



Investor Presentation Q3 FY21

December 2, 2020

Safe Harbor

This presentation contains “forward-looking statements” within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995, including but not limited to, statements regarding our financial outlook, product development, business strategy and plans and market trends, opportunities and positioning. These forward-looking statements are based on current expectations, estimates, forecasts and projections. Words such as “expect,” “anticipate,” “should,” “believe,” “hope,” “target,” “project,” “goals,” “estimate,” “potential,” “predict,” “may,” “will,” “might,” “could,” “intend,” “shall” and variations of these terms and similar expressions are intended to identify these forward-looking statements, although not all forward-looking statements contain these identifying words. Forward-looking statements are subject to a number of risks and uncertainties, many of which involve factors or circumstances that are beyond our control. For example, our business could be impacted more than expected by the COVID-19 pandemic and actions taken in response to it; the market for our products may develop more slowly than expected or than it has in the past; our results of operations may fluctuate more than expected; there may be significant fluctuations in our results of operations and cash flows related to our revenue recognition or otherwise; a network or data security incident that allows unauthorized access to our network or data or our customers’ data could damage our reputation; we could experience interruptions or performance problems associated with our technology, including a service outage; we may not be able to pay off our convertible senior notes when due; and global economic conditions could deteriorate. Further information on potential factors that could affect our financial results is included in our most recent Quarterly Report on Form 10-Q and our other filings with the Securities and Exchange Commission. The forward-looking statements included in this presentation represent our views only as of the date of this presentation and we assume no obligation and do not intend to update these forward-looking statements.



Company Overview

Q3 FY21 Financial Review

Appendix

(includes historical financial statements, reconciliations, and other select metrics)



Company Overview



Okta: Leading Identity Management Platform for the Enterprise



The Okta Identity Cloud is an independent and neutral platform that securely connects the right people to the right technologies at the right time.

9,400

Total customers

6,500+

Technology integrations

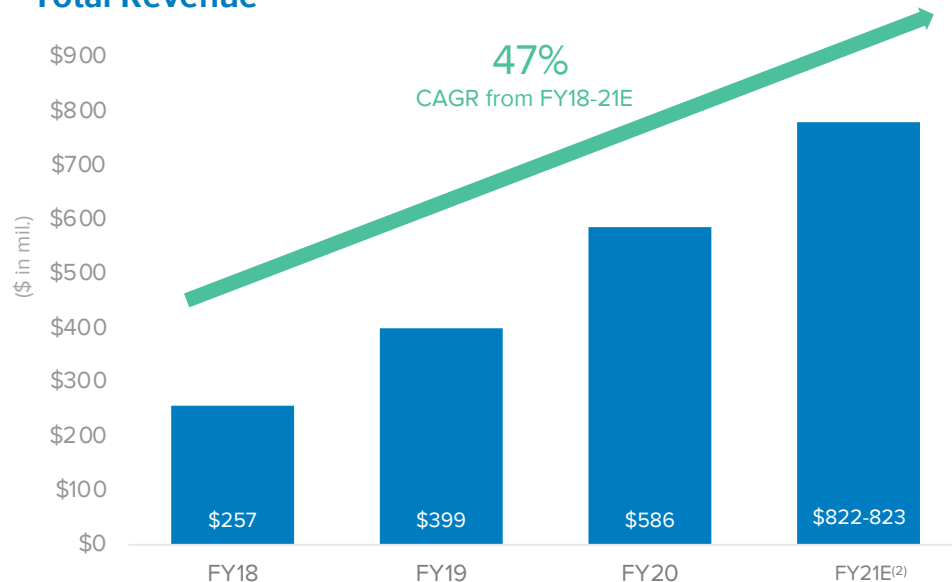
123%

TTM Dollar-based net retention rate⁽¹⁾
at October 31, 2020

(1) Trailing Twelve Months (TTM) dollar-based net retention rate is calculated based on total ACV. See Appendix for definition.

(2) FY21E revenue is an estimate based on outlook as of December 2, 2020.

Total Revenue



Global Macro Trends Driving Growth in Identity

Identity

is the critical foundation for connection and trust between users and technology



**Cloud adoption
and Hybrid IT**



**Digital
transformation**



**Zero Trust
security**



A New Approach to Identity: Why Customers Choose Okta



**Independent and neutral platform
for workforce identity**



**Scalable and secure customer
identity platform**



**Identity centric approach to Zero
Trust security**



Okta Value Proposition

Modernize IT

**REDUCE COSTS AND
DRIVE OPERATIONAL
EFFICIENCY**

Deliver a secure, seamless customer experience

**ACCELERATE BUSINESS
GROWTH, REVENUE,
AND PROFIT**

Adopt a Zero Trust security model

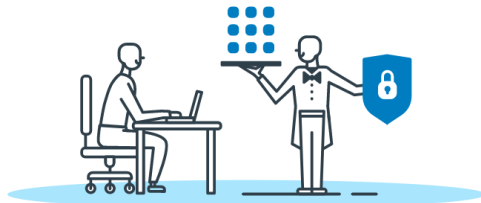
**REDUCE THE RISK
AND COST OF A
SECURITY INCIDENT**



The Most Complete Access Management Platform for Workforce and Customers

Workforce Identity

Protect and enable employees, contractors and partners across all environments



Cloud

On-Prem



okta Identity Cloud



Customer Identity

Build secure, seamless experiences for our customers' customers across all environments

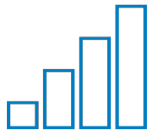


Cloud

On-Prem



Strong Foundation for Growth



High growth
subscription
model



Multiple expansion
vectors and powerful
network effects



Positioned
for substantial
operating leverage



Innovation Creates Powerful Network Effects

More integrations

Server



Applications



Devices



IaaS



APIs



Deeper signals

Device State

Biometrics

End Point Security

User Behavior

Mobile Security

Application Logs

Network

3rd Party Intelligence

More customers



NORDSTROM



More use cases

Zero Trust

Security Analytics

Contextual Access

Secure Infrastructure



Okta TAM ~\$55B

**Workforce Identity
TAM**

\$30B

**Customer Identity
TAM**

\$25B

Methodology: \$30B Workforce Identity TAM based on over 50,000 U.S. businesses with more than 250 employees (per 2019 U.S. Bureau of Labor Statistics) multiplied by 12-month ARR assuming adoption of all our current products, which implies a market of \$15 billion domestically, then multiplied by two to account for international opportunity. \$25B Customer Identity TAM based on 4.4 billion combined Facebook users and service employees worldwide multiplied by internal application usage and pricing assumptions.

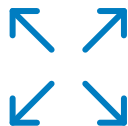


Large Addressable Market with Multiple Expansion Vectors

Four primary growth drivers



Innovation in
platform and
network



Landing &
expanding in
large enterprise



Growing
partner
channel

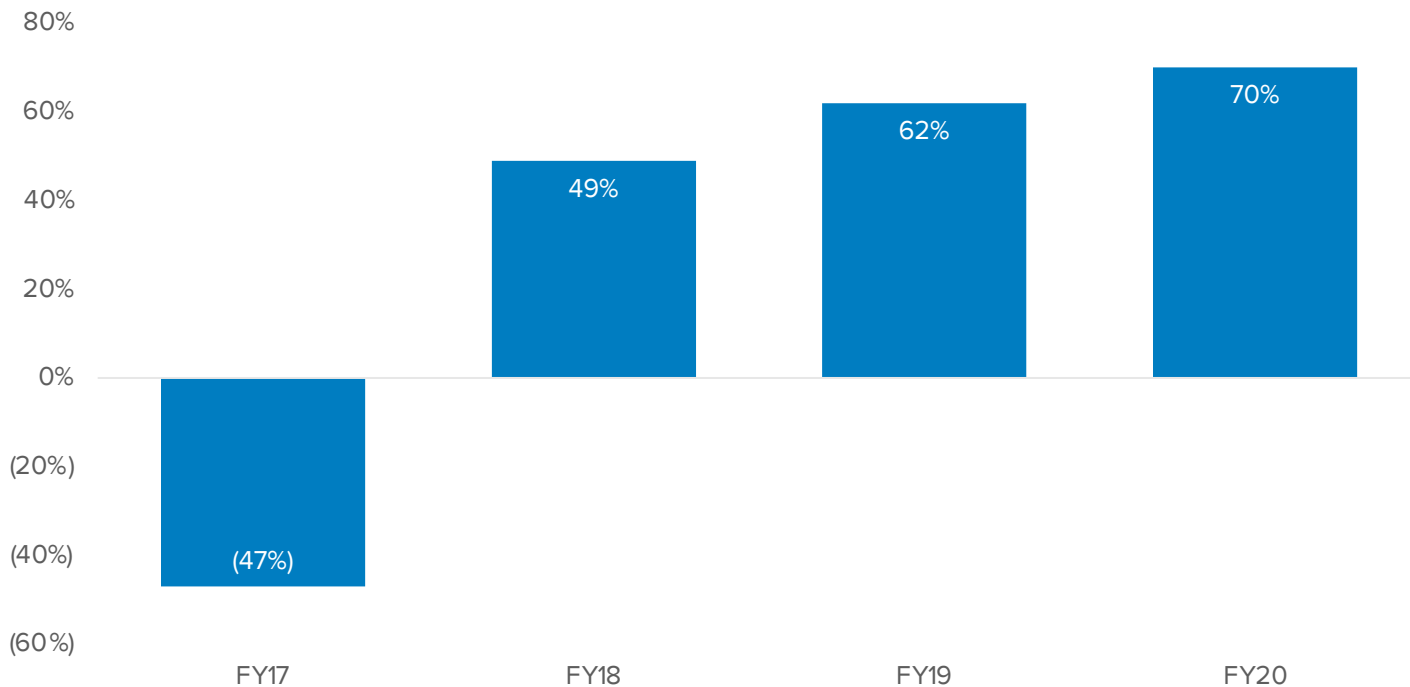


Making investments
in international
expansion



Attractive Long-Term Customer Economics

Fiscal 2017 Cohort Analysis and Contribution Margin





Environmental

Publicly disclosed results of our first carbon emissions study
<https://www.okta.com/responsibility/emissions-inventory-results-fy20/>



Social

Signed CEO Action for Diversity & Inclusion – the largest CEO-driven business commitment to advance workplace diversity & inclusion

Learn more at
<https://www.okta.com/responsibility>



LOW RISK of experiencing material financial impacts from ESG factors (Ranked 9th out of 276 enterprise and infrastructure software companies) (Nov 2020)



ESG rating of AA (top quartile in software and services) (Nov 2020)

Q3 FY21 Financial Review



Q3 FY21 Financial Highlights

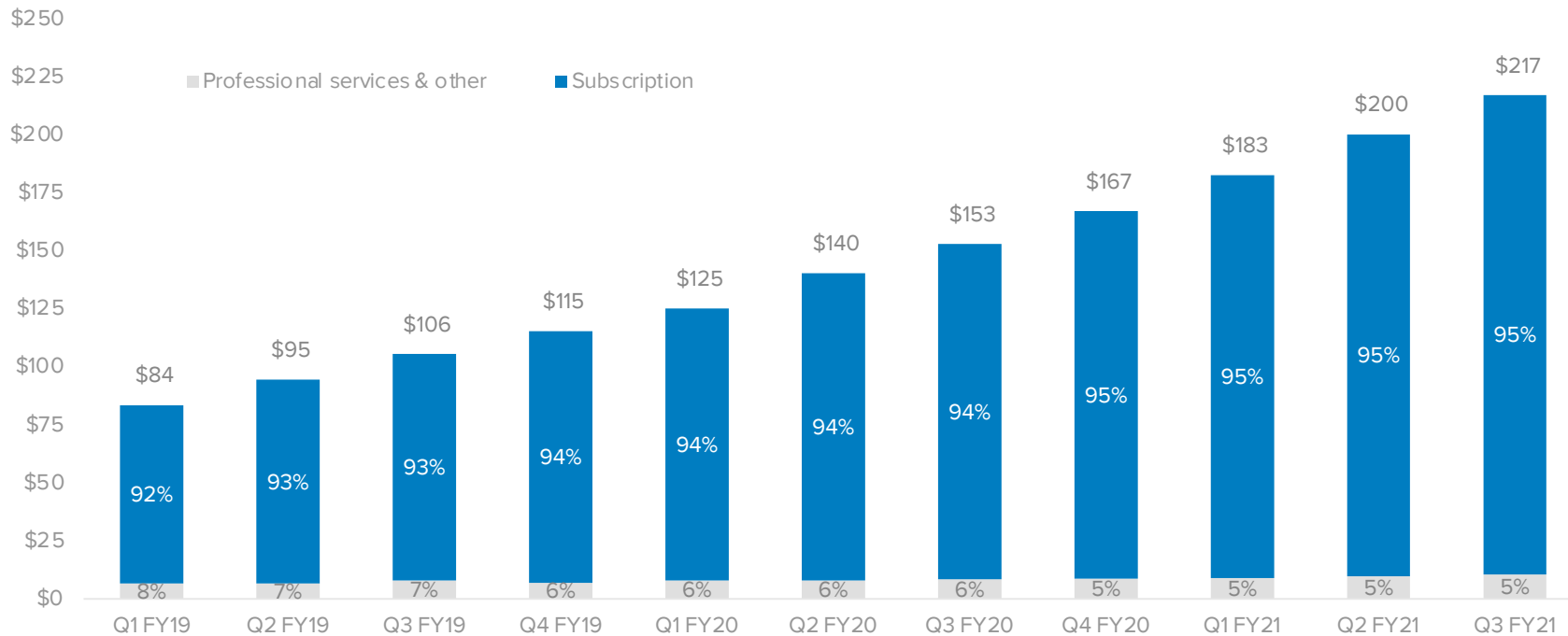
| | Q3 FY21 | vs. Q3 FY20 |
|--|----------|-------------|
| Total Revenue | \$217M | + 42% |
| Subscription Revenue | \$207M | + 43% |
| Current Remaining Performance Obligations | \$753M | + 46% |
| Remaining Performance Obligations | \$1,582M | + 53% |
| Total Calculated Billings ⁽¹⁾ | \$252M | + 44% |
| TTM Dollar Based Net Retention Rate | 123% | + 600 bps |
| Non-GAAP Gross Margin ⁽¹⁾ | 78.3% | + 50 bps |
| Non-GAAP Operating Margin ⁽¹⁾ | 2.5% | + 790 bps |
| Free Cash Flow Margin ⁽¹⁾ | 19.1% | + 1,310 bps |
| TTM Total Rev. Growth + Free Cash Flow Margin (“Rule of 40”) | 56% | + 400 bps |
| Total Customers | 9,400 | + 27% |
| Customers > \$100K ACV ⁽²⁾ | 1,780 | + 34% |



Total Revenue Up 42% Y/Y; Subscription Revenue Up 43% Y/Y

Quarterly Revenue

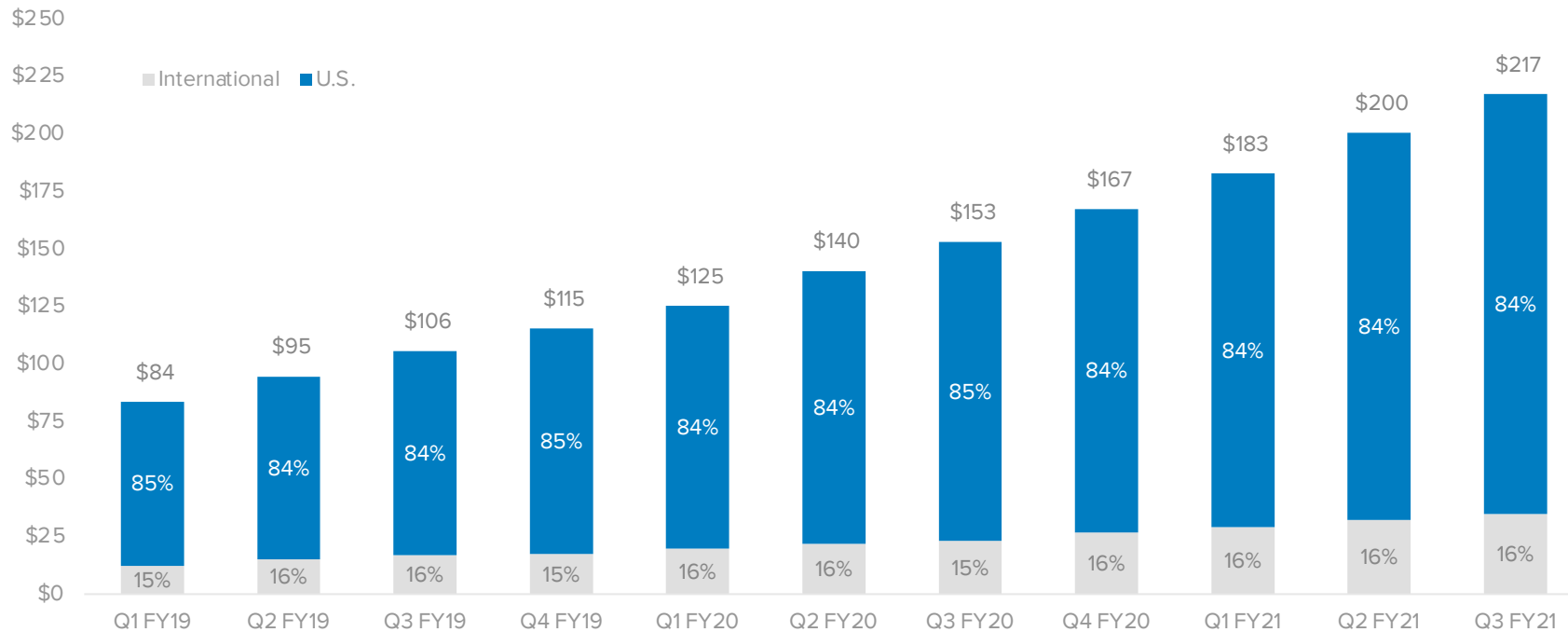
(\$ in millions)



International Revenue Up 51% Y/Y

Quarterly Revenue

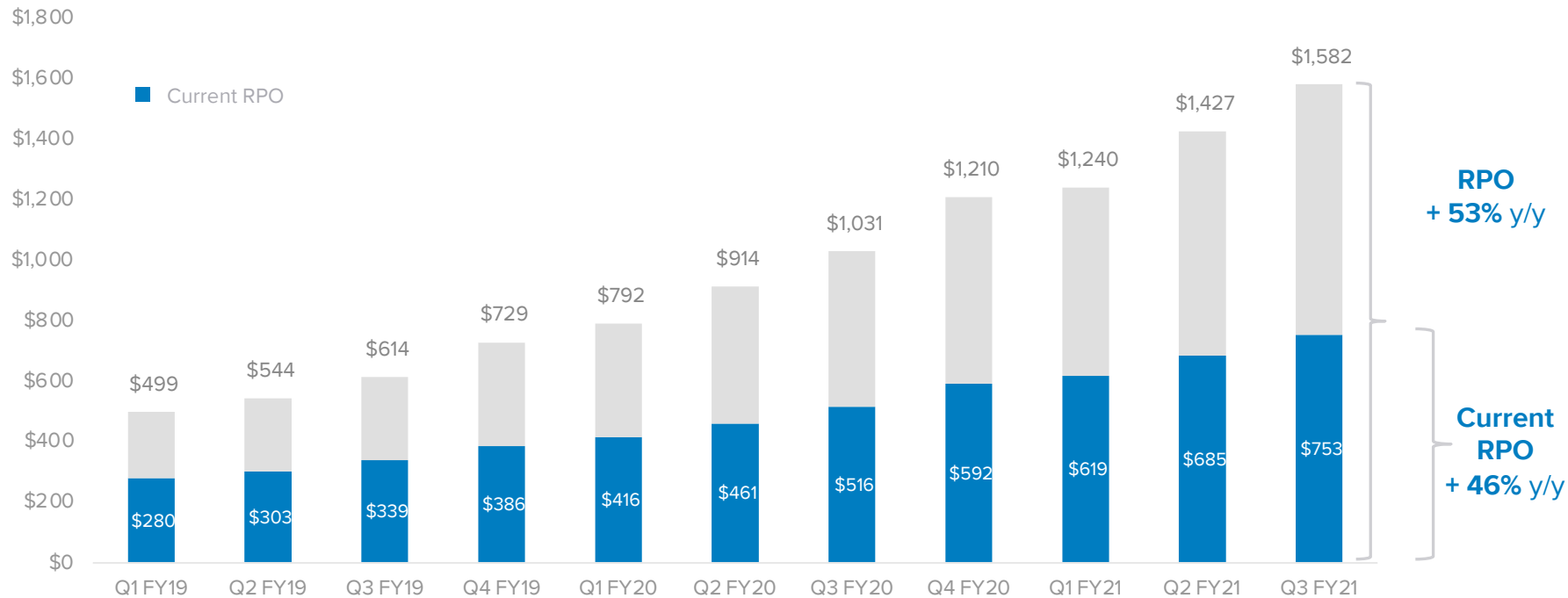
(\$ in millions)



Remaining Performance Obligations (RPO) Up 53% Y/Y

Quarterly RPO

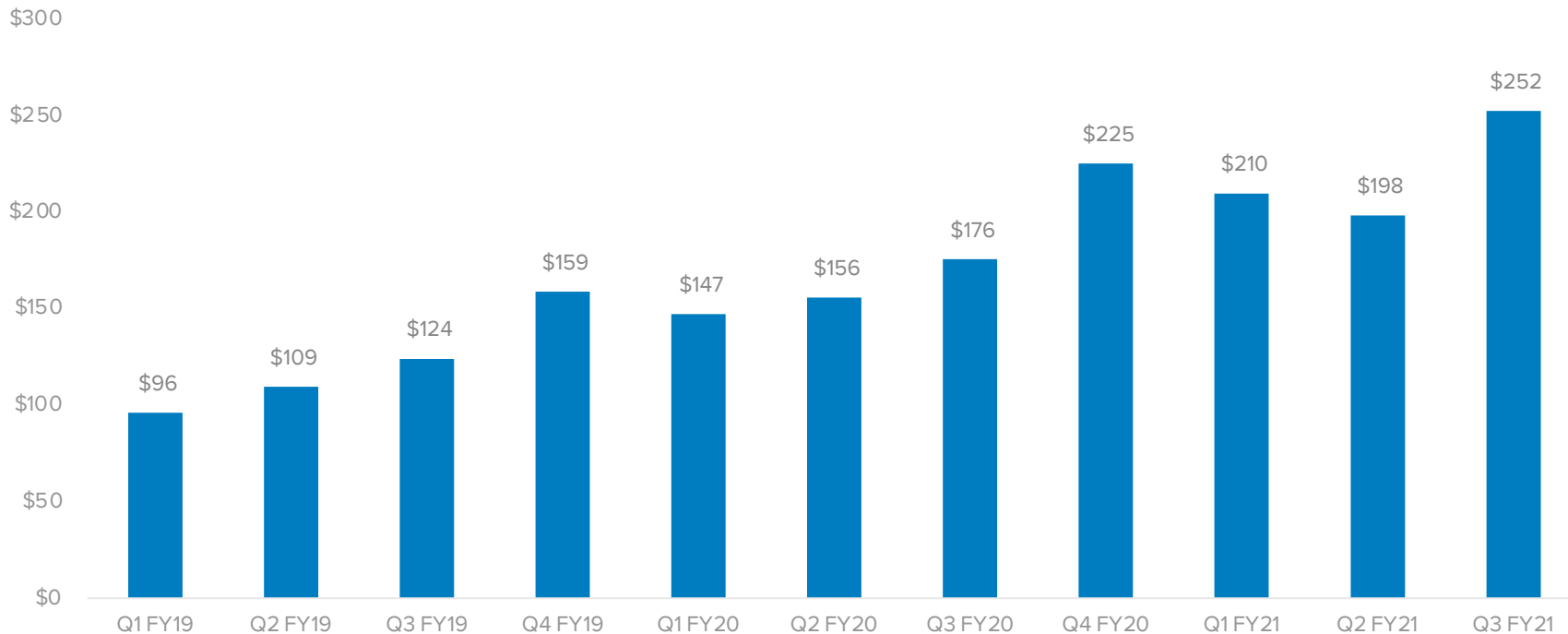
(\$ in millions)



Total Calculated Billings Up 44% Y/Y

Quarterly Total Calculated Billings⁽¹⁾

(\$ in millions)

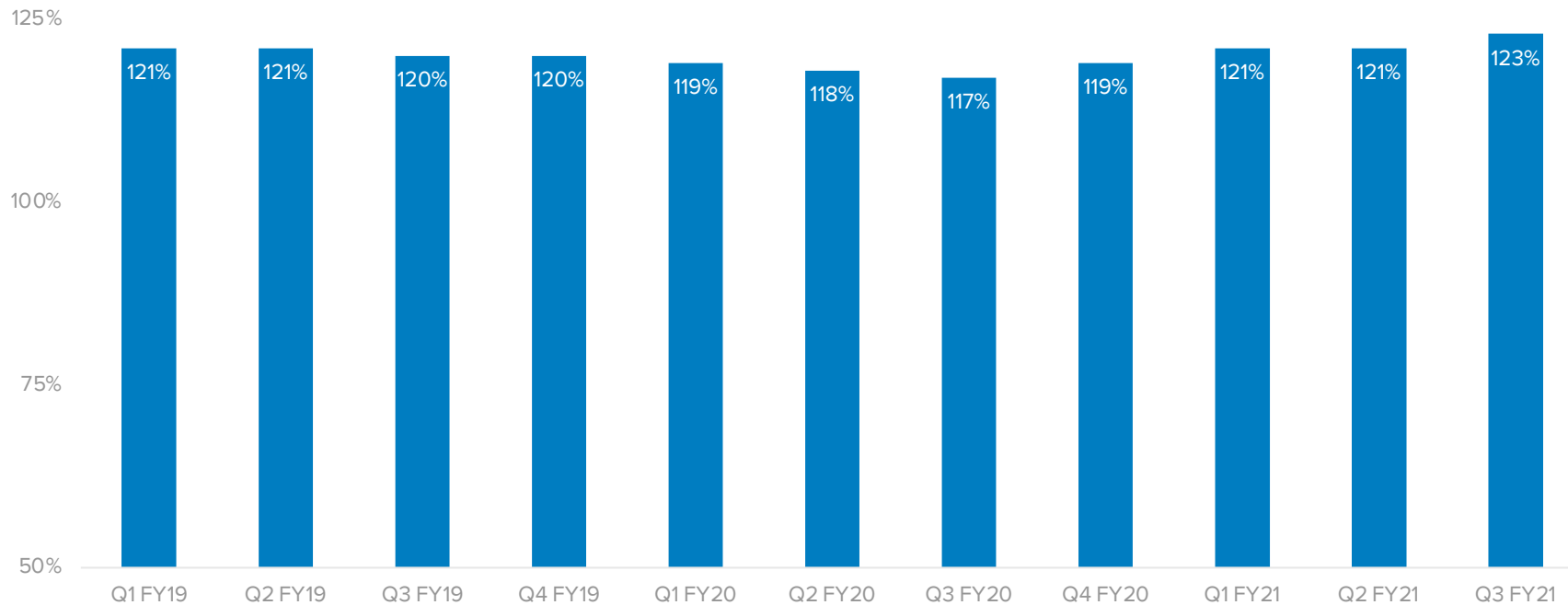


(1) See appendix for non-GAAP reconciliation.



TTM Dollar-based Net Retention Rate of 123%

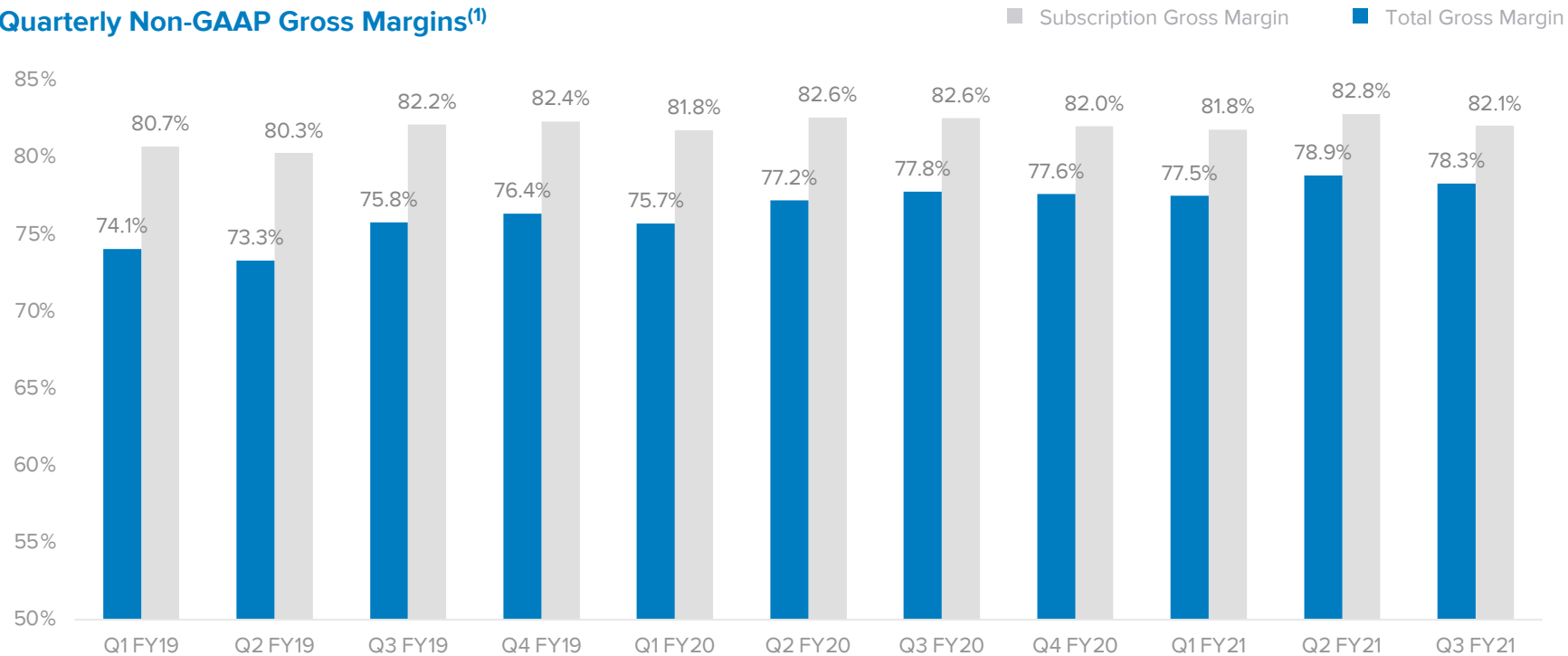
TTM Dollar-based net retention rate



Non-GAAP Total Gross Margin Up 50 bps Y/Y

Non-GAAP Subscription Gross Margin Down 50 bps Y/Y

Quarterly Non-GAAP Gross Margins⁽¹⁾



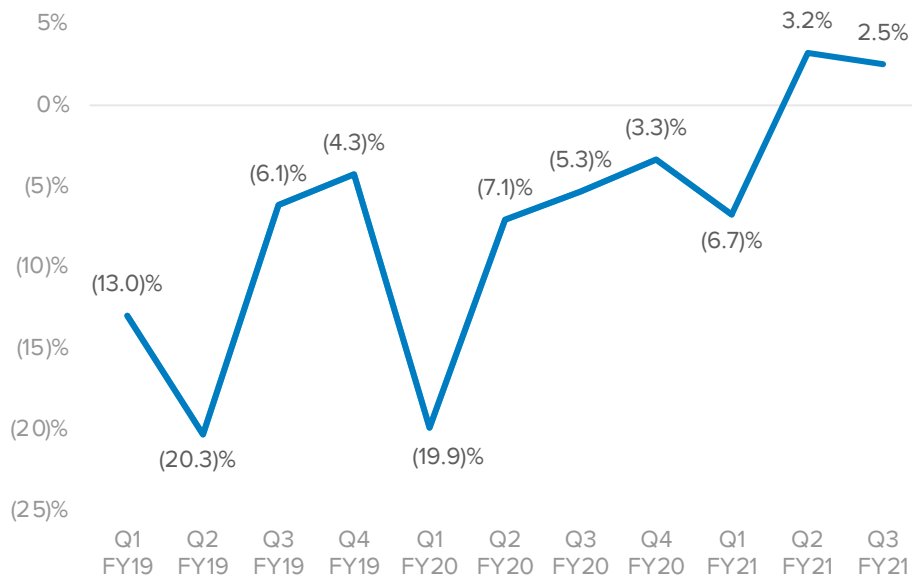
(1) See appendix for non-GAAP reconciliation.



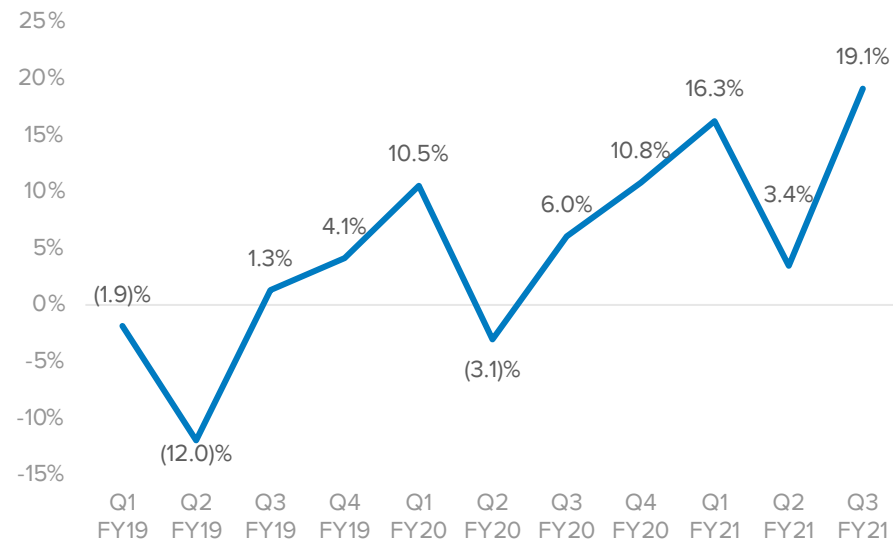
Non-GAAP Operating Margin Up 790 bps Y/Y⁽¹⁾

Free Cash Flow Margin Up 1,310 bps Y/Y

Quarterly Non-GAAP Operating Margin⁽²⁾



Quarterly Free Cash Flow Margin⁽¹⁾



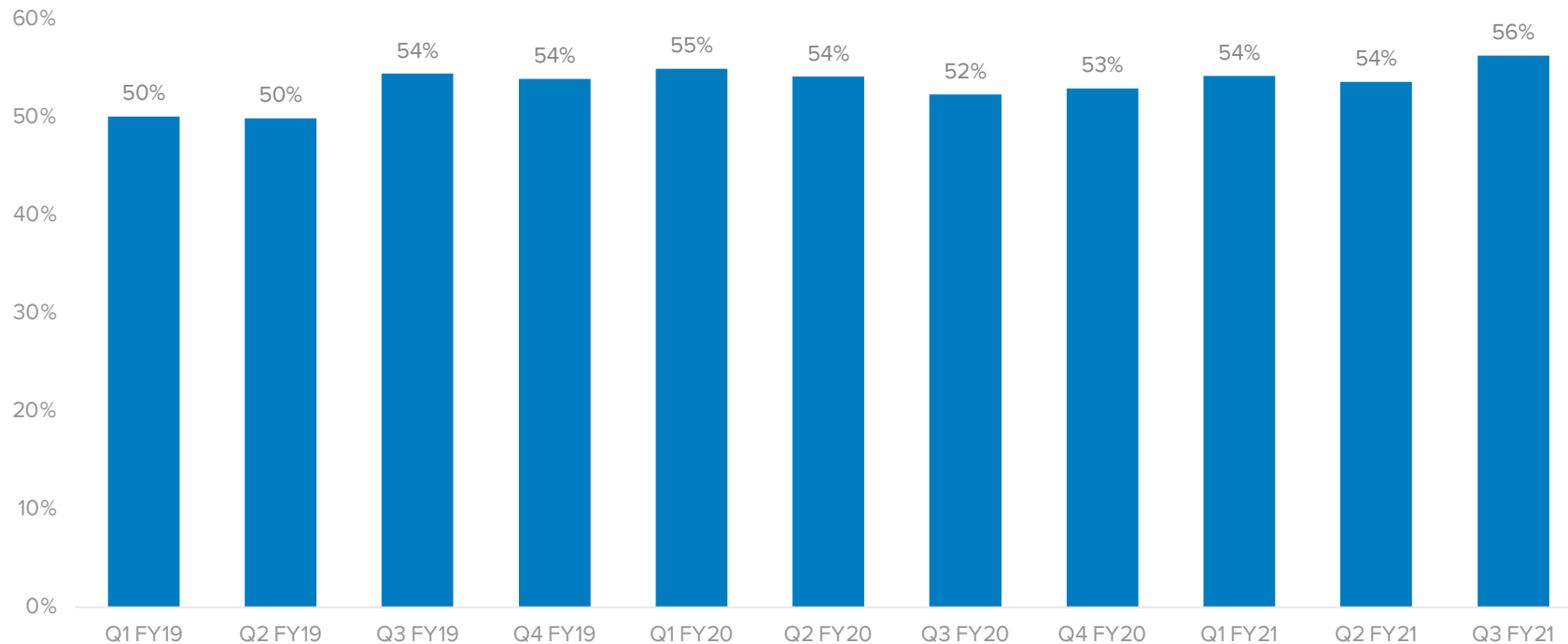
(1) Y/Y change may not sum due to rounding.

(2) See appendix for non-GAAP reconciliation.



Total Revenue Growth plus Free Cash Flow Margin (“Rule of 40”)

TTM total revenue growth plus free cash flow margin⁽¹⁾

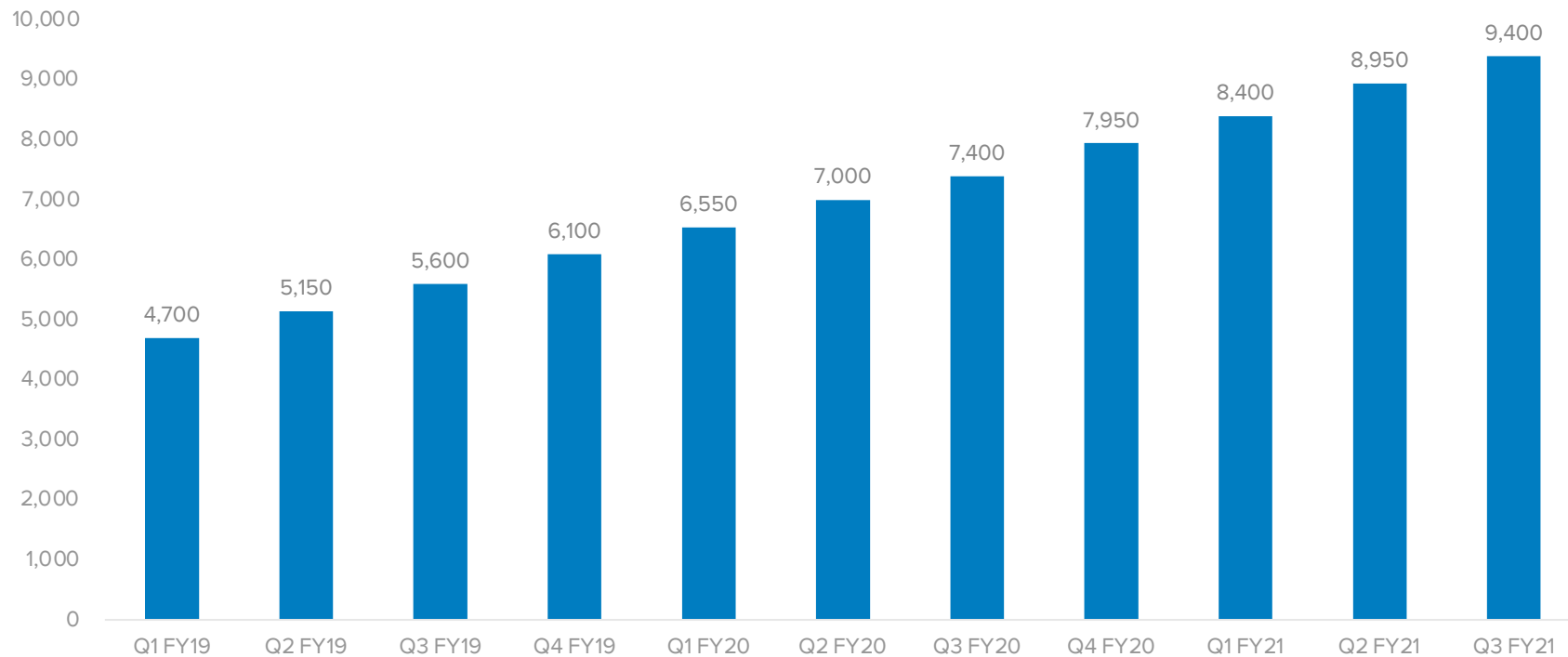


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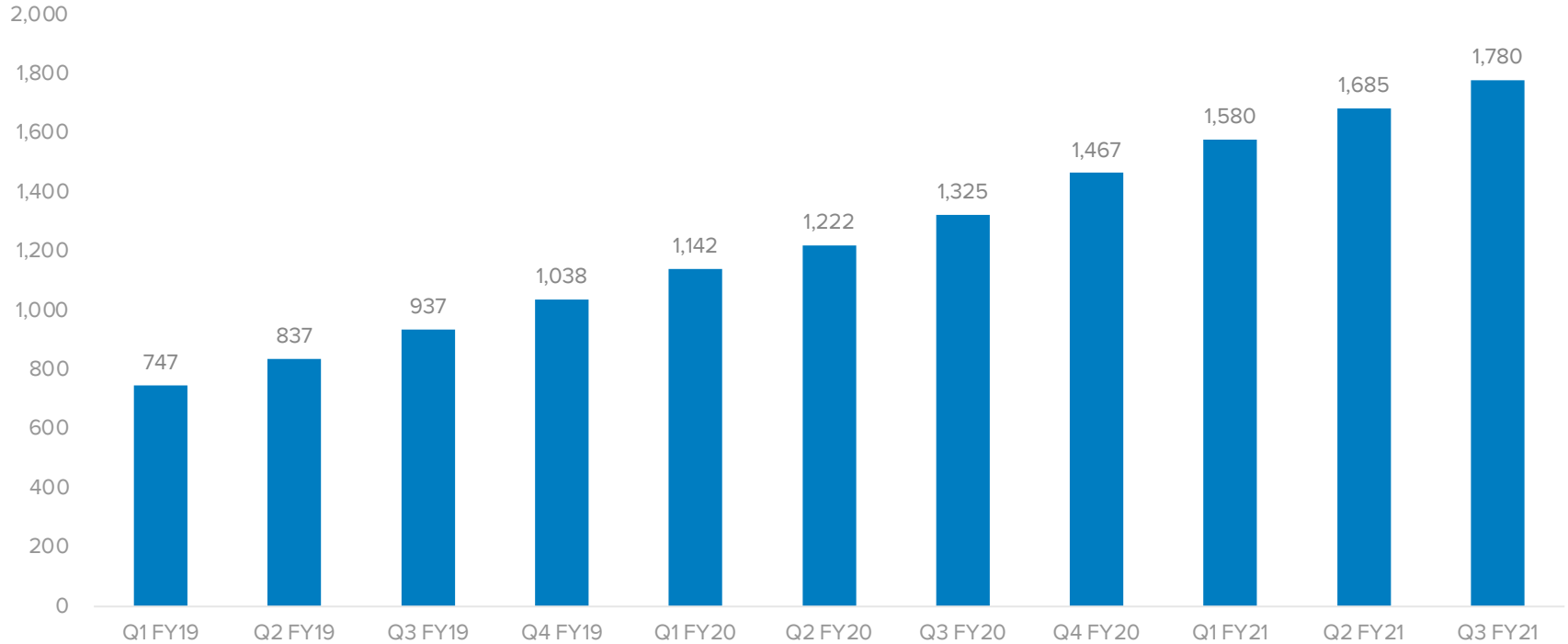
Total Customer Count Up 27% Y/Y

Total Customer Count



Customers with >\$100K Annual Contract Value (ACV) Up 34% Y/Y

Customers with >\$100K ACV



Financial Outlook

| | Q4 FY21 (January 31, 2021) | Fiscal 2021 (January 31, 2021) |
|---|--------------------------------------|--|
| Total Revenue | \$221M to \$222M | \$822M to \$823M |
| Total Revenue Growth (Y/Y) | 32% to 33% | 40% |
| | | |
| Non-GAAP Operating Loss ⁽¹⁾ | \$(2.0)M to \$(1.0)M | \$(2.3)M to \$(1.3)M |
| | | |
| Non-GAAP Net Income (Loss) Per Share, Diluted ^{1,2} | \$(0.02) to \$(0.01) | \$0.04 to \$0.05 |

(1) Okta has not reconciled its expectations as to non-GAAP operating loss and non-GAAP net income (loss) per share, diluted to their most directly comparable GAAP measure because certain items are out of Okta's control or cannot be reasonably predicted. Accordingly, a reconciliation for forward-looking non-GAAP operating loss and non-GAAP net income (loss) per share, diluted is not available without unreasonable effort.

(2) Assumes weighted average shares of approximately 131 million and 143 million for Q4 FY2021 and Fiscal 2021, respectively.



Q4 FY21 Guidance Considerations



Growth

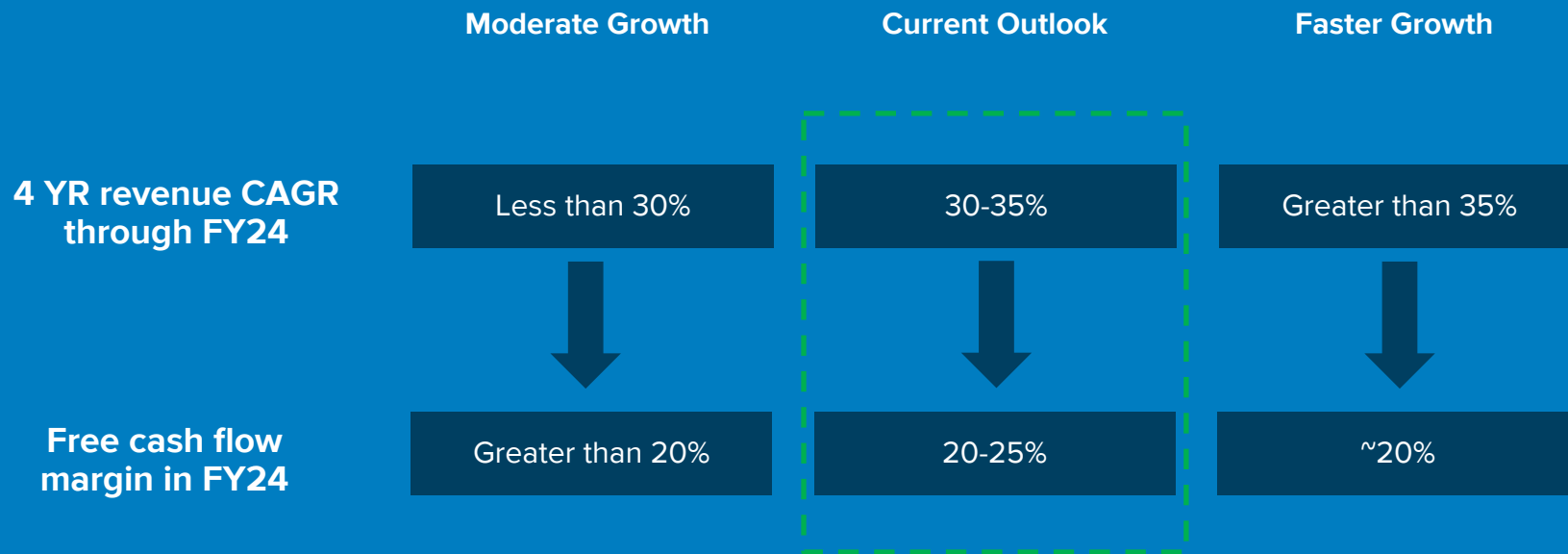
- Growth mega-trends of cloud adoption, digital transformation, and zero-trust security are being accelerated
- Remain confident in ability to maintain high level of execution and capture more of the massive market opportunity
- Some continued uncertainty given the pandemic environment



Profitability

- Increased investment to support growth plans, partially offset by reduced spend environment related to COVID
- Significant decrease in interest income versus prior year due to lower interest rates

Long-term Growth and Profitability Framework



Okta has not reconciled its expectations as to free cash flow margin to its most directly comparable GAAP measure because certain items are out of Okta's control or cannot be reasonably predicted. Accordingly, a reconciliation for forward-looking free cash flow margin is not available without unreasonable effort.



Key Takeaways

Strong
foundation
for growth

Large addressable
markets, with
multiple growth
vectors

Attractive
long-term
financial profile



Appendix



Statement Regarding Use of Non-GAAP Financial Measures

This presentation contains certain non-GAAP financial measures and other metrics. This appendix contains our reconciliation of those non-GAAP measures and other financial metrics.

This presentation may reference one or more of the following non-GAAP financial measures: non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating income (loss), non-GAAP operating margin, non-GAAP net income (loss), non-GAAP net income (loss) per share, basic and diluted, free cash flow, free cash flow margin, current calculated billings and calculated billings.

Our non-GAAP presentation of gross profit, gross margin, operating expenses, operating income (loss), interest expense and other, net, net income (loss) and net income (loss) per share, basic and diluted measures excludes stock-based compensation expense, non-cash charitable contributions, amortization of acquired intangibles, amortization of debt discount and debt issuance costs, acquisition-related expenses and loss on early extinguishment and conversion of debt.

We present current calculated billings as total revenue plus the change in current deferred revenue and less the change in current unbilled receivables during the period, and we present calculated billings as total revenue plus the change in deferred revenue and less the change in unbilled receivables during the period. Trailing 12-months calculated billings represent the sum of the last four quarters of calculated billings.

Free Cash Flow, which is a non-GAAP financial measure, is calculated as net cash provided by (used in) operating activities, less cash used for purchases of property and equipment, net of sales proceeds, and capitalized internal-use software costs. Free cash flow margin is calculated as free cash flow as a percentage of total revenues.

Our Dollar-Based Net Retention Rate is based upon our Annual Contract Value, or ACV, which is calculated based on the terms of that customer's contract and represents the total contracted annual subscription amount as of that period end. We calculate our Dollar-Based Net Retention Rate as of a period end by starting with the ACV from all customers as of twelve months prior to such period end, or Prior Period ACV. We then calculate the ACV from these same customers as of the current period end, or Current Period ACV. Current Period ACV includes any upsells and is net of contraction or churn over the trailing twelve months but excludes ACV from new customers in the current period. We then divide the total Current Period ACV by the total Prior Period ACV to arrive at our Dollar-Based Net Retention Rate.

We define acquisition-related expenses as costs associated with acquisitions, including transaction costs and other non-recurring incremental costs incurred.

We believe that non-GAAP financial information, when taken collectively, may be helpful to investors because it provides consistency and comparability with past financial performance and assists in comparisons with other companies, some of which use similar non-GAAP financial information to supplement their GAAP results.

The non-GAAP financial information is presented for supplemental informational purposes only, and should not be considered a substitute for financial information presented in accordance with GAAP, and may be different from similarly-titled non-GAAP measures used by other companies.

The principal limitation of these non-GAAP financial measures is that they exclude significant expenses that are required by GAAP to be recorded in our financial statements. In addition, they are subject to inherent limitations as they reflect the exercise of judgment by our management about which expenses are excluded or included in determining these non-GAAP financial measures. A reconciliation is provided in the appendix for each non-GAAP financial measure to the most directly comparable financial measure stated in accordance with GAAP.

Investors are encouraged to review the related GAAP financial measures and the reconciliation of these non-GAAP financial measures to their most directly comparable GAAP financial measures, and not to rely on any single financial measure to evaluate our business. Please see the tables included in this presentation for the reconciliation of GAAP and non-GAAP results.



Condensed Consolidated Statements of Operations - Fiscal Quarters

(in thousands, except per share data)

| | Q1 FY19 | Q2 FY19 | Q3 FY19 | Q4 FY19 | FY19 | Q1 FY20 | Q2 FY20 | Q3 FY20 | Q4 FY20 | FY20 | Q1 FY21 | Q2 FY21 | Q3 FY21 | FY21 YTD |
|--|--------------------|--------------------|--------------------|--------------------|---------------------|--------------------|--------------------|--------------------|--------------------|---------------------|--------------------|--------------------|--------------------|---------------------|
| Revenue: | | | | | | | | | | | | | | |
| Subscription | \$ 76,841 | \$ 87,854 | \$ 97,698 | \$ 108,462 | \$ 370,855 | \$ 117,163 | \$ 132,494 | \$ 144,517 | \$ 158,514 | \$ 552,688 | \$ 173,781 | \$ 190,689 | \$ 206,743 | \$ 571,213 |
| Professional services and other | 6,780 | 6,732 | 7,878 | 7,009 | 28,399 | 8,060 | 7,986 | 8,520 | 8,813 | 33,379 | 9,078 | 9,757 | 10,636 | 29,471 |
| Total revenue | 83,621 | 94,586 | 105,576 | 115,471 | 399,254 | 125,223 | 140,480 | 153,037 | 167,327 | 586,067 | 182,859 | 200,446 | 217,379 | 600,684 |
| Cost of revenue: | | | | | | | | | | | | | | |
| Subscription | 16,332 | 19,211 | 20,265 | 21,546 | 77,354 | 24,540 | 27,917 | 30,124 | 33,864 | 116,445 | 37,157 | 39,501 | 44,762 | 121,420 |
| Professional services and other | 7,775 | 9,017 | 9,435 | 9,840 | 36,067 | 10,555 | 10,863 | 10,700 | 10,819 | 42,937 | 11,329 | 11,646 | 12,146 | 35,121 |
| Total cost of revenue | 24,107 | 28,228 | 29,700 | 31,386 | 113,421 | 35,095 | 38,780 | 40,824 | 44,683 | 159,382 | 48,486 | 51,147 | 56,908 | 156,541 |
| Gross profit | 59,514 | 66,358 | 75,876 | 84,085 | 285,833 | 90,128 | 101,700 | 112,213 | 122,644 | 426,685 | 134,373 | 149,299 | 160,471 | 444,143 |
| Operating expenses: | | | | | | | | | | | | | | |
| Research and development | 19,929 | 24,829 | 27,596 | 30,031 | 102,385 | 34,032 | 40,045 | 41,832 | 43,360 | 159,269 | 48,494 | 53,866 | 58,150 | 160,510 |
| Sales and marketing | 49,493 | 59,004 | 56,911 | 62,552 | 227,960 | 82,112 | 78,385 | 87,224 | 92,635 | 340,356 | 104,043 | 98,322 | 109,812 | 312,177 |
| General and administrative | 15,070 | 20,955 | 19,848 | 19,237 | 75,110 | 25,766 | 26,887 | 28,887 | 31,352 | 112,892 | 34,035 | 42,499 | 44,485 | 121,019 |
| Total operating expenses | 84,492 | 104,788 | 104,355 | 111,820 | 405,455 | 141,910 | 145,317 | 157,943 | 167,347 | 612,517 | 186,572 | 194,687 | 212,447 | 593,706 |
| Operating loss | (24,978) | (38,430) | (28,479) | (27,735) | (119,622) | (51,782) | (43,617) | (45,730) | (44,703) | (185,832) | (52,199) | (45,388) | (51,976) | (149,563) |
| Interest expense | (2,717) | (4,058) | (4,118) | (4,179) | (15,072) | (4,241) | (4,304) | (7,826) | (10,646) | (27,017) | (10,764) | (16,931) | (22,368) | (50,063) |
| Interest income and other, net | 1,502 | 2,296 | 2,413 | 2,969 | 9,180 | 2,900 | 3,464 | 4,982 | 5,743 | 17,089 | 4,899 | 3,960 | 1,878 | 10,737 |
| Loss on early extinguishment and conversion of debt | — | — | — | — | — | — | — | (14,572) | — | (14,572) | — | (2,174) | (89) | (2,263) |
| Interest and other, net | (1,215) | (1,762) | (1,705) | (1,210) | (5,892) | (1,341) | (840) | (17,416) | (4,903) | (24,500) | (5,865) | (15,145) | (20,579) | (41,589) |
| Loss before provision for (benefit from) income taxes | (26,193) | (40,192) | (30,184) | (28,945) | (125,514) | (53,123) | (44,457) | (63,146) | (49,606) | (210,332) | (58,064) | (60,533) | (72,555) | (191,152) |
| Provision for (benefit from) income | (231) | (985) | (667) | 1,866 | (17) | (1,157) | (1,477) | 349 | 866 | (1,419) | (402) | (433) | 209 | (626) |
| Net loss | \$ (25,962) | \$ (39,207) | \$ (29,517) | \$ (30,811) | \$ (125,497) | \$ (51,966) | \$ (42,980) | \$ (63,495) | \$ (50,472) | \$ (208,913) | \$ (57,662) | \$ (60,100) | \$ (72,764) | \$ (190,526) |
| Net loss per share, basic and diluted | \$ (0.25) | \$ (0.37) | \$ (0.27) | \$ (0.28) | \$ (1.17) | \$ (0.46) | \$ (0.37) | \$ (0.53) | \$ (0.42) | \$ (1.78) | \$ (0.47) | \$ (0.48) | \$ (0.56) | \$ (1.51) |
| Weighted-average shares used to compute net loss per share, basic and diluted | 104,203 | 106,702 | 108,776 | 110,223 | 107,504 | 112,682 | 115,033 | 118,976 | 121,562 | 117,221 | 123,494 | 126,319 | 128,813 | 126,222 |

Non-GAAP Condensed Consolidated Statements of Operations - Fiscal Quarters⁽¹⁾

(in thousands, except per share data)

| | Q1 FY19 | Q2 FY19 | Q3 FY19 | Q4 FY19 | FY19 | Q1 FY20 | Q2 FY20 | Q3 FY20 | Q4 FY20 | FY20 | Q1 FY21 | Q2 FY21 | Q3 FY21 | FY21 YTD |
|--|-------------------|--------------------|-------------------|-------------------|--------------------|--------------------|-------------------|-------------------|-------------------|--------------------|-------------------|-----------------|-----------------|-----------------|
| Revenue: | | | | | | | | | | | | | | |
| Subscription | \$ 76,841 | \$ 87,854 | \$ 97,698 | \$ 108,462 | \$ 370,855 | \$ 117,163 | \$ 132,494 | \$ 144,517 | \$ 158,514 | \$ 552,688 | \$ 173,781 | \$ 190,689 | \$ 206,743 | \$ 571,213 |
| Professional services and other | 6,780 | 6,732 | 7,878 | 7,009 | 28,399 | 8,060 | 7,986 | 8,520 | 8,813 | 33,379 | 9,078 | 9,757 | 10,636 | 29,471 |
| Total revenue | 83,621 | 94,586 | 105,576 | 115,471 | 399,254 | 125,223 | 140,480 | 153,037 | 167,327 | 586,067 | 182,859 | 200,446 | 217,379 | 600,684 |
| Cost of revenue: | | | | | | | | | | | | | | |
| Subscription | 14,803 | 17,310 | 17,433 | 19,139 | 68,685 | 21,355 | 23,021 | 25,173 | 28,485 | 98,034 | 31,589 | 32,743 | 37,079 | 101,411 |
| Professional services and other | 6,886 | 7,934 | 8,130 | 8,134 | 31,084 | 9,036 | 8,990 | 8,800 | 9,947 | 35,773 | 9,518 | 9,646 | 10,033 | 29,197 |
| Total cost of revenue | 21,689 | 25,244 | 25,563 | 27,273 | 99,769 | 30,391 | 32,011 | 33,973 | 37,432 | 133,807 | 41,107 | 42,389 | 47,112 | 130,608 |
| Gross profit | 61,932 | 69,342 | 80,013 | 88,198 | 299,485 | 94,832 | 108,469 | 119,064 | 129,895 | 452,260 | 141,752 | 158,057 | 170,267 | 470,076 |
| Operating expenses: | | | | | | | | | | | | | | |
| Research and development | 15,716 | 19,557 | 21,305 | 23,165 | 79,743 | 27,686 | 30,963 | 30,938 | 31,999 | 121,586 | 36,559 | 38,913 | 40,604 | 116,076 |
| Sales and marketing | 45,340 | 53,533 | 50,683 | 55,488 | 205,044 | 75,326 | 69,149 | 76,287 | 81,517 | 302,279 | 92,883 | 85,157 | 95,444 | 273,484 |
| General and administrative | 11,719 | 15,452 | 14,513 | 14,476 | 56,160 | 16,705 | 18,263 | 19,977 | 21,975 | 76,920 | 24,652 | 27,506 | 28,705 | 80,863 |
| Total operating expenses | 72,775 | 88,542 | 86,501 | 93,129 | 340,947 | 119,717 | 118,375 | 127,202 | 135,491 | 500,785 | 154,094 | 151,576 | 164,753 | 470,423 |
| Operating income (loss) | (10,843) | (19,200) | (6,488) | (4,931) | (41,462) | (24,885) | (9,906) | (8,138) | (5,596) | (48,525) | (12,342) | 6,481 | 5,514 | (347) |
| Interest expense | (86) | (149) | (148) | (302) | (685) | (216) | (216) | (286) | (407) | (1,125) | (407) | (958) | (1,437) | (2,802) |
| Interest income and other, net | 1,502 | 2,296 | 2,413 | 2,969 | 9,180 | 2,900 | 3,464 | 4,982 | 5,743 | 17,089 | 4,899 | 3,960 | 1,878 | 10,737 |
| Loss on early extinguishment and conversion of debt | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Interest and other, net | 1,416 | 2,147 | 2,265 | 2,667 | 8,495 | 2,684 | 3,248 | 4,696 | 5,336 | 15,964 | 4,492 | 3,002 | 441 | 7,935 |
| Income (loss) before provision for (benefit from) income taxes | (9,427) | (17,053) | (4,223) | (2,264) | (32,967) | (22,201) | (6,658) | (3,442) | (260) | (32,561) | (7,850) | 9,483 | 5,955 | 7,588 |
| Provision for (benefit from) income taxes | (231) | (985) | (667) | 1,866 | (17) | (1,157) | (1,477) | 349 | 866 | (1,419) | (402) | (433) | 209 | (626) |
| Non-GAAP net income (loss) | \$ (9,196) | \$ (16,068) | \$ (3,556) | \$ (4,130) | \$ (32,950) | \$ (21,044) | \$ (5,181) | \$ (3,791) | \$ (1,126) | \$ (31,142) | \$ (7,448) | \$ 9,916 | \$ 5,746 | \$ 8,214 |
| Non-GAAP net income (loss) per share, basic | \$ (0.09) | \$ (0.15) | \$ (0.03) | \$ (0.04) | \$ (0.31) | \$ (0.19) | \$ (0.05) | \$ (0.03) | \$ (0.01) | \$ (0.27) | \$ (0.06) | \$ 0.08 | \$ 0.04 | \$ 0.07 |
| Weighted-average shares used to compute non-GAAP net income (loss) per share, basic | 104,203 | 106,702 | 108,776 | 110,223 | 107,504 | 112,682 | 115,033 | 118,976 | 121,562 | 117,221 | 123,494 | 126,319 | 128,813 | 126,222 |
| Non-GAAP net income (loss) per share, diluted | \$ (0.09) | \$ (0.15) | \$ (0.03) | \$ (0.04) | \$ (0.31) | \$ (0.19) | \$ (0.05) | \$ (0.03) | \$ (0.01) | \$ (0.27) | \$ (0.06) | \$ 0.07 | \$ 0.04 | \$ 0.06 |
| Weighted-average shares used to compute non-GAAP net income (loss) per share, diluted | 104,203 | 106,702 | 108,776 | 110,223 | 107,504 | 112,682 | 115,033 | 118,976 | 121,562 | 117,221 | 123,494 | 142,255 | 143,392 | 141,936 |

⁽¹⁾ Prior periods presented have been adjusted to reflect the impact of amortization of debt issuance costs as a non-GAAP net income (loss) adjustment.

Condensed Consolidated Balance Sheets - Fiscal Quarters

(in thousands, except per share data)

| | Q1 FY19 | Q2 FY19 | Q3 FY19 | Q4 FY19 | Q1 FY20 | Q2 FY20 | Q3 FY20 | Q4 FY20 | Q1 FY21 | Q2 FY21 | Q3 FY21 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Assets | | | | | | | | | | | |
| Current assets: | | | | | | | | | | | |
| Cash and cash equivalents | \$ 211,756 | \$ 192,882 | \$ 195,898 | \$ 298,394 | \$ 208,106 | \$ 206,753 | \$ 1,039,626 | \$ 520,048 | \$ 619,221 | \$ 957,234 | \$ 409,769 |
| Short-term investments | 335,285 | 343,374 | 350,105 | 265,374 | 339,377 | 350,712 | 326,629 | 882,976 | 827,556 | 1,557,279 | 2,085,373 |
| Accounts receivable, net of allowances | 50,368 | 59,839 | 70,136 | 91,926 | 83,328 | 87,851 | 101,778 | 130,115 | 111,039 | 110,540 | 139,473 |
| Deferred commissions | 18,551 | 19,848 | 21,695 | 24,185 | 25,576 | 27,062 | 29,544 | 33,636 | 34,795 | 37,808 | 40,908 |
| Prepaid expenses and other current | 20,180 | 16,099 | 18,946 | 28,237 | 20,542 | 24,642 | 29,023 | 32,950 | 40,912 | 44,074 | 82,016 |
| Total current assets | 636,140 | 632,042 | 656,780 | 708,116 | 676,929 | 697,020 | 1,526,600 | 1,599,725 | 1,633,523 | 2,706,935 | 2,757,539 |
| Property and equipment, net | 19,176 | 40,670 | 44,251 | 52,921 | 52,189 | 51,858 | 51,730 | 53,535 | 61,914 | 63,406 | 62,405 |
| Operating lease right-of-use assets | 44,600 | 129,039 | 124,932 | 121,389 | 119,916 | 116,706 | 126,746 | 125,204 | 162,763 | 157,781 | 154,699 |
| Deferred commissions, noncurrent | 41,077 | 43,287 | 47,756 | 54,812 | 56,824 | 59,560 | 65,466 | 77,874 | 79,270 | 86,556 | 94,305 |
| Intangible assets, net | 11,863 | 16,006 | 14,989 | 13,897 | 28,022 | 34,712 | 33,826 | 32,529 | 31,032 | 30,031 | 28,953 |
| Goodwill | 6,282 | 18,095 | 18,074 | 18,089 | 47,964 | 47,964 | 47,964 | 48,023 | 48,023 | 48,023 | 48,023 |
| Other assets | 12,151 | 12,275 | 13,322 | 15,089 | 16,698 | 18,990 | 18,445 | 18,505 | 20,482 | 22,283 | 24,355 |
| Total assets | \$ 771,289 | \$ 891,414 | \$ 920,104 | \$ 984,313 | \$ 998,542 | \$ 1,026,810 | \$ 1,870,777 | \$ 1,955,395 | \$ 2,037,007 | \$ 3,115,015 | \$ 3,170,279 |
| Liabilities and stockholders' equity | | | | | | | | | | | |
| Current liabilities: | | | | | | | | | | | |
| Accounts payable | \$ 4,088 | \$ 4,251 | \$ 3,103 | \$ 2,431 | \$ 4,352 | \$ 3,492 | \$ 4,924 | \$ 3,837 | \$ 8,021 | \$ 4,726 | \$ 5,114 |
| Accrued expenses and other current | 23,450 | 22,483 | 23,455 | 33,653 | 32,412 | 31,843 | 33,288 | 36,887 | 36,601 | 54,803 | 47,330 |
| Accrued compensation | 12,652 | 12,803 | 20,250 | 19,770 | 21,463 | 21,869 | 34,212 | 40,300 | 31,447 | 39,227 | 61,600 |
| Convertible senior notes, net | — | — | — | 271,628 | 275,653 | 279,741 | 99,227 | 100,703 | 102,198 | 43,578 | 35,131 |
| Deferred revenue | 173,548 | 186,427 | 206,146 | 245,622 | 268,033 | 283,724 | 306,743 | 365,236 | 392,121 | 391,246 | 424,765 |
| Total current liabilities | 213,738 | 225,964 | 252,954 | 573,104 | 601,913 | 620,669 | 478,394 | 546,963 | 570,388 | 533,580 | 573,940 |
| Convertible senior notes, net, noncurrent | 259,920 | 263,762 | 267,665 | — | — | — | 828,237 | 837,002 | 845,862 | 1,689,438 | 1,709,777 |
| Operating lease liabilities, noncurrent | 41,906 | 149,228 | 147,942 | 147,046 | 146,044 | 143,706 | 153,960 | 154,511 | 194,889 | 189,208 | 185,860 |
| Deferred revenue, noncurrent | 4,346 | 5,471 | 4,977 | 8,768 | 7,671 | 7,469 | 7,013 | 6,214 | 6,070 | 5,574 | 7,349 |
| Other liabilities, noncurrent | 1,762 | 1,844 | 2,063 | 3,018 | 3,470 | 4,241 | 4,779 | 5,361 | 6,702 | 12,018 | 12,705 |
| Total liabilities | 521,672 | 646,269 | 675,601 | 731,936 | 759,098 | 776,085 | 1,472,383 | 1,550,051 | 1,623,911 | 2,429,818 | 2,489,631 |
| Stockholders' equity: | | | | | | | | | | | |
| Preferred stock | — | — | — | — | — | — | — | — | — | — | — |
| Class A common stock | 9 | 10 | 10 | 10 | 10 | 11 | 11 | 11 | 12 | 12 | 12 |
| Class B common stock | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Additional paid-in capital | 642,460 | 677,497 | 706,810 | 744,896 | 784,067 | 839,523 | 1,048,899 | 1,105,564 | 1,168,127 | 1,498,549 | 1,569,714 |
| Accumulated other comprehensive income | (178) | (480) | (918) | (319) | (457) | (1,653) | 135 | 892 | 3,742 | 5,521 | 2,571 |
| Accumulated deficit | (392,676) | (431,883) | (461,400) | (492,211) | (544,177) | (587,157) | (650,652) | (701,124) | (758,786) | (818,886) | (891,650) |
| Total stockholders' equity | 249,617 | 245,145 | 244,503 | 252,377 | 239,444 | 250,725 | 398,394 | 405,344 | 413,096 | 685,197 | 680,648 |
| Total liabilities and stockholders' equity | \$ 771,289 | \$ 891,414 | \$ 920,104 | \$ 984,313 | \$ 998,542 | \$ 1,026,810 | \$ 1,870,777 | \$ 1,955,395 | \$ 2,037,007 | \$ 3,115,015 | \$ 3,170,279 |

Condensed Consolidated Statements of Cash Flows - Fiscal Quarters

(in thousands)

| | Q1 FY19 | Q2 FY19 | Q3 FY19 | Q4 FY19 | FY19 | Q1 FY20 | Q2 FY20 | Q3 FY20 | Q4 FY20 | FY20 | Q1 FY21 | Q2 FY21 | Q3 FY21 | FY21 YTD |
|---|--------------|----------------|--------------|---------------|---------------|---------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Operating activities: | | | | | | | | | | | | | | |
| Net loss | \$ (25,962) | \$ (39,207) | \$ (29,517) | \$ (30,811) | \$ (125,497) | \$ (51,966) | \$ (42,980) | \$ (63,495) | \$ (50,472) | \$ (208,913) | \$ (57,662) | \$ (60,100) | \$ (72,764) | \$ (190,526) |
| Adjustments to reconcile net loss to net cash provided by (used in) operating activities: | | | | | | | | | | | | | | |
| Stock-based compensation | 14,135 | 18,222 | 21,542 | 22,421 | 76,320 | 22,685 | 31,274 | 35,732 | 36,933 | 126,624 | 37,728 | 48,378 | 53,668 | 139,774 |
| Depreciation, amortization and accretion | 2,069 | 1,630 | 2,125 | 2,177 | 8,001 | 3,399 | 4,517 | 4,420 | 5,479 | 17,815 | 5,466 | 7,225 | 11,003 | 23,694 |
| Amortization of debt discount and issuance costs | 2,571 | 3,842 | 3,902 | 3,964 | 14,279 | 4,025 | 4,088 | 7,540 | 10,239 | 25,892 | 10,357 | 15,973 | 20,931 | 47,261 |
| Amortization of deferred commissions | 4,572 | 5,041 | 5,350 | 5,889 | 20,852 | 6,328 | 6,864 | 7,349 | 8,047 | 28,588 | 8,680 | 9,397 | 10,351 | 28,428 |
| Deferred income taxes | (348) | (1,227) | (694) | 1,504 | (765) | (1,369) | (1,688) | (12) | 816 | (2,253) | (905) | (1,010) | (499) | (2,414) |
| Write-off of intangible assets | — | — | — | — | — | — | — | — | 119 | 119 | — | — | — | — |
| Non-cash charitable contributions | — | 1,008 | — | — | 1,008 | — | 652 | 510 | 584 | 1,746 | 536 | 1,881 | 2,245 | 4,662 |
| Loss on early extinguishment and conversion of debt | — | — | — | — | — | — | — | 14,572 | — | 14,572 | — | 2,174 | 89 | 2,263 |
| Other | 161 | (143) | 135 | 487 | 640 | (100) | 184 | — | (214) | (130) | 915 | 520 | 3,080 | 4,515 |
| Changes in operating assets and liabilities: | | | | | | | | | | | | | | |
| Accounts receivable | 1,719 | (8,959) | (10,299) | (22,143) | (39,682) | 9,297 | (4,838) | (13,852) | (28,122) | (37,515) | 18,250 | 376 | (29,173) | (10,547) |
| Deferred commissions | (5,693) | (8,547) | (11,667) | (15,435) | (41,342) | (9,795) | (11,577) | (15,269) | (24,583) | (61,224) | (11,865) | (18,467) | (21,505) | (51,837) |
| Prepaid expenses and other assets | (3,889) | 4,511 | (3,444) | (7,512) | (10,334) | 5,975 | (4,441) | (3,052) | (2,562) | (4,080) | (3,493) | (4,129) | 828 | (6,794) |
| Operating lease right-of-use assets | 4,564 | 2,976 | 4,669 | 5,030 | 17,239 | 3,066 | 3,123 | 1,662 | 5,100 | 12,951 | 4,055 | 4,917 | 5,007 | 13,979 |
| Accounts payable | 607 | 160 | (1,101) | (1,103) | (1,437) | 1,640 | (272) | 594 | (273) | 1,689 | 3,943 | (3,133) | 567 | 1,377 |
| Accrued compensation | 329 | 169 | 7,475 | (544) | 7,429 | 4,143 | 574 | 12,635 | 5,682 | 23,034 | 2,995 | 12,050 | 22,818 | 37,863 |
| Accrued expenses and other liabilities | (1,023) | 3,084 | (202) | 3,941 | 5,800 | 3,288 | (1,984) | 2,713 | 5,955 | 9,972 | (2,773) | (358) | 5,573 | 2,442 |
| Operating lease liabilities | (2,954) | (1,600) | (1,060) | (1,028) | (6,642) | (39) | (120) | (3,969) | (5,588) | (9,716) | (4,270) | (3,393) | (4,087) | (11,750) |
| Deferred revenue | 13,114 | 13,697 | 19,225 | 43,267 | 89,303 | 20,685 | 15,490 | 22,562 | 57,695 | 116,432 | 26,740 | (1,371) | 35,294 | 60,663 |
| Net cash provided by (used in) operating activities | 3,972 | (5,343) | 6,439 | 10,104 | 15,172 | 21,262 | (1,134) | 10,640 | 24,835 | 55,603 | 38,697 | 10,930 | 43,426 | 93,053 |

Condensed Consolidated Statements of Cash Flows - Fiscal Quarters

(in thousands)

| | Q1 FY19 | Q2 FY19 | Q3 FY19 | Q4 FY19 | FY19 | Q1 FY20 | Q2 FY20 | Q3 FY20 | Q4 FY20 | FY20 | Q1 FY21 | Q2 FY21 | Q3 FY21 | FY21 YTD |
|--|------------------|-----------------|-----------------|---------------|------------------|------------------|-----------------|---------------|------------------|------------------|---------------|------------------|------------------|--------------------|
| Investing activities: | | | | | | | | | | | | | | |
| Capitalization of internal-use software costs | (1,051) | (674) | (604) | (522) | (2,851) | (369) | (961) | (1,329) | (1,229) | (3,888) | (1,000) | (1,326) | (1,204) | (3,530) |
| Purchases of property and equipment | (4,477) | (5,313) | (4,463) | (5,558) | (19,811) | (7,710) | (2,207) | (63) | (5,462) | (15,442) | (7,930) | (2,739) | (628) | (11,297) |
| Proceeds from sales of property and equipment | — | — | — | 740 | 740 | — | — | — | — | — | — | — | — | — |
| Purchases of securities available for sale and other | (252,914) | (67,104) | (158,120) | (153,350) | (631,488) | (146,545) | (91,148) | (83,769) | (677,925) | (999,387) | (129,079) | (900,202) | (816,677) | (1,845,958) |
| Proceeds from maturities and redemption of securities available for sale | 19,500 | 60,000 | 140,150 | 79,000 | 298,650 | 61,244 | 75,100 | 108,049 | 111,884 | 356,277 | 102,293 | 178,102 | 106,379 | 386,774 |
| Proceeds from sales of securities available for sale and other | — | — | 12,470 | 160,602 | 173,072 | 11,996 | 5,333 | — | 9,942 | 27,271 | 86,320 | 3,300 | 116,509 | 206,129 |
| Purchases of intangible assets | — | — | — | — | — | — | (8,500) | — | (89) | (8,589) | — | — | — | — |
| Payments for business acquisition, net of cash acquired | — | (15,638) | 22 | (16) | (15,632) | (44,223) | — | — | (60) | (44,283) | — | — | — | — |
| Net cash provided by (used in) investing activities | (238,942) | (28,729) | (10,545) | 80,896 | (197,320) | (125,607) | (22,383) | 22,888 | (562,939) | (688,041) | 50,604 | (722,865) | (595,621) | (1,267,882) |

Condensed Consolidated Statements of Cash Flows - Fiscal Quarters

(in thousands)

| | Q1 FY19 | Q2 FY19 | Q3 FY19 | Q4 FY19 | FY19 | Q1 FY20 | Q2 FY20 | Q3 FY20 | Q4 FY20 | FY20 | Q1 FY21 | Q2 FY21 | Q3 FY21 | FY21 YTD |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Financing activities: | | | | | | | | | | | | | | |
| Proceeds from issuance of convertible senior notes, net of issuance costs | 335,055 | (75) | — | — | 334,980 | — | — | 1,040,760 | (100) | 1,040,660 | — | 1,135,418 | (577) | 1,134,841 |
| Payments for repurchases of convertible senior notes | — | — | — | — | — | — | — | (224,414) | — | (224,414) | — | (181) | (266) | (447) |
| Purchases of hedges related to convertible senior notes | (80,040) | — | — | — | (80,040) | — | — | — | — | — | — | — | — | — |
| Proceeds from hedges related to convertible senior notes | — | — | — | — | — | — | — | 405,851 | — | 405,851 | — | 195,046 | — | 195,046 |
| Proceeds from issuance of warrants related to convertible senior notes | 52,440 | — | — | — | 52,440 | — | — | — | — | — | — | — | — | — |
| Payments for warrants related to convertible senior notes | — | — | — | — | — | — | — | (358,622) | — | (358,622) | — | (175,399) | — | (175,399) |
| Purchases of capped calls related to convertible senior notes | — | — | — | — | — | — | — | (74,094) | — | (74,094) | — | (133,975) | — | (133,975) |
| Proceeds from stock option exercises, net of repurchases, and other | 12,196 | 8,859 | 7,469 | 8,337 | 36,861 | 13,388 | 14,065 | 8,918 | 8,992 | 45,363 | 14,172 | 13,345 | 6,053 | 33,570 |
| Proceeds from shares issued in connection with employee stock purchase plan | — | 6,654 | — | 7,073 | 13,727 | — | 9,005 | — | 9,762 | 18,767 | — | 12,821 | — | 12,821 |
| Other, net | (206) | — | — | — | (206) | (126) | — | — | — | (126) | (5) | 5 | — | — |
| Net cash provided by (used in) financing activities | 319,445 | 15,438 | 7,469 | 15,410 | 357,762 | 13,262 | 23,070 | 798,399 | 18,654 | 853,385 | 14,167 | 1,047,080 | 5,210 | 1,066,457 |
| Effects of changes in foreign currency exchange rates on cash, cash equivalents and restricted cash | (387) | (245) | (358) | 358 | (632) | (282) | (905) | 946 | 32 | (209) | (1,128) | 1,706 | (457) | 121 |
| Net increase (decrease) in cash, cash equivalents and restricted cash | 84,088 | (18,879) | 3,005 | 106,768 | 174,982 | (91,365) | (1,352) | 832,873 | (519,418) | 220,738 | 102,340 | 336,851 | (547,442) | (108,251) |
| Cash, cash equivalents and restricted cash at beginning of period | 136,233 | 220,321 | 201,442 | 204,447 | 136,233 | 311,215 | 219,850 | 218,498 | 1,051,371 | 311,215 | 531,953 | 634,293 | 971,144 | 531,953 |
| Cash, cash equivalents and restricted cash at end of period | \$ 220,321 | \$ 201,442 | \$ 204,447 | \$ 311,215 | \$ 311,215 | \$ 219,850 | \$ 218,498 | \$ 1,051,371 | \$ 531,953 | \$ 531,953 | \$ 634,293 | \$ 971,144 | \$ 423,702 | \$ 423,702 |

GAAP to Non-GAAP Reconciliations - Fiscal Quarters

(in thousands, except percentages and per share data)

| | Q1 FY19 | Q2 FY19 | Q3 FY19 | Q4 FY19 | FY19 | Q1 FY20 | Q2 FY20 | Q3 FY20 | Q4 FY20 | FY20 | Q1 FY21 | Q2 FY21 | Q3 FY21 | FY21 YTD |
|---|-----------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| GAAP subscription gross profit | \$ 60,509 | \$ 68,643 | \$ 77,433 | \$ 86,916 | \$ 293,501 | \$ 92,623 | \$ 104,577 | \$ 114,393 | \$ 124,650 | \$ 436,243 | \$ 136,624 | \$ 151,188 | \$ 161,981 | \$ 449,793 |
| Stock-based compensation | 1,529 | 1,901 | 2,383 | 2,024 | 7,837 | 2,422 | 3,111 | 3,604 | 3,786 | 12,923 | 3,975 | 5,164 | 6,090 | 15,229 |
| Amortization of acquired | — | — | 449 | 383 | 832 | 763 | 1,785 | 1,347 | 1,593 | 5,488 | 1,593 | 1,594 | 1,593 | 4,780 |
| Non-GAAP subscription gross | \$ 62,038 | \$ 70,544 | \$ 80,265 | \$ 89,323 | \$ 302,170 | \$ 95,808 | \$ 109,473 | \$ 119,344 | \$ 130,029 | \$ 454,654 | \$ 142,192 | \$ 157,946 | \$ 169,664 | \$ 469,802 |
| Non-GAAP subscription gross | 80.7 % | 80.3 % | 82.2 % | 82.4 % | 81.5 % | 81.8 % | 82.6 % | 82.6 % | 82.0 % | 82.3 % | 81.8 % | 82.8 % | 82.1 % | 82.2 % |
| GAAP professional services gross | \$ (995) | \$ (2,285) | \$ (1,557) | \$ (2,831) | \$ (7,668) | \$ (2,495) | \$ (2,877) | \$ (2,180) | \$ (2,006) | \$ (9,558) | \$ (2,251) | \$ (1,889) | \$ (1,510) | \$ (5,650) |
| Stock-based compensation | 889 | 1,083 | 1,305 | 1,706 | 4,983 | 1,519 | 1,873 | 1,900 | 1,872 | 7,164 | 1,811 | 2,000 | 2,113 | 5,924 |
| Non-GAAP professional services gross profit | \$ (106) | \$ (1,202) | \$ (252) | \$ (1,125) | \$ (2,685) | \$ (976) | \$ (1,004) | \$ (280) | \$ (134) | \$ (2,394) | \$ (440) | \$ 111 | \$ 603 | \$ 274 |
| Non-GAAP professional services gross margin | (1.6)% | (17.9)% | (3.2)% | (16.1)% | (9.5)% | (12.1)% | (12.6)% | (3.3)% | (1.5)% | (7.2)% | (4.8)% | 1.1 % | 5.7 % | 0.9 % |
| GAAP total gross profit | \$ 59,514 | \$ 66,358 | \$ 75,876 | \$ 84,085 | \$ 285,833 | \$ 90,128 | \$ 101,700 | \$ 112,213 | \$ 122,644 | \$ 426,685 | \$ 134,373 | \$ 149,299 | \$ 160,471 | \$ 444,143 |
| Stock-based compensation | 2,418 | 2,984 | 3,688 | 3,730 | 12,820 | 3,941 | 4,984 | 5,504 | 5,658 | 20,087 | 5,786 | 7,164 | 8,203 | 21,153 |
| Amortization of acquired | — | — | 449 | 383 | 832 | 763 | 1,785 | 1,347 | 1,593 | 5,488 | 1,593 | 1,594 | 1,593 | 4,780 |
| Non-GAAP total gross profit | \$ 61,932 | \$ 69,342 | \$ 80,013 | \$ 88,198 | \$ 299,485 | \$ 94,832 | \$ 108,469 | \$ 119,064 | \$ 129,895 | \$ 452,260 | \$ 141,752 | \$ 158,057 | \$ 170,267 | \$ 470,076 |
| Non-GAAP total gross margin | 74.1 % | 73.3 % | 75.8 % | 76.4 % | 75.0 % | 75.7 % | 77.2 % | 77.8 % | 77.6 % | 77.2 % | 77.5 % | 78.9 % | 78.3 % | 78.3 % |
| GAAP research and development | \$ 19,929 | \$ 24,829 | \$ 27,596 | \$ 30,031 | \$ 102,385 | \$ 34,032 | \$ 40,045 | \$ 41,832 | \$ 43,360 | \$ 159,269 | \$ 48,494 | \$ 53,866 | \$ 58,150 | \$ 160,510 |
| Stock-based compensation | 4,213 | 5,272 | 6,291 | 6,866 | 22,642 | 6,346 | 9,082 | 10,894 | 11,361 | 37,683 | 11,935 | 14,953 | 17,546 | 44,434 |
| Non-GAAP research and development expense | \$ 15,716 | \$ 19,557 | \$ 21,305 | \$ 23,165 | \$ 79,743 | \$ 27,686 | \$ 30,963 | \$ 30,938 | \$ 31,999 | \$ 121,586 | \$ 36,559 | \$ 38,913 | \$ 40,604 | \$ 116,076 |
| Non-GAAP research and development expense as a | 18.8 % | 20.7 % | 20.2 % | 20.1 % | 20.0 % | 22.1 % | 22.0 % | 20.2 % | 19.1 % | 20.7 % | 20.0 % | 19.4 % | 18.7 % | 19.3 % |

GAAP to Non-GAAP Reconciliations - Fiscal Quarters

(in thousands, except percentages and per share data)

| | Q1 FY19 | Q2 FY19 | Q3 FY19 | Q4 FY19 | FY19 | Q1 FY20 | Q2 FY20 | Q3 FY20 | Q4 FY20 | FY20 | Q1 FY21 | Q2 FY21 | Q3 FY21 | FY21 YTD |
|--|-----------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| GAAP sales and marketing | \$ 49,493 | \$ 59,004 | \$ 56,911 | \$ 62,552 | \$ 227,960 | \$ 82,112 | \$ 78,385 | \$ 87,224 | \$ 92,635 | \$ 340,356 | \$ 104,043 | \$ 98,322 | \$ 109,812 | \$ 312,177 |
| Stock-based compensation | 4,153 | 5,471 | 6,228 | 7,064 | 22,916 | 6,786 | 9,236 | 10,937 | 11,118 | 38,077 | 11,160 | 13,165 | 14,368 | 38,693 |
| Non-GAAP sales and marketing | \$ 45,340 | \$ 53,533 | \$ 50,683 | \$ 55,488 | \$ 205,044 | \$ 75,326 | \$ 69,149 | \$ 76,287 | \$ 81,517 | \$ 302,279 | \$ 92,883 | \$ 85,157 | \$ 95,444 | \$ 273,484 |
| <i>Non-GAAP sales and marketing expense as a percentage of</i> | 54.2 % | 56.6 % | 48.0 % | 48.1 % | 51.4 % | 60.2 % | 49.2 % | 49.8 % | 48.7 % | 51.6 % | 50.8 % | 42.5 % | 43.9 % | 45.5 % |
| GAAP general and administrative | \$ 15,070 | \$ 20,955 | \$ 19,848 | \$ 19,237 | \$ 75,110 | \$ 25,766 | \$ 26,887 | \$ 28,887 | \$ 31,352 | \$ 112,892 | \$ 34,035 | \$ 42,499 | \$ 44,485 | \$ 121,019 |
| Stock-based compensation | 3,351 | 4,495 | 5,335 | 4,761 | 17,942 | 5,612 | 7,972 | 8,400 | 8,793 | 30,777 | 8,847 | 13,112 | 13,535 | 35,494 |
| Non-cash charitable contributions | — | 1,008 | — | — | 1,008 | — | 652 | 510 | 584 | 1,746 | 536 | 1,881 | 2,245 | 4,662 |
| Acquisition-related expenses | — | — | — | — | — | 3,449 | — | — | — | 3,449 | — | — | — | — |
| Non-GAAP general and administrative expense | \$ 11,719 | \$ 15,452 | \$ 14,513 | \$ 14,476 | \$ 56,160 | \$ 16,705 | \$ 18,263 | \$ 19,977 | \$ 21,975 | \$ 76,920 | \$ 24,652 | \$ 27,506 | \$ 28,705 | \$ 80,863 |
| <i>Non-GAAP general and administrative expense as a</i> | 14.0 % | 16.3 % | 13.7 % | 12.5 % | 14.1 % | 13.3 % | 13.0 % | 13.1 % | 13.1 % | 13.1 % | 13.5 % | 13.7 % | 13.2 % | 13.5 % |
| GAAP total operating expenses | \$ 84,492 | \$ 104,788 | \$ 104,355 | \$ 111,820 | \$ 405,455 | \$ 141,910 | \$ 145,317 | \$ 157,943 | \$ 167,347 | \$ 612,517 | \$ 186,572 | \$ 194,687 | \$ 212,447 | \$ 593,706 |
| Stock-based compensation | 11,717 | 15,238 | 17,854 | 18,691 | 63,500 | 18,744 | 26,290 | 30,231 | 31,272 | 106,537 | 31,942 | 41,230 | 45,449 | 118,621 |
| Non-cash charitable contributions | — | 1,008 | — | — | 1,008 | — | 652 | 510 | 584 | 1,746 | 536 | 1,881 | 2,245 | 4,662 |
| Acquisition-related expenses | — | — | — | — | — | 3,449 | — | — | — | 3,449 | — | — | — | — |
| Non-GAAP total operating | \$ 72,775 | \$ 88,542 | \$ 86,501 | \$ 93,129 | \$ 340,947 | \$ 119,717 | \$ 118,375 | \$ 127,202 | \$ 135,491 | \$ 500,785 | \$ 154,094 | \$ 151,576 | \$ 164,753 | \$ 470,423 |
| <i>Non-GAAP total operating expenses as a percentage of</i> | 87.0 % | 93.6 % | 81.9 % | 80.7 % | 85.4 % | 95.6 % | 84.3 % | 83.1 % | 81.0 % | 85.4 % | 84.3 % | 75.6 % | 75.8 % | 78.3 % |

GAAP to Non-GAAP Reconciliations - Fiscal Quarters⁽¹⁾

(in thousands, except percentages and per share data)

| | Q1 FY19 | Q2 FY19 | Q3 FY19 | Q4 FY19 | FY19 | Q1 FY20 | Q2 FY20 | Q3 FY20 | Q4 FY20 | FY20 | Q1 FY21 | Q2 FY21 | Q3 FY21 | FY21 YTD |
|---|-------------|-------------|-------------|-------------|--------------|-------------|-------------|-------------|-------------|--------------|-------------|-------------|-------------|--------------|
| GAAP operating loss | \$ (24,978) | \$ (38,430) | \$ (28,479) | \$ (27,735) | \$ (119,622) | \$ (51,782) | \$ (43,617) | \$ (45,730) | \$ (44,703) | \$ (185,832) | \$ (52,199) | \$ (45,388) | \$ (51,976) | \$ (149,563) |
| Stock-based compensation | 14,135 | 18,222 | 21,542 | 22,421 | 76,320 | 22,685 | 31,274 | 35,735 | 36,930 | 126,624 | 37,728 | 48,394 | 53,652 | 139,774 |
| Non-cash charitable contributions | — | 1,008 | — | — | 1,008 | — | 652 | 510 | 584 | 1,746 | 536 | 1,881 | 2,245 | 4,662 |
| Amortization of acquired | — | — | 449 | 383 | 832 | 763 | 1,785 | 1,347 | 1,593 | 5,488 | 1,593 | 1,594 | 1,593 | 4,780 |
| Acquisition-related expenses | — | — | — | — | — | 3,449 | — | — | — | 3,449 | — | — | — | — |
| Non-GAAP operating income (loss) | \$ (10,843) | \$ (19,200) | \$ (6,488) | \$ (4,931) | \$ (41,462) | \$ (24,885) | \$ (9,906) | \$ (8,138) | \$ (5,596) | \$ (48,525) | \$ (12,342) | \$ 6,481 | \$ 5,514 | \$ (347) |
| Non-GAAP operating margin | (13.0)% | (20.3)% | (6.1)% | (4.3)% | (10.4)% | (19.9)% | (7.1)% | (5.3)% | (3.3)% | (8.3)% | (6.7)% | 3.2 % | 2.5 % | (0.1)% |
| Interest and other, net | \$ (1,215) | (1,762) | (1,705) | (1,210) | (5,892) | (1,341) | (840) | (17,416) | (4,903) | (24,500) | (5,865) | (15,145) | (20,579) | (41,589) |
| Amortization of debt discount and debt issuance costs | 2,631 | 3,909 | 3,970 | 3,877 | 14,387 | 4,025 | 4,088 | 7,540 | 10,239 | 25,892 | 10,357 | 15,973 | 20,931 | 47,261 |
| Loss on early extinguishment and conversion of debt | — | — | — | — | — | — | — | 14,572 | — | 14,572 | — | 2,174 | 89 | 2,263 |
| Non-GAAP interest and other, net | \$ 1,416 | \$ 2,147 | \$ 2,265 | \$ 2,667 | \$ 8,495 | \$ 2,684 | \$ 3,248 | \$ 4,696 | \$ 5,336 | \$ 15,964 | \$ 4,492 | \$ 3,002 | \$ 441 | \$ 7,935 |
| GAAP net loss | \$ (25,962) | \$ (39,207) | \$ (29,517) | \$ (30,811) | \$ (125,497) | \$ (51,966) | \$ (42,980) | \$ (63,495) | \$ (50,472) | \$ (208,913) | \$ (57,662) | \$ (60,100) | \$ (72,764) | \$ (190,526) |
| Stock-based compensation | 14,135 | 18,222 | 21,542 | 22,421 | 76,320 | 22,685 | 31,274 | 35,735 | 36,930 | 126,624 | 37,728 | 48,394 | 53,652 | 139,774 |
| Amortization of debt discount and debt issuance costs | 2,631 | 3,909 | 3,970 | 3,877 | 14,387 | 4,025 | 4,088 | 7,540 | 10,239 | 25,892 | 10,357 | 15,973 | 20,931 | 47,261 |
| Non-cash charitable contributions | — | 1,008 | — | — | 1,008 | — | 652 | 510 | 584 | 1,746 | 536 | 1,881 | 2,245 | 4,662 |
| Amortization of acquired | — | — | 449 | 383 | 832 | 763 | 1,785 | 1,347 | 1,593 | 5,488 | 1,593 | 1,594 | 1,593 | 4,780 |
| Acquisition-related expenses | — | — | — | — | — | 3,449 | — | — | — | 3,449 | — | — | — | — |
| Loss on early extinguishment and conversion of debt | — | — | — | — | — | — | — | 14,572 | — | 14,572 | — | 2,174 | 89 | 2,263 |
| Non-GAAP net income (loss) | \$ (9,196) | \$ (16,068) | \$ (3,556) | \$ (4,130) | \$ (32,950) | \$ (21,044) | \$ (5,181) | \$ (3,791) | \$ (1,126) | \$ (31,142) | \$ (7,448) | \$ 9,916 | \$ 5,746 | \$ 8,214 |

⁽¹⁾ Prior periods presented have been adjusted to reflect the impact of amortization of debt issuance costs as a non-GAAP net income (loss) adjustment.

GAAP to Non-GAAP Reconciliations - Fiscal Quarters⁽¹⁾

(in thousands, except percentages and per share data)

| | Q1 FY19 | Q2 FY19 | Q3 FY19 | Q4 FY19 | FY19 | Q1 FY20 | Q2 FY20 | Q3 FY20 | Q4 FY20 | FY20 | Q1 FY21 | Q2 FY21 | Q3 FY21 | FY21 YTD |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| GAAP net loss per share, basic | \$ (0.25) | \$ (0.37) | \$ (0.27) | \$ (0.28) | \$ (1.17) | \$ (0.46) | \$ (0.37) | \$ (0.53) | \$ (0.42) | \$ (1.78) | \$ (0.47) | \$ (0.48) | \$ (0.56) | \$ (1.51) |
| Stock-based compensation | 0.14 | 0.17 | 0.20 | 0.20 | 0.71 | 0.20 | 0.27 | 0.30 | 0.31 | 1.08 | 0.31 | 0.38 | 0.42 | 1.11 |
| Amortization of debt discount and debt issuance costs | 0.02 | 0.04 | 0.04 | 0.04 | 0.13 | 0.03 | 0.03 | 0.07 | 0.08 | 0.22 | 0.09 | 0.13 | 0.16 | 0.37 |
| Non-cash charitable contributions | — | 0.01 | — | — | 0.01 | — | 0.01 | — | 0.01 | 0.01 | — | 0.02 | 0.01 | 0.04 |
| Amortization of acquired | — | — | — | — | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.05 | 0.01 | 0.01 | 0.01 | 0.04 |
| Acquisition-related expenses | — | — | — | — | — | 0.03 | — | — | — | 0.03 | — | — | — | — |
| Loss on early extinguishment and conversion of debt | — | — | — | — | — | — | — | 0.12 | — | 0.12 | — | 0.02 | — | 0.02 |
| Non-GAAP net income (loss) per share, basic | \$ (0.09) | \$ (0.15) | \$ (0.03) | \$ (0.04) | \$ (0.31) | \$ (0.19) | \$ (0.05) | \$ (0.03) | \$ (0.01) | \$ (0.27) | \$ (0.06) | \$ 0.08 | \$ 0.04 | \$ 0.07 |
| Weighted-average shares outstanding used to compute non-GAAP net income (loss) per share, | 104,203 | 106,702 | 108,776 | 110,223 | 107,504 | 112,682 | 115,033 | 118,976 | 121,562 | 117,221 | 123,494 | 126,319 | 128,813 | 126,222 |
| GAAP net loss per share, diluted | \$ (0.25) | \$ (0.37) | \$ (0.27) | \$ (0.28) | \$ (1.17) | \$ (0.46) | \$ (0.37) | \$ (0.53) | \$ (0.42) | \$ (1.78) | \$ (0.47) | \$ (0.48) | \$ (0.56) | \$ (1.51) |
| Adjustments for difference in weighted-average shares | — | — | — | — | — | — | — | — | — | — | — | 0.06 | 0.05 | 0.18 |
| Stock-based compensation | 0.14 | 0.17 | 0.20 | 0.20 | 0.71 | 0.20 | 0.27 | 0.30 | 0.31 | 1.08 | 0.31 | 0.34 | 0.37 | 0.98 |
| Amortization of debt discount and debt issuance costs | 0.02 | 0.04 | 0.04 | 0.04 | 0.13 | 0.03 | 0.03 | 0.07 | 0.08 | 0.22 | 0.09 | 0.11 | 0.15 | 0.33 |
| Non-cash charitable contributions | — | 0.01 | — | — | 0.01 | — | 0.01 | — | 0.01 | 0.01 | — | 0.01 | 0.02 | 0.03 |
| Amortization of acquired | — | — | — | — | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.05 | 0.01 | 0.01 | 0.01 | 0.03 |
| Acquisition-related expenses | — | — | — | — | — | 0.03 | — | — | — | 0.03 | — | — | — | — |
| Loss on early extinguishment and conversion of debt | — | — | — | — | — | — | — | 0.12 | — | 0.12 | — | 0.02 | — | 0.02 |
| Non-GAAP net income (loss) per share, diluted | \$ (0.09) | \$ (0.15) | \$ (0.03) | \$ (0.04) | \$ (0.31) | \$ (0.19) | \$ (0.05) | \$ (0.03) | \$ (0.01) | \$ (0.27) | \$ (0.06) | \$ 0.07 | \$ 0.04 | \$ 0.06 |
| Weighted-average shares outstanding used to compute non-GAAP net income (loss) per share, diluted | 104,203 | 106,702 | 108,776 | 110,223 | 107,504 | 112,682 | 115,033 | 118,976 | 121,562 | 117,221 | 123,494 | 142,255 | 143,392 | 141,936 |

⁽¹⁾ Prior periods presented have been adjusted to reflect the impact of amortization of debt issuance costs as a non-GAAP net income (loss) adjustment.

Calculations of Key and Other Selected Metrics - Fiscal Quarters

(in thousands, except percentages and customer/headcount data)

| | Q1 FY19 | Q2 FY19 | Q3 FY19 | Q4 FY19 | FY19 | Q1 FY20 | Q2 FY20 | Q3 FY20 | Q4 FY20 | FY20 | Q1 FY21 | Q2 FY21 | Q3 FY21 | FY21 YTD |
|---|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Calculated Billings | | | | | | | | | | | | | | |
| Total revenue | \$ 83,621 | \$ 94,586 | \$ 105,576 | \$ 115,471 | \$ 399,254 | \$ 125,223 | \$ 140,480 | \$ 153,037 | \$ 167,327 | \$ 586,067 | \$ 182,859 | \$ 200,446 | \$ 217,379 | \$ 600,684 |
| Add: | | | | | | | | | | | | | | |
| Unbilled receivables, current (beginning of period) | 809 | 1,619 | 818 | 1,581 | 809 | 1,457 | 799 | 1,004 | 1,028 | 1,457 | 1,026 | 1,121 | 2,113 | 1,026 |
| Deferred revenue, current (end of period) | 173,548 | 186,427 | 206,146 | 245,622 | 245,622 | 268,033 | 283,724 | 306,743 | 365,236 | 365,236 | 392,121 | 391,246 | 424,765 | 424,765 |
| Less: | | | | | | | | | | | | | | |
| Unbilled receivables, current (end of period) | (1,619) | (818) | (1,581) | (1,457) | (1,457) | (799) | (1,004) | (1,028) | (1,026) | (1,026) | (1,121) | (2,113) | (2,427) | (2,427) |
| Deferred revenue, current (beginning of period) | (159,816) | (173,548) | (186,427) | (206,146) | (159,816) | (245,622) | (268,033) | (283,724) | (306,743) | (245,622) | (365,236) | (392,121) | (391,246) | (365,236) |
| Current calculated billings | 96,543 | 108,266 | 124,532 | 155,071 | 484,412 | 148,292 | 155,966 | 176,032 | 225,822 | 706,112 | 209,649 | 198,579 | 250,584 | 658,812 |
| Add: | | | | | | | | | | | | | | |
| Deferred revenue, noncurrent (end of period) | 4,346 | 5,471 | 4,977 | 8,768 | 8,768 | 7,671 | 7,469 | 7,013 | 6,214 | 6,214 | 6,070 | 5,574 | 7,349 | 7,349 |
| Less: | | | | | | | | | | | | | | |
| Deferred revenue, noncurrent (beginning of period) | (4,963) | (4,346) | (5,471) | (4,977) | (4,963) | (8,768) | (7,671) | (7,469) | (7,013) | (8,768) | (6,214) | (6,070) | (5,574) | (6,214) |
| Calculated billings | \$ 95,926 | \$ 109,391 | \$ 124,038 | \$ 158,862 | \$ 488,217 | \$ 147,195 | \$ 155,764 | \$ 175,576 | \$ 225,023 | \$ 703,558 | \$ 209,505 | \$ 198,083 | \$ 252,359 | \$ 659,947 |
| <i>y-y growth - current calculated billings</i> | 60 % | 50 % | 57 % | 52 % | 54 % | 54 % | 44 % | 41 % | 46 % | 46 % | 41 % | 27 % | 42 % | 37 % |
| <i>y-y growth - calculated billings</i> | 60 % | 53 % | 58 % | 52 % | 55 % | 53 % | 42 % | 42 % | 42 % | 44 % | 42 % | 27 % | 44 % | 38 % |
| Trailing 12 months calculated billings | \$ 350,932 | \$ 388,646 | \$ 434,124 | \$ 488,217 | \$ 488,217 | \$ 539,486 | \$ 585,859 | \$ 637,397 | \$ 703,558 | \$ 703,558 | \$ 765,868 | \$ 808,187 | \$ 884,970 | \$ 884,970 |
| <i>y-y growth</i> | 59 % | 58 % | 59 % | 55 % | 55 % | 54 % | 51 % | 47 % | 44 % | 44 % | 42 % | 38 % | 39 % | 39 % |

Calculations of Key and Other Selected Metrics - Fiscal Quarters

(in thousands, except percentages and customer/headcount data)

| | Q1 FY19 | Q2 FY19 | Q3 FY19 | Q4 FY19 | FY19 | Q1 FY20 | Q2 FY20 | Q3 FY20 | Q4 FY20 | FY20 | Q1 FY21 | Q2 FY21 | Q3 FY21 | FY21 YTD |
|---|------------|-------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Free Cash Flow and Margin | | | | | | | | | | | | | | |
| Net cash provided by (used in) operating activities | \$ 3,972 | \$ (5,343) | \$ 6,439 | \$ 10,104 | \$ 15,172 | \$ 21,262 | \$ (1,134) | \$ 10,640 | \$ 24,835 | \$ 55,603 | \$ 38,697 | \$ 10,930 | \$ 43,426 | \$ 93,053 |
| Less: | | | | | | | | | | | | | | |
| Purchases of property and | (4,477) | (5,313) | (4,463) | (5,558) | (19,811) | (7,710) | (2,207) | (63) | (5,462) | (15,442) | (7,930) | (2,739) | (628) | (11,297) |
| Capitalization of internal-use software costs | (1,051) | (674) | (604) | (522) | (2,851) | (369) | (961) | (1,329) | (1,229) | (3,888) | (1,000) | (1,326) | (1,204) | (3,530) |
| Proceeds from sales of property and equipment | — | — | — | 740 | 740 | — | — | — | — | — | — | — | — | — |
| Free cash flow | \$ (1,556) | \$ (11,330) | \$ 1,372 | \$ 4,764 | \$ (6,750) | \$ 13,183 | \$ (4,302) | \$ 9,248 | \$ 18,144 | \$ 36,273 | \$ 29,767 | \$ 6,865 | \$ 41,594 | \$ 78,226 |
| Free cash flow margin | (1.9)% | (12.0)% | 1.3 % | 4.1 % | (1.7)% | 10.5 % | (3.1)% | 6.0 % | 10.8 % | 6.2 % | 16.3 % | 3.4 % | 19.1 % | 13.0 % |
| Headcount | | | | | | | | | | | | | | |
| Total headcount | 1,265 | 1,392 | 1,473 | 1,561 | 1,561 | 1,770 | 1,943 | 2,116 | 2,248 | 2,248 | 2,379 | 2,489 | 2,604 | 2,604 |
| y-y growth | 24 % | 27 % | 29 % | 33 % | 33 % | 40 % | 40 % | 44 % | 44 % | 44 % | 34 % | 28 % | 23 % | 23 % |
| Revenue by Location | | | | | | | | | | | | | | |
| United States | \$ 71,258 | \$ 79,500 | \$ 88,705 | \$ 97,904 | \$ 337,367 | \$ 105,403 | \$ 118,605 | \$ 129,934 | \$ 140,587 | \$ 494,529 | \$ 153,787 | \$ 168,239 | \$ 182,564 | \$ 504,590 |
| International | 12,363 | 15,086 | 16,871 | 17,567 | 61,887 | 19,820 | 21,875 | 23,103 | 26,740 | 91,538 | 29,072 | 32,207 | 34,815 | 96,094 |
| Total | \$ 83,621 | \$ 94,586 | \$ 105,576 | \$ 115,471 | \$ 399,254 | \$ 125,223 | \$ 140,480 | \$ 153,037 | \$ 167,327 | \$ 586,067 | \$ 182,859 | \$ 200,446 | \$ 217,379 | \$ 600,684 |