regarding our expected financial and operating results in future periods and statements regarding our expectations regarding the growth of our company, our market opportunity, product roadmap, including artificial intelligence, sales efficiency efforts and our industry. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "could," "expect," "plan," "anticipate," "believe," "estimate," "predict," "intend," "potential," "might," "would," "continue," or the negative of these terms or other comparable terminology.

We have based the forward-looking statements contained in this presentation primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition, results of operations, strategy, short-and long-term business operations, prospects, business strategy and financial needs. Our actual results could differ materially from those stated or implied in forward-looking statements due to a number of factors, including, but not limited to, those previously disclosed in the sections titled "Special Note Regarding Forward Looking Statements" and "Risk Factors" in our most recent Annual Report on Form 10-K and in other filings we make with the Securities and Exchange Commission (the "SEC") and other public communications. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this presentation. We cannot assure you that the results, events and circumstances reflected in the forward-looking statements will be achieved or occur, and actual results, events or circumstances could differ materially from those described in the forward-looking statements. Accordingly, you should not rely on forward-looking statements as predictions of future events.

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Yext is the leading
digital presence platform
for multi-location brands



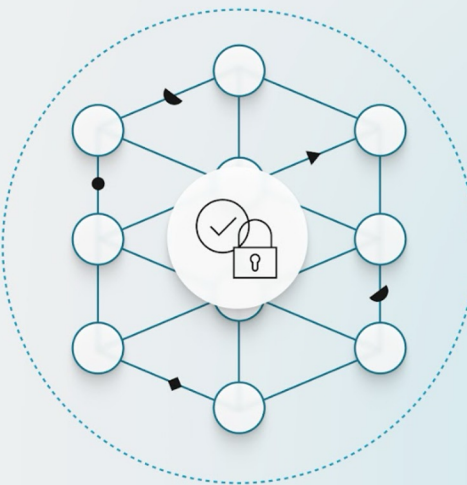
Yext powers the **digital presence**

Surfacing approved content everywhere customers are looking

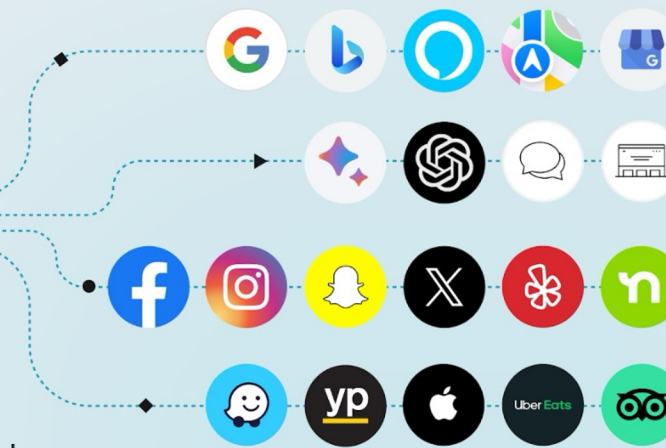
COLLECT



ORGANIZE



DELIVER



As people engage with brands, Yext provides insights on customer behavior to influence brand strategy



Choose any
combination
of products to
reach brand goals

and iterate as needs change



content



listings



pages



reviews



search



chat



social



analytics



Yext puts brands **front and center**



Helps local customers find and engage with brands



Automates workflows with AI



Provides better marketing insights



One platform for all digital marketing channels

+47%

listings impressions

when customers switch to Yext

2.3x

more appearances in Local Search

than their competitors

40.8%

unbranded listings impressions

when Listings are optimized

+30%

customer actions

when customers use Listings and Reviews

+57%

improvement in response times

with Reviews



Thousands of brands trust Yext

Hospitality



Healthcare



Financial Services



Where Each Relationship Matters®

Retail



Restaurant Chains

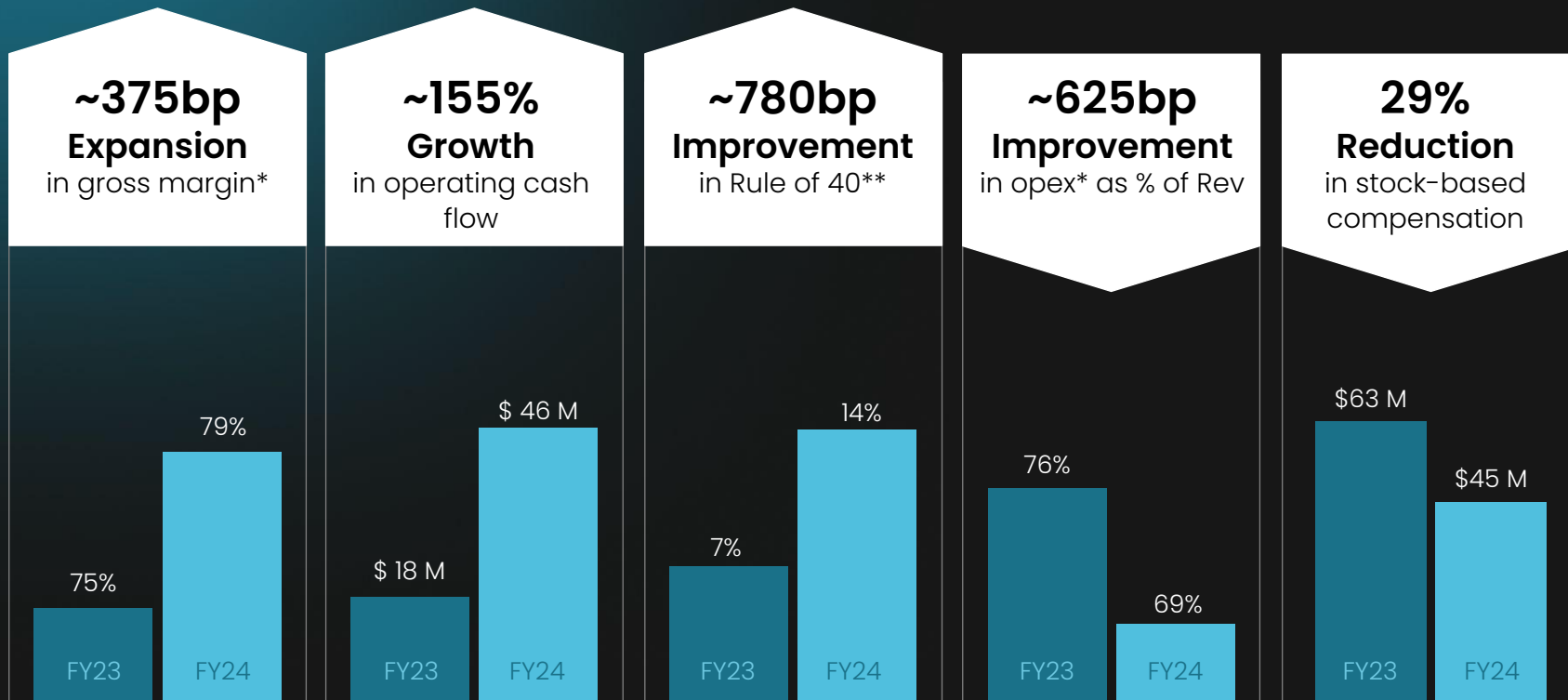




Financial Overview



Fiscal 2024 results

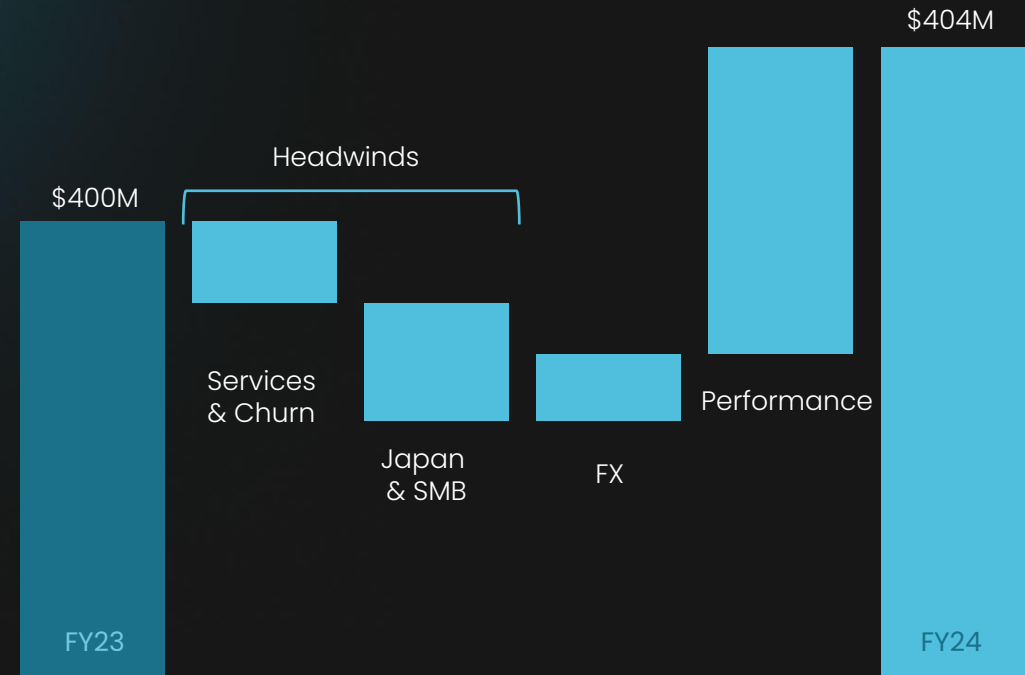


*All data as of Jan 31, 2024. Non-GAAP gross margin and non-GAAP opex are non-GAAP measures. See Appendix for a reconciliation to financial results prepared in accordance with GAAP
**Rule of 40 defined as the sum of TTM rev growth and TTM adj EBITDA margin.



Revenue growth against headwinds

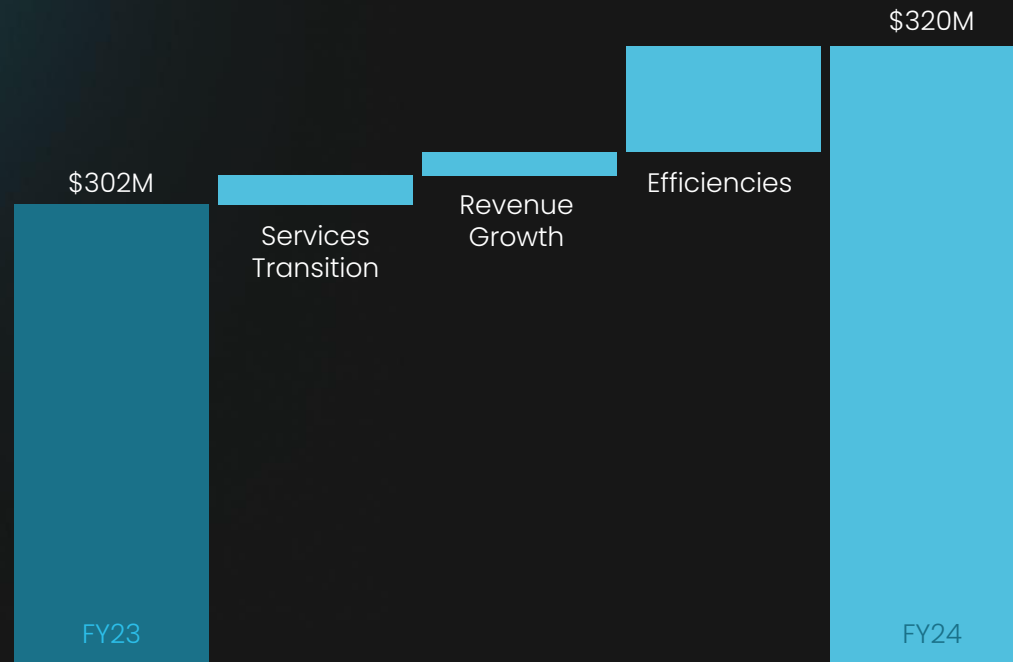
FY24 revenue growth despite challenging market conditions and headwinds





Driving **gross margin** expansion

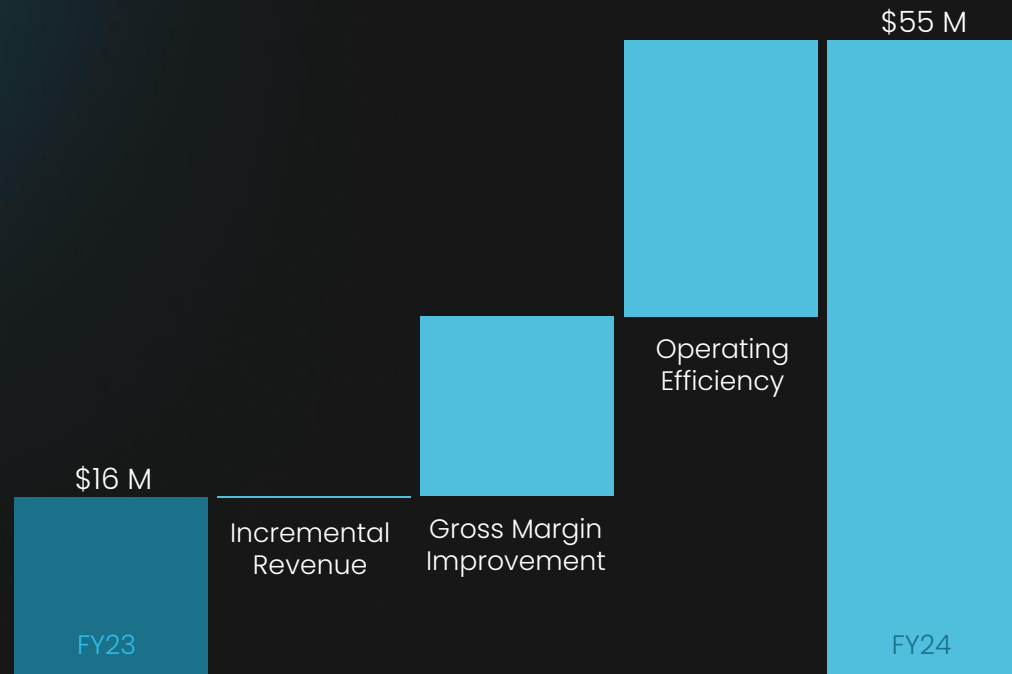
Increasing gross margin through operating efficiencies



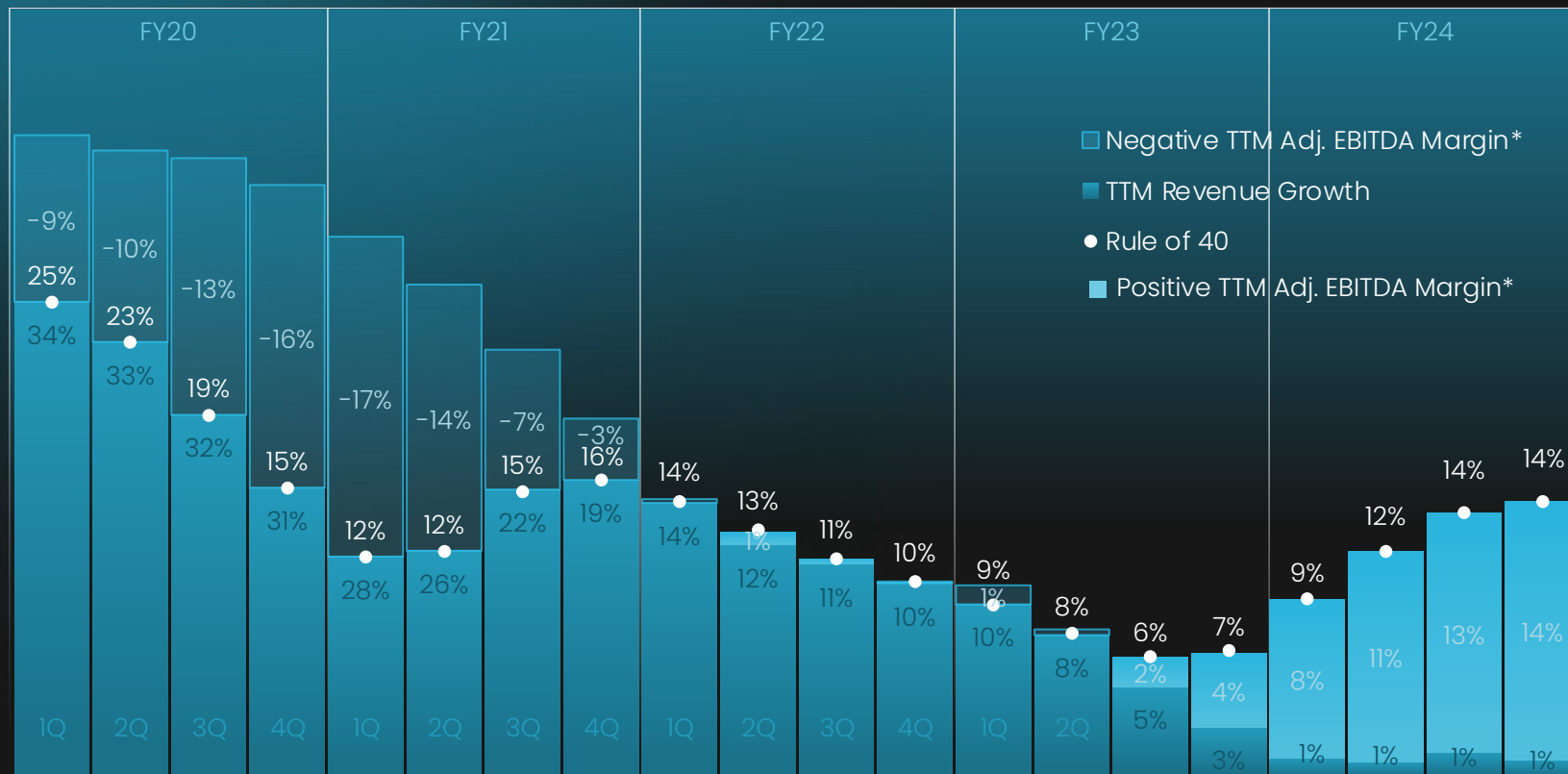


Building up our **adjusted EBITDA**

Improvements from incremental revenue, gross margin, and operating efficiency



Progress towards Rule of 40



*Adjusted EBITDA margin is a non-GAAP measure. See Appendix for definition and/or reconciliation of GAAP to non-GAAP measures.



Q4 FY24 Performance

| Top Line | | Efficiency | | Profitability | |
|----------------------|--|---------------|---|---------------|--|
| | | | | Q4FY23 | Q4FY24 |
| \$101.1 M Revenue | 1% Decline Y/Y as reported | 79.3% | Gross margin (non-GAAP) | \$6.3 M | \$12.3 M Net Income (non-GAAP) |
| \$387 M ARR | 3% Decline Y/Y as reported | 68% | Operating Expense as a % of revenue (non-GAAP) | \$0.05 | \$0.10 Earnings per share (non-GAAP) |
| | | 39% | S&M as a % of revenue (non-GAAP) | \$10.9 M | \$14.8 M Adj. EBITDA* |
| Direct | | Reseller | | Cash | |
| \$316 M ARR | 3% Decline Y/Y as reported | \$72 M ARR | 2% Decline Y/Y as reported | \$46.2 M | Cash Flow from Operations (YTD) |
| 91% | Dollar-based net retention (ARR) | 95% | Dollar-based net retention (ARR) | \$210 M | Ending cash |

*Adj. EBITDA is a non-GAAP measure. ARR and Dollar-based net retention rates are operating metrics. See Appendix for further information, including definitions and/or reconciliations of GAAP to non-GAAP measures.



Q1 & FY25 Guidance

| | Projected Q1 FY25* | Projected FY25* |
|--|-----------------------|--------------------|
| Revenue (\$ millions) | \$96.0 to \$96.5 | \$400.0 to \$402.0 |
| Adjusted EBITDA** (\$ millions) | \$9.5 to \$10.0 | \$60.0 to \$62.0 |
| Non-GAAP net income per share | \$0.04 to \$0.05 | \$0.30 to \$0.31 |
| Weighted-average basic shares outstanding (millions) | 125.5 | 127.2 |
| Non-GAAP tax rate | 28% | 28% |

*as of March 6, 2024
**Adjusted EBITDA is a non-GAAP measure. We have not reconciled our forward-looking Adjusted EBITDA (loss) to its most directly comparable GAAP financial measure of net income (loss). Information on which this reconciliation would be based on is not available without unreasonable efforts due to the uncertainty and inherent difficulty of predicting within a reasonable range, the timing, occurrence and financial impact of when such items may be recognized



Appendix

Q4 FY24



Balance Sheet

| | <u>January 31, 2024</u> | <u>January 31, 2023</u> |
|---|-------------------------|-------------------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 210,184 | \$ 190,214 |
| Accounts receivable, net of allowances of \$1,013 and \$868, respectively | 108,198 | 109,727 |
| Prepaid expenses and other current assets | 14,849 | 15,629 |
| Costs to obtain revenue contracts, current | 26,680 | 31,023 |
| Total current assets | <u>359,911</u> | <u>346,593</u> |
| Property and equipment, net | 48,542 | 62,071 |
| Operating lease right-of-use assets | 75,989 | 85,463 |
| Costs to obtain revenue contracts, non-current | 16,710 | 21,037 |
| Goodwill | 4,478 | 4,477 |
| Intangible assets, net | 168 | 193 |
| Other long term assets | 3,012 | 3,927 |
| Total assets | <u>\$ 508,810</u> | <u>\$ 523,761</u> |



Balance Sheet

| | <u>January 31, 2024</u> | <u>January 31, 2023</u> |
|--|-------------------------|-------------------------|
| Liabilities and stockholders' equity | | |
| Current liabilities: | | |
| Accounts payable, accrued expenses and other current liabilities | \$ 38,766 | \$ 49,017 |
| Unearned revenue, current | 212,210 | 223,706 |
| Operating lease liabilities, current | 16,798 | 18,155 |
| Total current liabilities | <u>267,774</u> | <u>290,878</u> |
| Operating lease liabilities, non-current | 89,562 | 100,534 |
| Other long term liabilities | 4,300 | 4,326 |
| Total liabilities | <u>361,636</u> | <u>395,738</u> |
| Commitments and contingencies | | |
| Stockholders' equity: | | |
| Preferred stock, \$0.001 par value per share; 50,000,000 shares authorized at January 31, 2024 and January 31, 2023; zero shares issued and outstanding at January 31, 2024 and January 31, 2023 | — | — |
| Common stock, \$0.001 par value per share; 500,000,000 shares authorized at January 31, 2024 and January 31, 2023; 148,197,347 and 142,684,128 shares issued at January 31, 2024 and January 31, 2023, respectively; 124,867,093 and 122,334,515 shares outstanding at January 31, 2024 and January 31, 2023, respectively | 148 | 142 |
| Additional paid-in capital | 942,622 | 897,368 |
| Accumulated other comprehensive loss | (4,183) | (3,617) |
| Accumulated deficit | (679,172) | (676,542) |
| Treasury stock, at cost | (112,241) | (89,328) |
| Total stockholders' equity | <u>147,174</u> | <u>128,023</u> |
| Total liabilities and stockholders' equity | <u>\$ 508,810</u> | <u>\$ 523,761</u> |



Income Statement

| | Three months ended January 31, | | Fiscal year ended January 31, | |
|--|--------------------------------|-------------|-------------------------------|-------------|
| | 2024 | 2023 | 2024 | 2023 |
| Revenue | \$ 101,107 | \$ 101,899 | \$ 404,322 | \$ 400,850 |
| Cost of revenue | 21,659 | 26,487 | 87,468 | 103,960 |
| Gross profit | 79,448 | 75,412 | 316,854 | 296,890 |
| Operating expenses: | | | | |
| Sales and marketing | 41,888 | 47,235 | 178,830 | 211,479 |
| Research and development | 18,106 | 17,133 | 72,040 | 70,903 |
| General and administrative | 18,411 | 18,717 | 72,185 | 79,336 |
| Total operating expenses | 78,405 | 83,085 | 323,055 | 361,718 |
| Income (loss) from operations | 1,043 | (7,673) | (6,201) | (64,828) |
| Interest income | 1,798 | 887 | 7,094 | 1,684 |
| Interest expense | (136) | (106) | (470) | (589) |
| Other expense, net | (74) | (236) | (761) | (125) |
| Income (loss) from operations before income taxes | 2,631 | (7,128) | (338) | (63,858) |
| Provision for income taxes | (944) | (670) | (2,292) | (2,080) |
| Net income (loss) | \$ 1,687 | \$ (7,798) | \$ (2,630) | \$ (65,938) |
| Net income (loss) per share attributable to common stockholders, basic | \$ 0.01 | \$ (0.06) | \$ (0.02) | \$ (0.53) |
| Net income (loss) per share attributable to common stockholders, diluted | \$ 0.01 | \$ (0.06) | \$ (0.02) | \$ (0.53) |
| Weighted-average number of shares used in computing net income (loss) per share attributable to common stockholders, basic | 124,337,640 | 122,315,825 | 124,056,949 | 125,250,723 |
| Weighted-average number of shares used in computing net income (loss) per share attributable to common stockholders, diluted | 125,552,028 | 122,315,825 | 124,056,949 | 125,250,723 |
| Other comprehensive income (loss): | | | | |
| Foreign currency translation adjustment | \$ 154 | \$ 3,127 | \$ (568) | \$ (3,421) |
| Unrealized (loss) gain on marketable securities, net | (2) | 7 | 2 | (9) |
| Total comprehensive income (loss) | \$ 1,839 | \$ (4,664) | \$ (3,196) | \$ (69,368) |



Cash Flow Statement

| | <u>Fiscal year ended January 31,</u> | |
|---|--------------------------------------|---------------|
| | <u>2024</u> | <u>2023</u> |
| Operating activities: | | |
| Net loss | \$ (2,630) | \$ (65,938) |
| Adjustments to reconcile net loss to net cash provided by operating activities: | | |
| Depreciation and amortization expense | 15,805 | 17,583 |
| Bad debt expense | 888 | 182 |
| Stock-based compensation expense | 44,961 | 63,078 |
| Amortization of operating lease right-of-use assets | 8,804 | 8,799 |
| Other, net | 540 | 1,195 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | 518 | (10,056) |
| Prepaid expenses and other current assets | 755 | (2,303) |
| Costs to obtain revenue contracts | 8,818 | 8,034 |
| Other long term assets | 896 | 1,140 |
| Accounts payable, accrued expenses and other current liabilities | (10,176) | 2,714 |
| Unearned revenue | (11,252) | 3,538 |
| Operating lease liabilities | (11,687) | (10,986) |
| Other long term liabilities | (83) | 873 |
| Net cash provided by operating activities | <u>46,157</u> | <u>17,853</u> |



Cash Flow Statement

| | <u>Fiscal year ended January 31,</u> | |
|---|--------------------------------------|-------------------|
| | <u>2024</u> | <u>2023</u> |
| Investing activities: | | |
| Capital expenditures | (2,728) | (6,193) |
| Net cash used in investing activities | <u>(2,728)</u> | <u>(6,193)</u> |
| Financing activities: | | |
| Proceeds from exercise of stock options | 9,405 | 714 |
| Repurchase of common stock | (23,086) | (77,250) |
| Payments for taxes related to net share settlement of stock-based compensation awards | (13,015) | (5,129) |
| Payments of deferred financing costs | (452) | (509) |
| Proceeds, net from employee stock purchase plan withholdings | <u>3,894</u> | <u>3,153</u> |
| Net cash used in financing activities | <u>(23,254)</u> | <u>(79,021)</u> |
| Effect of exchange rate changes on cash and cash equivalents | <u>(205)</u> | <u>(3,635)</u> |
| Net increase (decrease) in cash and cash equivalents | 19,970 | (70,996) |
| Cash and cash equivalents at beginning of period | <u>190,214</u> | <u>261,210</u> |
| Cash and cash equivalents at end of period | <u>\$ 210,184</u> | <u>\$ 190,214</u> |



Supplemental Information

| | January 31, | | Variance | |
|--|-------------|------------|-------------|---------|
| | 2024 | 2023 | Dollars | Percent |
| <u>Annual Recurring Revenue</u> | | | | |
| Direct Customers | \$ 315,594 | \$ 327,017 | \$ (11,423) | (3)% |
| Third-Party Reseller Customers | 71,784 | 73,343 | (1,559) | (2)% |
| Total Annual Recurring Revenue | \$ 387,378 | \$ 400,360 | \$ (12,982) | (3)% |

| | Jan. 31, 2024 | Oct. 31, 2023 | Jul. 31, 2023 | Apr. 30, 2023 | Jan. 31, 2023 |
|--|---------------|---------------|---------------|---------------|---------------|
| <u>Annual Recurring Revenue Trend</u> | | | | | |
| Direct Customers | \$ 315,594 | \$ 326,625 | \$ 327,212 | \$ 326,058 | \$ 327,017 |
| Third-Party Reseller Customers | 71,784 | 70,201 | 70,502 | 72,232 | 73,343 |
| Total Annual Recurring Revenue | \$ 387,378 | \$ 396,826 | \$ 397,714 | \$ 398,290 | \$ 400,360 |

| | Jan. 31, 2024 | Oct. 31, 2023 | Jul. 31, 2023 | Apr. 30, 2023 | Jan. 31, 2023 |
|---|---------------|---------------|---------------|---------------|---------------|
| <u>Dollar-Based Net Retention Rate</u> | | | | | |
| Direct Customers | 91% | 97% | 98% | 97% | 97% |
| Third-Party Reseller Customers | 95% | 95% | 92% | 92% | 92% |
| Total Customers | 92% | 96% | 97% | 96% | 96% |



Non-GAAP Reconciliation

| | Three months ended January 31, | | Fiscal year ended January 31, | |
|---|--------------------------------|------------------|-------------------------------|------------------|
| | 2024 | 2023 | 2024 | 2023 |
| GAAP net income (loss) to Adjusted EBITDA: | | | | |
| GAAP net income (loss) | \$ 1,687 | \$ (7,798) | \$ (2,630) | \$ (65,938) |
| Interest (income) expense, net | (1,662) | (781) | (6,624) | (1,095) |
| Provision for income taxes | 944 | 670 | 2,292 | 2,080 |
| Depreciation and amortization | 3,180 | 4,486 | 15,805 | 17,583 |
| Other expense (income), net | 74 | 236 | 761 | 125 |
| Stock-based compensation expense | 10,626 | 14,088 | 44,961 | 63,078 |
| Adjusted EBITDA | <u>\$ 14,849</u> | <u>\$ 10,901</u> | <u>\$ 54,565</u> | <u>\$ 15,833</u> |



Non-GAAP Reconciliation

| | Three months ended January 31, 2024 | | | Three months ended January 31, 2023 | | |
|----------------------------|-------------------------------------|--|-----------|-------------------------------------|--|-----------|
| | GAAP | Stock-Based Compensation Expense | Non-GAAP | GAAP | Stock-Based Compensation Expense | Non-GAAP |
| Costs and expenses | | | | | | |
| Cost of revenue | \$ 21,659 | \$ (749) | \$ 20,910 | \$ 26,487 | \$ (1,143) | \$ 25,344 |
| Sales and marketing | \$ 41,888 | \$ (2,845) | \$ 39,043 | \$ 47,235 | \$ (5,004) | \$ 42,231 |
| Research and development | \$ 18,106 | \$ (2,964) | \$ 15,142 | \$ 17,133 | \$ (3,733) | \$ 13,400 |
| General and administrative | \$ 18,411 | \$ (4,068) | \$ 14,343 | \$ 18,717 | \$ (4,208) | \$ 14,509 |

| | Three months ended January 31, 2024 | | | Three months ended January 31, 2023 | | |
|--|-------------------------------------|--|----------|-------------------------------------|--|----------|
| | GAAP | Stock-Based Compensation Expense | Non-GAAP | GAAP | Stock-Based Compensation Expense | Non-GAAP |
| Costs and expenses as a percentage of revenue | | | | | | |
| Cost of revenue | 21 % | — % | 21 % | 26 % | (1) % | 25 % |
| Sales and marketing | 41 % | (2) % | 39 % | 46 % | (5) % | 41 % |
| Research and development | 18 % | (3) % | 15 % | 17 % | (4) % | 13 % |
| General and administrative | 18 % | (4) % | 14 % | 18 % | (4) % | 14 % |



Non-GAAP Reconciliation

| Costs and expenses | Fiscal year ended January 31, 2024 | | | Fiscal year ended January 31, 2023 | | |
|----------------------------|------------------------------------|--|------------|------------------------------------|--|------------|
| | GAAP | Stock-Based Compensation Expense | Non-GAAP | GAAP | Stock-Based Compensation Expense | Non-GAAP |
| | Cost of revenue | \$ 87,468 | \$ (2,900) | \$ 84,568 | \$ 103,960 | \$ (5,042) |
| Sales and marketing | \$ 178,830 | \$ (15,067) | \$ 163,763 | \$ 211,479 | \$ (22,961) | \$ 188,518 |
| Research and development | \$ 72,040 | \$ (11,349) | \$ 60,691 | \$ 70,903 | \$ (16,401) | \$ 54,502 |
| General and administrative | \$ 72,185 | \$ (15,645) | \$ 56,540 | \$ 79,336 | \$ (18,674) | \$ 60,662 |

| Costs and expenses as a percentage of revenue | Fiscal year ended January 31, 2024 | | | Fiscal year ended January 31, 2023 | | |
|--|------------------------------------|--|----------|------------------------------------|--|----------|
| | GAAP | Stock-Based Compensation Expense | Non-GAAP | GAAP | Stock-Based Compensation Expense | Non-GAAP |
| | Cost of revenue | 22 % | (1) % | 21 % | 26 % | (1) % |
| Sales and marketing | 44 % | (3) % | 41 % | 53 % | (6) % | 47 % |
| Research and development | 18 % | (3) % | 15 % | 17 % | (3) % | 14 % |
| General and administrative | 18 % | (4) % | 14 % | 20 % | (5) % | 15 % |



Non-GAAP Reconciliation

| | Three months ended January 31, | | Fiscal year ended January 31, | |
|--|--------------------------------|------------------|-------------------------------|-------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Gross profit | | | | |
| GAAP gross profit | \$ 79,448 | \$ 75,412 | \$ 316,854 | \$ 296,890 |
| Plus: Stock-based compensation expense | 749 | 1,143 | 2,900 | 5,042 |
| Non-GAAP gross profit | <u>\$ 80,197</u> | <u>\$ 76,555</u> | <u>\$ 319,754</u> | <u>\$ 301,932</u> |
| Gross margin | | | | |
| GAAP gross margin | 78.6 % | 74.0 % | 78.4 % | 74.1 % |
| Plus: Stock-based compensation expense | 0.7 % | 1.1 % | 0.7 % | 1.2 % |
| Non-GAAP gross margin | <u>79.3 %</u> | <u>75.1 %</u> | <u>79.1 %</u> | <u>75.3 %</u> |
| Operating expenses | | | | |
| GAAP operating expenses | \$ 78,405 | \$ 83,085 | \$ 323,055 | \$ 361,718 |
| Less: Stock-based compensation expense | (9,877) | (12,945) | (42,061) | (58,036) |
| Non-GAAP operating expenses | <u>\$ 68,528</u> | <u>\$ 70,140</u> | <u>\$ 280,994</u> | <u>\$ 303,682</u> |
| Operating expenses as a percentage of revenue | | | | |
| GAAP operating expenses as a percentage of revenue | 78 % | 82 % | 80 % | 90 % |
| Less: Stock-based compensation expense | (10) % | (13) % | (11) % | (14) % |
| Non-GAAP operating expenses as a percentage of revenue | <u>68 %</u> | <u>69 %</u> | <u>69 %</u> | <u>76 %</u> |
| Income/Loss from operations | | | | |
| GAAP income (loss) from operations | \$ 1,043 | \$ (7,673) | \$ (6,201) | \$ (64,828) |
| Plus: Stock-based compensation expense | 10,626 | 14,088 | 44,961 | 63,078 |
| Non-GAAP income (loss) from operations | <u>\$ 11,669</u> | <u>\$ 6,415</u> | <u>\$ 38,760</u> | <u>\$ (1,750)</u> |
| Operating margin (Income/Loss from operations as a percentage of revenue) | | | | |
| GAAP operating margin | 1 % | (8) % | (2) % | (16) % |
| Plus: Stock-based compensation expense | 11 % | 14 % | 12 % | 16 % |
| Non-GAAP operating margin | <u>12 %</u> | <u>6 %</u> | <u>10 %</u> | <u>— %</u> |



Non-GAAP Reconciliation

GAAP net income (loss)

Plus: Stock-based compensation expense

Non-GAAP net income

GAAP net income (loss) per share attributable to common stockholders, **basic**

Stock-based compensation expense per share

Non-GAAP net income per share attributable to common stockholders, basic

GAAP net income (loss) per share attributable to common stockholders, **diluted**

Stock-based compensation expense per share

Non-GAAP net income per share attributable to common stockholders, diluted

Weighted-average number of shares used in computing GAAP net income (loss) per share attributable to common stockholders

Basic

Diluted

Weighted-average number of shares used in computing non-GAAP net income per share attributable to common stockholders

Basic

Diluted

GAAP net income (loss) as a percentage of revenue

Plus: Stock-based compensation expense

Non-GAAP net income as a percentage of revenue

| <u>Three months ended January 31,</u> | |
|---------------------------------------|--------------------|
| <u>2024</u> | <u>2023</u> |
| \$ 1,687 | \$ (7,798) |
| 10,626 | 14,088 |
| <u>\$ 12,313</u> | <u>\$ 6,290</u> |
| \$ 0.01 | \$ (0.06) |
| 0.09 | 0.11 |
| <u>\$ 0.10</u> | <u>\$ 0.05</u> |
| \$ 0.01 | \$ (0.06) |
| 0.09 | 0.11 |
| <u>\$ 0.10</u> | <u>\$ 0.05</u> |
| <u>124,337,640</u> | <u>122,315,825</u> |
| <u>125,552,028</u> | <u>122,315,825</u> |
| <u>124,337,640</u> | <u>122,315,825</u> |
| <u>125,552,028</u> | <u>124,199,432</u> |
| <u>Three months ended January 31,</u> | |
| <u>2024</u> | <u>2023</u> |
| 1.7 % | (7.7) % |
| 10.5 % | 13.9 % |
| <u>12.2 %</u> | <u>6.2 %</u> |



Non-GAAP Reconciliation

GAAP net loss

Plus: Stock-based compensation expense

Non-GAAP net income (loss)

GAAP net loss per share attributable to common stockholders, **basic**

Stock-based compensation expense per share

Non-GAAP net income (loss) per share attributable to common stockholders, basic

GAAP net loss per share attributable to common stockholders, **diluted**

Stock-based compensation expense per share

Non-GAAP net income (loss) per share attributable to common stockholders, diluted

Weighted-average number of shares used in computing GAAP net loss per share attributable to common stockholders, basic and diluted

Weighted-average number of shares used in computing non-GAAP net income (loss) per share attributable to common stockholders

Basic

Diluted

| Fiscal year ended January 31, | | |
|-------------------------------|-------------|-------------|
| | 2024 | 2023 |
| \$ | (2,630) | \$ (65,938) |
| | 44,961 | 63,078 |
| \$ | 42,331 | \$ (2,860) |
| \$ | (0.02) | \$ (0.53) |
| | 0.36 | 0.51 |
| \$ | 0.34 | \$ (0.02) |
| \$ | (0.02) | \$ (0.53) |
| | 0.35 | 0.51 |
| \$ | 0.33 | \$ (0.02) |
| | 124,056,949 | 125,250,723 |
| | 124,056,949 | 125,250,723 |
| | 127,247,766 | 125,250,723 |

GAAP net loss as a percentage of revenue

Plus: Stock-based compensation expense

Non-GAAP net income (loss) as a percentage of revenue

| Fiscal year ended January 31, | | |
|-------------------------------|---------|----------|
| | 2024 | 2023 |
| | (0.7) % | (16.4) % |
| | 11.2 % | 15.7 % |
| | 10.5 % | (0.7) % |



Non-GAAP Reconciliation

Constant Currency Revenue

Revenue (GAAP)

Effects of foreign currency rate fluctuations

Revenue on a constant currency basis (Non-GAAP)

Three months ended January 31,

2024

2023

Growth Rates

| | | | | |
|----|----------------|----|---------|-------|
| \$ | 101,107 | \$ | 101,899 | (1) % |
| | (859) | | | |
| \$ | <u>100,248</u> | | | (2) % |

Fiscal year ended January 31,

2024

2023

Growth Rates

Revenue (GAAP)

Effects of foreign currency rate fluctuations

Revenue on a constant currency basis (Non-GAAP)

| | | | | |
|----|----------------|----|---------|-----|
| \$ | 404,322 | \$ | 400,850 | 1 % |
| | (1,305) | | | |
| \$ | <u>403,017</u> | | | 1 % |



Non-GAAP Measurements

In addition to disclosing financial measures prepared in accordance with U.S. generally accepted accounting principles (GAAP), this presentation includes non-GAAP cost of revenue, non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating expenses (sales and marketing, research and development, general and administrative), non-GAAP operating expenses (sales and marketing, research and development, general and administrative) as a percentage of revenue, non-GAAP income (loss) from operations, non-GAAP operating margin, non-GAAP net income (loss), non-GAAP net income (loss) per share, and non-GAAP net income (loss) as a percentage of revenue, which are referred to as non-GAAP financial measures.

These non-GAAP financial measures are not calculated in accordance with GAAP as they have been adjusted to exclude the effects of stock-based compensation expenses. Non-GAAP gross margin, non-GAAP operating expenses (sales and marketing, research and development, general and administrative) as a percentage of revenue, non-GAAP operating margin, and non-GAAP net income (loss) as a percentage of revenue are calculated by dividing the applicable non-GAAP financial measure by revenue. Non-GAAP net income (loss) per share is defined as non-GAAP net income (loss) on a per share basis. See the tables labeled "Reconciliation of GAAP to Non-GAAP Financial Measures" for detail on the applicable weighted-average shares outstanding.

We believe these non-GAAP financial measures provide investors and other users of our financial information consistency and comparability with our past financial performance and facilitate period-to-period comparisons of our results of operations. With respect to non-GAAP gross margin, non-GAAP operating expenses (sales and marketing, research and development, general and administrative) as a percentage of revenue, non-GAAP operating margin and non-GAAP net income (loss) as a percentage of revenue, we believe these non-GAAP financial measures are useful in evaluating our profitability relative to the amount of revenue generated, excluding the impact of stock-based compensation expense. We also believe non-GAAP financial measures are useful in evaluating our operating performance compared to that of other companies in our industry, as these metrics eliminate the effects of stock-based compensation, which may vary for reasons unrelated to overall operating performance.

We also discuss Adjusted EBITDA, a non-GAAP financial measure that we believe offers a useful view of overall operations used to assess the performance of core business operations and for planning purposes. We define Adjusted EBITDA as GAAP net income (loss) before (1) interest income (expense), net, (2) provision for income taxes, (3) depreciation and amortization, (4) other income (expense), net, and (5) stock-based compensation expense. The most directly comparable GAAP financial measure to Adjusted EBITDA is GAAP net income (loss). Users should consider the limitations of using Adjusted EBITDA, including the fact that this measure does not provide a complete measure of our operating performance. Adjusted EBITDA is not intended to purport to be an alternate to GAAP net income (loss) as a measure of operating performance. Adjusted EBITDA margin is calculated by dividing Adjusted EBITDA by revenue which we believe is useful in evaluating operations relative to the amount of revenue generated.



Non-GAAP Measurements

In addition, we present non-GAAP constant currency measures of revenue. Constant currency as it relates to revenue provides a framework for assessing Company performance which excludes the effect of foreign currency rate fluctuations. Current period results for entities reporting in currencies other than U.S. Dollars (“USD”) are converted into USD at the average monthly exchange rates in effect during the comparative period, as opposed to the average monthly exchange rates in effect during the current period.

We use these non-GAAP financial measures in conjunction with traditional GAAP measures as part of our overall assessment of our performance, including the preparation of our annual operating budget and quarterly forecasts, and to evaluate the effectiveness of our business strategies. Our definition may differ from the definitions used by other companies and therefore comparability may be limited. In addition, other companies may not publish these or similar metrics. Thus, our non-GAAP financial measures should be considered in addition to, not as a substitute for, nor superior to or in isolation from, measures prepared in accordance with GAAP.

These non-GAAP financial measures may be limited in their usefulness because they do not present the full economic effect of our use of stock-based compensation. We compensate for these limitations by providing investors and other users of our financial information a reconciliation of the non-GAAP financial measure to the most closely related GAAP financial measures. However, we have not reconciled the non-GAAP guidance measures disclosed in the above presentation to their corresponding GAAP measures because certain reconciling items such as stock-based compensation and the corresponding provision for income taxes depend on factors such as the stock price at the time of award of future grants and thus cannot be reasonably predicted. Accordingly, reconciliations to the non-GAAP guidance measures is not available without unreasonable effort. We encourage investors and others to review our financial information in its entirety, not to rely on any single financial measure and to view non-GAAP net income (loss) and non-GAAP net income (loss) per share in conjunction with GAAP net income (loss) and net income (loss) per share.

Based on our financial outlook for the first quarter of and full year fiscal 2025, we will utilize a projected tax rate of 28% in our computation of the non-GAAP income tax provision effective February 1, 2024. Our estimated tax rate on non-GAAP income is determined annually and may be adjusted during the year to take into account events or trends that we believe materially impact the estimated annual rate including, but not limited to, significant changes resulting from tax legislation, material changes in the geographic mix of revenue and expenses and other significant events. Our estimated tax rate on non-GAAP income may differ from our GAAP tax rate and from our actual tax liabilities.

We have not reconciled our forward-looking Adjusted EBITDA to its most directly comparable GAAP financial measure of net income (loss). Information on which this reconciliation would be based on is not available without unreasonable efforts due to the uncertainty and inherent difficulty of predicting within a reasonable range, the timing, occurrence and financial impact of when such items may be recognized. In particular, Adjusted EBITDA excludes certain items including interest income (expense), net, provision for income taxes, depreciation and amortization, other income (expense), net, and stock-based compensation expense.



Operating Metrics

This presentation also includes certain operating metrics that we believe are useful in providing additional information in assessing the overall performance of our business.

Annual recurring revenue, or ARR, for Direct customers is defined as the annualized recurring amount of all contracts in our enterprise, mid-size and small business customer base as of the last day of the reporting period. The recurring amount of a contract is determined based upon the terms of a contract and is calculated by dividing the amount of a contract by the term of the contract and then annualizing such amount. The calculation assumes no subsequent changes to the existing subscription. Contracts include portions of professional services contracts that are recurring in nature.

ARR for Third-party Reseller customers is defined as the annualized recurring amount of all contracts with Third-party Reseller customers as of the last day of the reporting period. The recurring amount of a contract is determined based upon the terms of a contract and is calculated by dividing the amount of a contract by the term of the contract and then annualizing such amount. The calculation assumes no subsequent changes to the existing subscription. The calculation includes the annualized contractual minimum commitment and excludes amounts related to overages above the contractual minimum commitment. Contracts include portions of professional services contracts that are recurring in nature.

Total ARR is defined as the annualized recurring amount of all contracts executed as of the last day of the reporting period. The recurring amount of a contract is determined based upon the terms of a contract and is calculated by dividing the amount of a contract by the term of the contract and then annualizing such amount. The calculation assumes no subsequent changes to the existing subscription, and where relevant, includes the annualized contractual minimum commitment and excludes amounts related to overages above the contractual minimum commitment. Contracts include portions of professional services contracts that are recurring in nature.

ARR is independent of historical revenue, unearned revenue, remaining performance obligations or any other GAAP financial measure over any period. It should be considered in addition to, not as a substitute for, nor superior to or in isolation from, these measures and other measures prepared in accordance with GAAP. We believe ARR-based metrics provides insight into the performance of our recurring revenue business model while mitigating for fluctuations in billing and contract terms.

In addition, we present ARR on a constant currency basis. Constant currency as it relates to ARR provides a framework for assessing Company performance which excludes the effect of foreign currency rate fluctuations. Contracts included in the determination of ARR in the current period are converted into USD at the exchange rates in effect at the end of the comparative period, as opposed to the exchange rates in effect at the end of the current period.

Dollar-based net retention rate is a metric we use to assess our ability to retain our customers and expand the ARR they generate for us. We calculate dollar-based net retention rate by first determining the ARR generated 12 months prior to the end of the current period for a cohort of customers who had active contracts at that time. We then calculate ARR from the same cohort of customers at the end of the current period, which includes customer expansion, contraction and churn. The current period ARR is then divided by the prior period ARR to arrive at our dollar-based net retention rate.