Q4 and Fiscal 2021 Earnings Presentation

SEPTEMBER 1, 2021

Safe Harbor

Non-GAAP Financial Measures and Other Key Performance Measures

To supplement our consolidated financial statements, which are prepared and presented in accordance with GAAP, we use the following non-GAAP financial and other key performance measures: billings, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP net loss, non-GAAP net loss per share, free cash flow, subscription revenue, subscription billings, subscription billings mix, Annual Contract Value Billings (or ACV Billings), Annual Recurring Revenue (or ARR), and Run-rate Annual Contract Value (or Run-rate ACV). In computing these non-GAAP financial measures and key performance measures, we exclude certain items such as stock-based compensation and the related income tax impact, costs associated with our acquisitions (such as amortization of acquired intangible assets, income tax-related impact, and other acquisition-related costs), impairment of operating lease-related assets, the change in fair value of the derivative liability, the amortization of the debt discount and issuance costs, non-cash interest expense, other non-recurring transactions and the related tax impact, and the revenue and billings associated with pass-through hardware sales. Billings is a performance measure which we believe provides useful information to investors because it represents the amounts under binding purchase orders received by us during a given period that have been billed, and we calculate billings by adding the change in deferred revenue between the start and end of the period to total revenue recognized in the same period. Non-GAAP gross margin, non-GAAP operating expenses, non-GAAP net loss, and non-GAAP net loss per share are financial measures which we believe provide useful information to investors because they provide meaningful supplemental information regarding our performance and liquidity by excluding certain expenses and expenditures such as stock-based compensation expense that may not be indicative of our ongoing core business operating results. Free cash flow is a performance measure that we believe provides useful information to our management and investors about the amount of cash generated by the business after necessary capital expenditures, and we define free cash flow as net cash provided by (used in) operating activities less purchases of property and equipment. Subscription revenue, subscription billings, and subscription billings mix are performance measures that we believe provide useful information to our management and investors as they allow us to better track the growth of the subscription-based portion of our business, which is a critical part of our business plan. ACV Billings and Run-rate ACV are performance measures that we believe provide useful information to our management and investors as they allow us to better track the topline growth of our business during our transition to a subscription-based business model because they take into account variability in term lengths. ARR is a performance measure that we believe provides useful information to our management and investors as it allows us to better track the topline growth of our subscription business because it takes into account variability in term lengths. We use these non-GAAP financial and key performance measures for financial and operational decision-making and as a means to evaluate period-to-period comparisons. However, these non-GAAP financial and key performance measures have limitations as analytical tools and you should not consider them in isolation or as substitutes for analysis of our results as reported under GAAP. Billings, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP net loss, non-GAAP net loss per share, and free cash flow are not substitutes for total revenue, gross margin, operating expenses, net loss, net loss per share, or net cash provided by (used in) operating activities, respectively; subscription revenue is not a substitute for total revenue; and subscription billings is not a substitute for subscription revenue. There is no GAAP measure that is comparable to ACV Billings, ARR, or Run-rate ACV, so we have not reconciled the ACV, ACV Billings and Run-rate ACV numbers included in this presentation to any GAAP measure. In addition, other companies, including companies in our industry, may calculate non-GAAP financial measures and key performance measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measures and key performance measures as tools for comparison. We urge you to review the reconciliation of our non-GAAP financial measures and key performance measures to the most directly comparable GAAP financial measures set forth in the tables captioned "GAAP to Non-GAAP Reconciliations and Calculation of Billings" and "Disaggregation of Billings and Revenue" included in the appendix hereto, and not to rely on any single financial measure to evaluate our business.

Safe Harbor

Forward Looking Statements

This presentation and the accompanying oral commentary contain express and implied forward-looking statements, including, but not limited to, statements relating to: our business plans, strategies, vision, and objectives, including our go-to-market strategy (including our plans to focus on our renewals business and increase go-to-market leverage by executing on renewals through solution selling and partner leverage) and plans to streamline our product portfolio and promote greater diversity and inclusion in our workforce, as well as our ability to execute thereon successfully and in a timely manner and the benefits and impact thereof on our business, operations and financial results, including on our top line growth and the sustainability of our and our customers' businesses; our outlook and estimates regarding our business and financial performance in future periods, including projected growth rates (including any accelerations thereof) for revenue, ACV Billings, ARR, Run-rate ACV, operating expenses, and free cash flow, as well as the assumptions underlying such expectations (including those relating to our renewals base, mix and costs, backlog, product portfolio, sales rep count and productivity, revenue and product mix, and average contract term lengths in future periods); our plans and timing for, and the success and impact of, any current and future business model transitions (including our ongoing subscription-based business model and ACV-based sales compensation model transitions), including the impact thereof on our overall business model, renewals business, go-to-market strategy, deal economics, average contract term lengths, TCV Billings to ACV Billings ratio, revenue and product mix, renewal cycles, and top line growth; our ability to form new, and maintain and strengthen existing, strategic alliances and partnerships, as well as the impact of any changes to such relationships on our business, operations and financial results, including on our market opportunity, ability to further customer choice and enhance our platform, go-to-market leverage, and long-term success; the timing and impact of the COVID-19 pandemic on the global market environment and the IT industry, as well as on our business, operations and financial results; the competitive market, including our competitive position and ability to compete effectively and the competitive advantages of our products; our projections about our market share in future periods, including our estimates regarding the sizes and growth rates of the total addressable market for our target markets and the assumptions underlying such estimates; macroeconomic environment and industry trends, projected growth or trend analysis; our customer needs and our ability to address those needs successfully and in a timely manner; our ability to attract new end customers and retain and grow sales from our existing end customers; the benefits and capabilities of our platform, solutions, products, services and technology, including the interoperability and availability of our solutions with and on third-party platforms; our plans and expectations regarding new solutions, products, services, features, and technology, including those that are still under development or in process, and any future product roadmaps; our plans regarding, and the timing and success of, our customer, partner, industry, analyst, investor and employee events and the impact thereof on our business, operations, and financial results; our guidance on estimated ACV Billings, non-GAAP gross margin, non-GAAP operating expenses and weighted average shares outstanding for any future fiscal periods, including the assumptions underlying such estimates; and our decision to use new or different metrics, make adjustments to the metrics we use, or to provide additional information to supplement our financial reporting, and the impact thereof. These forward-looking statements are not historical facts and instead are based on our current expectations, estimates, opinions, and beliefs. Consequently, you should not rely on these forward-looking statements. The accuracy of these forward-looking statements depends upon future events and involves risks, uncertainties, and other factors, including factors that may be beyond our control, that may cause these statements to be inaccurate and cause our actual results, performance or achievements to differ materially and adversely from those anticipated or implied by such statements, including, among others: failure to successfully implement or realize the full benefits of, or unexpected difficulties or delays in successfully implementing or realizing the full benefits of, our business plans, strategies, initiatives, vision, objectives; delays or unexpected accelerations in the transition to a subscription-based business model; our ability to achieve, sustain and/or manage future growth effectively; our ability to attract, recruit, train and, where applicable, ramp to full productivity, qualified employees and key personnel; the timing, breadth, and impact of the COVID-19 pandemic; failure to timely and successfully meet our customer needs; delays in or lack of customer or market acceptance of our new products, services, product features or technology; the rapid evolution of the markets in which we compete; factors that could result in the significant fluctuation of our future quarterly operating results, including, among other things, anticipated changes to our revenue and product mix, including changes as a result of our transition to a subscription-based business model, the timing and magnitude of orders, shipments and acceptance of our solutions in any given quarter, our ability to attract new and retain existing end-customers, changes in the pricing of certain components of our solutions, and fluctuations in demand and competitive pricing pressures for our solutions; the introduction, or acceleration of adoption of, competing solutions, including public cloud infrastructure; and other risks detailed in our most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q filed with the U.S. Securities and Exchange Commission, or the SEC. Additional information will also be set forth in our Annual Report on Form 10-K that will be filed for the fiscal year ended July 31, 2021 which should be read in conjunction with this presentation and the financial results included herein. Our SEC filings are available on the Investor Relations section of our website at ir.nutanix.com and on the SEC's website at www.sec.gov. These forward-looking statements speak only as of the date of this presentation and, except as required by law, we assume no obligation, and expressly disclaim any obligation, to update, alter or otherwise revise any of these forward-looking statements to reflect actual results or subsequent events or circumstances.

Q4 Fiscal 2021 Company Highlights

- **Delivered Record ACV Billings and Revenue**
  Revenue of $391 million, up 19% year-over-year, the Company's fastest growth in the last three years.
  ACV Billings of $176 million, up 26% year-over-year, marking the Company's fastest growth rate in over two years.

- **Outperformed Across All Guided Metrics**
  Exceeded all guided metrics against the challenging backdrop of COVID-19.

- **Showed Momentum Across Hybrid Multicloud Portfolio**
  New ACV Bookings from emerging products grew 100+% year-over-year with a record attach rate of 41%.[(1)]

- **New and Deepened Partnerships**
  Formed new strategic partnership with Red Hat to deliver open hybrid multicloud solutions. Also expanded upon partnership with HPE to deliver Era as a service through HPE Greenlake.

- **Announced Details for .NEXT 2021**
  Nutanix announced details for its global .NEXT digital conference being held from Monday, September 20th to Thursday, September 23rd. Investors and analysts are encouraged to register and attend.

Note: See Appendix for definitions of ACV Billings, ACV and New ACV Bookings. There is no GAAP measure that is comparable to ACV Billings, so the Company has not reconciled the ACV Billings numbers in this presentation to any GAAP measure.
(1) Defined as the % of deals that involve at least one emerging product, calculated on a rolling four-quarter average

Management Commentary

Rajiv Ramaswami
President & Chief Executive Officer

“Our fourth quarter was a strong end to an excellent fiscal year, which was marked by consistent execution and solid progress across both financial and strategic objectives. We have entered our fiscal 2022 with good momentum and a solid plan for growth, executing on the model we laid out at Investor Day and delivering on our vision of making clouds invisible.”

Duston Williams
Chief Financial Officer

“We achieved records across a number of key metrics in the fourth quarter, including ACV billings and revenue, which grew 26 and 19 percent year over year, respectively. In fiscal 2022, we expect our growing base of low-cost renewals will drive further improvements in top and bottom line performance.”

Note: See Appendix for definition of ACV Billings and ACV. There is no GAAP measure that is comparable to ACV Billings, so the Company has not reconciled the ACV Billings numbers in this presentation to any GAAP measure.

Q4’21 Financial Summary

	Q4’21 Results	Y/Y Change	Q4’21 Guidance
ACV Billings	$176.3M	26%	$170 - $175M
Annual Recurring Revenue	$878.7M	83%	N/A
Run-rate ACV	$1.54B	26%	N/A
Average Contract Term	3.4 Years	(0.4) Year	N/A
Revenue	$390.7M	19%	N/A
Non-GAAP Gross Margin	82.9%	(10) bps	~81.5% to 82.0%
Non-GAAP Operating Expenses	$372.5M	8%	$380 - $385M
Non-GAAP Net Loss Per Share	$(0.26)	$0.13	N/A
Free Cash Flow	$(42.2)M	$(28.4)M	N/A

Note: See Appendix for GAAP to Non-GAAP reconciliations, as well as definitions of ACV Billings, Annual Recurring Revenue, Run-rate ACV, ACV and Average Contract Term. There is no GAAP measure that is comparable to ACV Billings, Annual Recurring Revenue or Run-rate ACV, so the Company has not reconciled the ACV Billings, Annual Recurring Revenue or Run-rate ACV numbers in this presentation to any GAAP measure.

Q4'21 Subscription Highlights

$176.3M
ACV Billings
+26% Y/Y

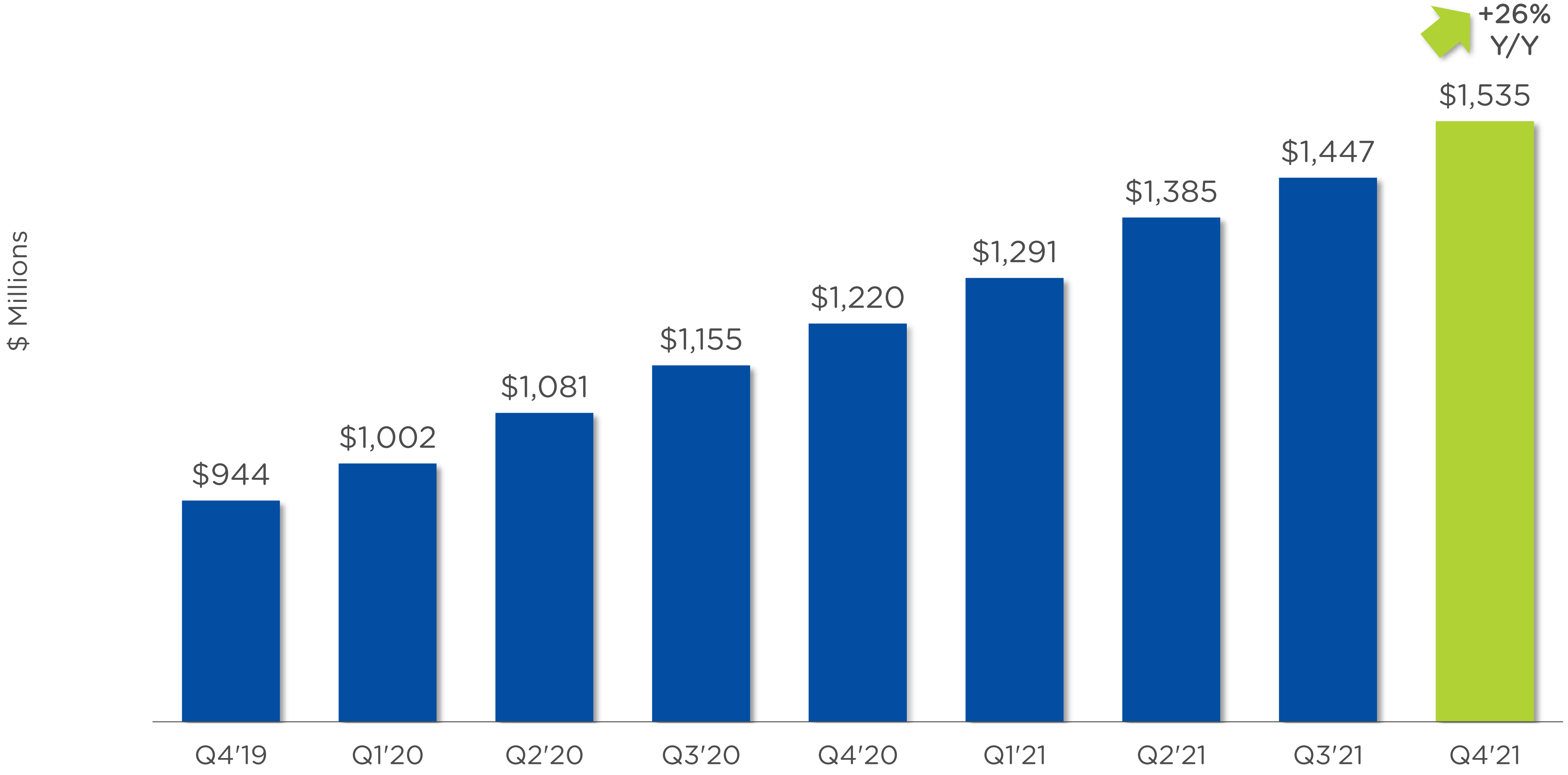
$1.54B
Run-rate ACV
+26% Y/Y

$878.7M
Annual Recurring Revenue
+83% Y/Y

3.4 Years
Average Contract Term
(0.4) Year Y/Y

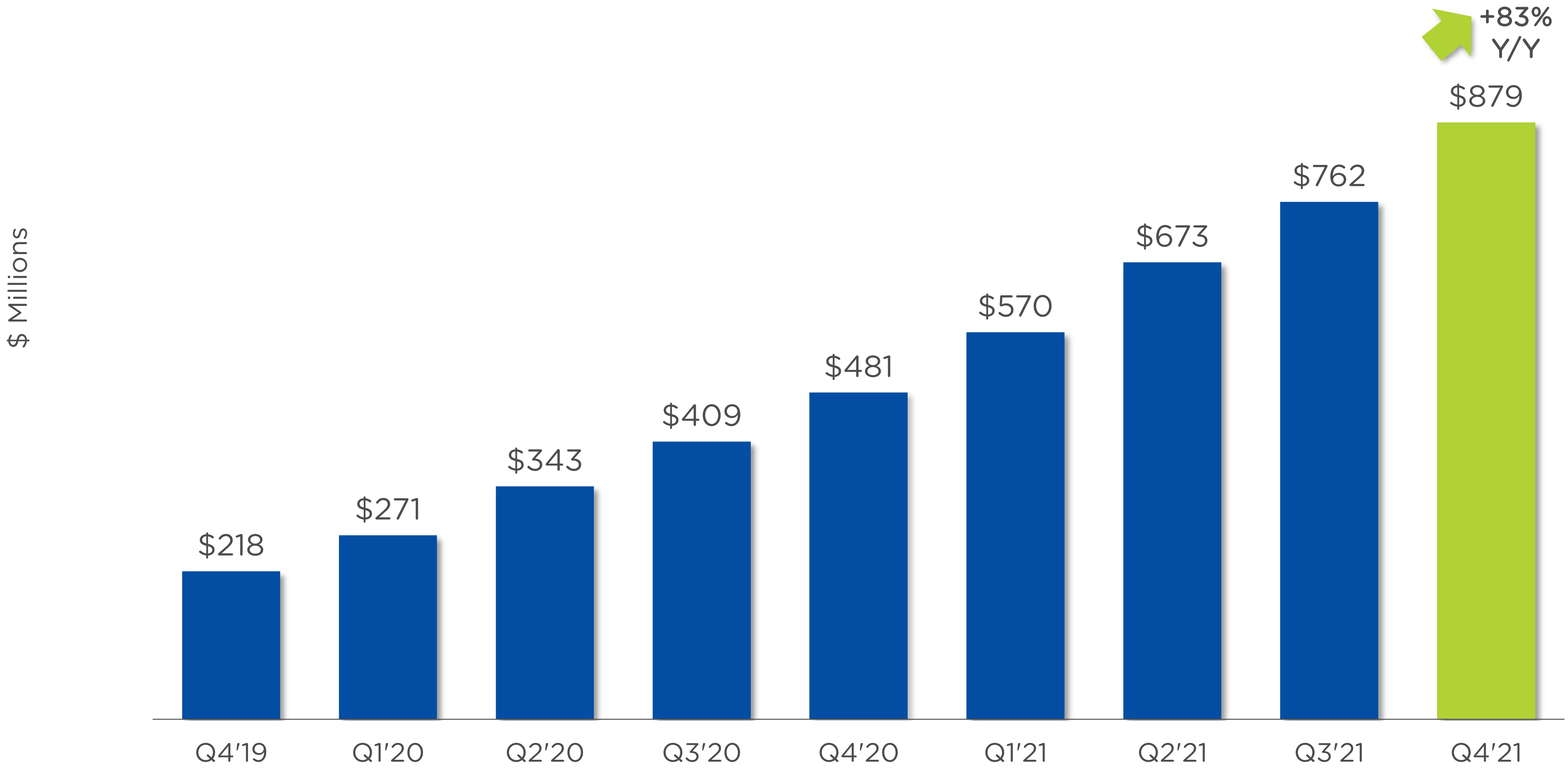
Note: Data is as of July 31, 2021. See Appendix for definitions of ACV, ACV Billings, Annual Recurring Revenue, Average Contract Term, and Run-rate ACV. There is no GAAP measure that is comparable to ACV Billings, Annual Recurring Revenue or Run-rate ACV, so the Company has not reconciled the ACV Billings, Annual Recurring Revenue, and Run-rate ACV numbers in this presentation to any GAAP measure.

Run-rate ACV



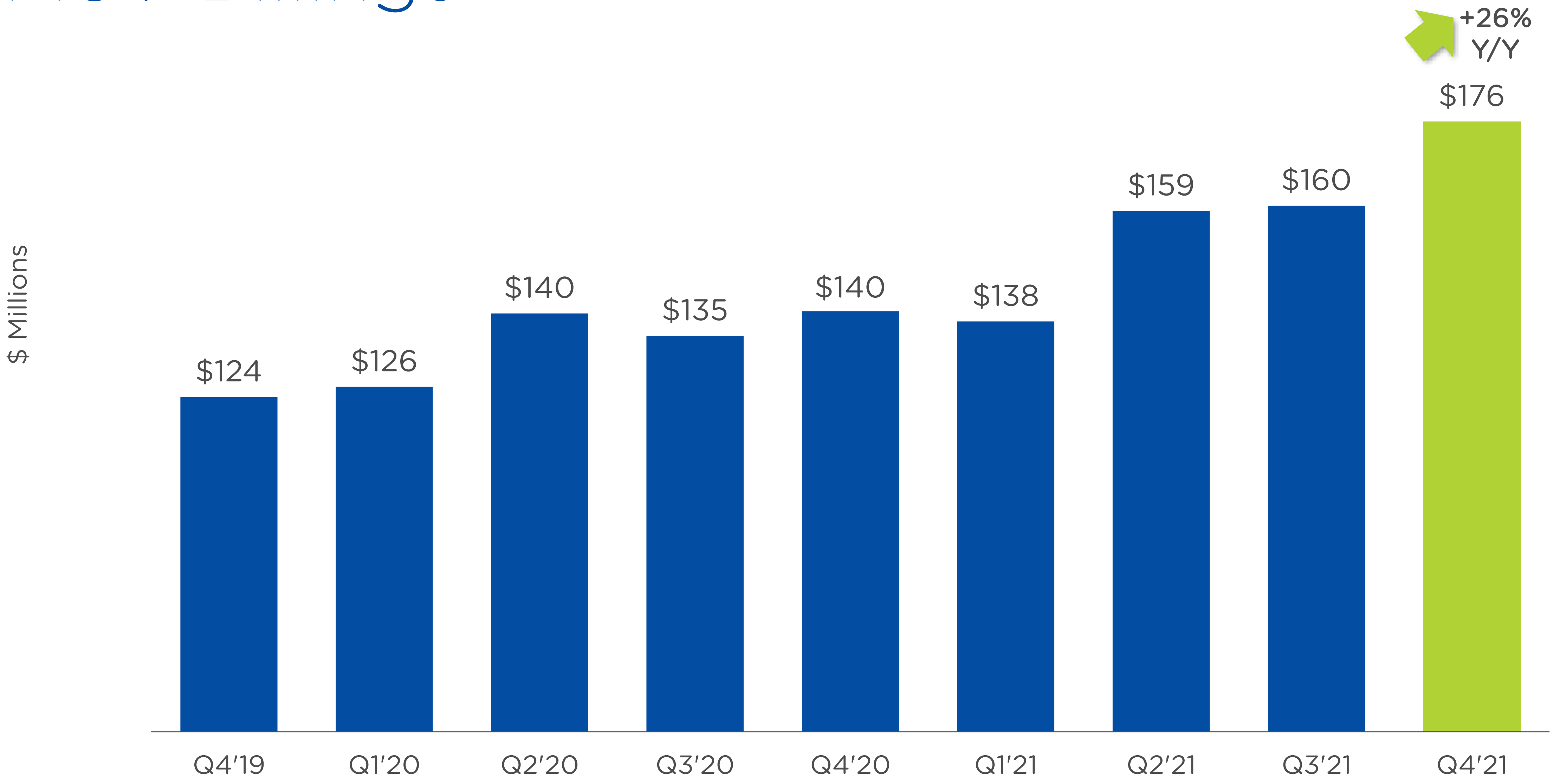
Note: See Appendix for definitions of ACV and Run-rate ACV. There is no GAAP measure that is comparable to Run-rate ACV, so the Company has not reconciled the Run-rate ACV numbers in this presentation to any GAAP measure.

Annual Recurring Revenue



Note: See Appendix for definition of Annual Recurring Revenue. There is no GAAP measure that is comparable to Annual Recurring Revenue, so the Company has not reconciled the Annual Recurring Revenue numbers in this presentation to any GAAP measure.

ACV Billings



Note: ACV Billings exclude amounts related to professional services and hardware. See Appendix for definitions of ACV and ACV Billings.
There is no GAAP measure that is comparable to ACV Billings, so the Company has not reconciled the ACV Billings numbers in this presentation to any GAAP measure.

Q4’21 ACV Billings to Total Billings Conversion

ACV Billings to Total Billings Conversion

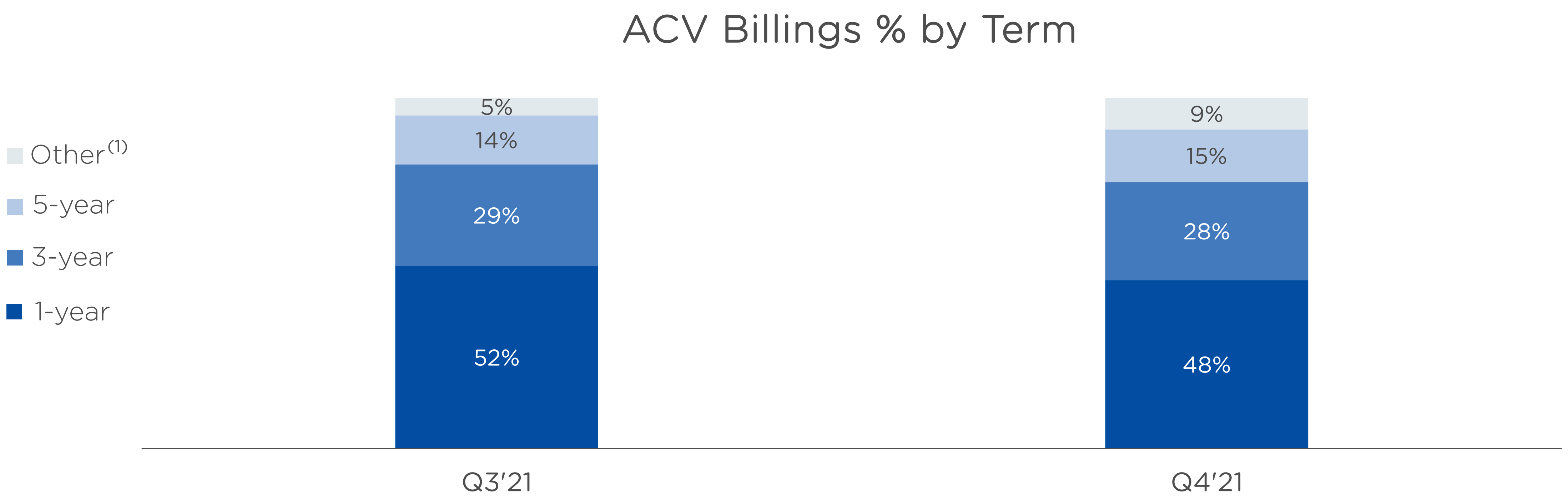
1. Start with forecasting ACV Billings and compare your estimate with Nutanix’s ACV Billings guidance and seasonality commentary
2. Estimate ACV Billings % by Term to get to ACV Billings $ by Term
3. Multiply ACV Billings $ by Contract Term (Year) to get to TCV Billings $ by Term and the corresponding TCV Billings Term Mix, and then multiply TCV Billings Term Mix by Contract Term (Year) to back into Average Contract Term
4. Estimate PS & HW Billings(1) and add it to total TCV Billings $ by Term to get to Total Billings. Historical PS & HW billings mix can be found in the Appendix

Contract Term (Year)	ACV % by Term	②	ACV $ by Term	x	Contract Term (Year)	=	TCV $ by Term	③	TCV Term Mix	x	Contract Term (Year)	=	Average Contract Term
<= 1	48%		$85		<=1		$76		19%		<=1		~0.2
2	5%		$8		2		$16		4%		2		~0.1
3	28%		$50		3		$145		36%		3		~1.1
4	2%		$3		4		$14		4%		4		~0.1
5*	15%		$27		5		$132		32%		5		~1.6
6	2%		$3		6		$19		5%		6		~0.3
7	0%		$0		7		$1		0%		7		0.0
Total	**100%**		**$176**				**$403**		**100%**				**3.4**
	PS & HW Billings:		-				+$26	④					
	① ACV Billings:**		**$176**		**Total Billings:**		**$429**		**ACV Billings to Total Billings Ratio:**				**2.44**

* 5-year term includes 5-year subscription licenses and non-portable (life-of-device) software licenses with an assumed contract term of 5 years
** ACV Billings exclude amounts related to professional services and hardware

(1) Refers to professional services and hardware billings
Note: See Appendix for definitions of ACV, ACV Billings, Average Contract Term and TCV Billings. There is no GAAP measure that is comparable to ACV Billings, so the Company has not reconciled the ACV Billings numbers in this presentation to any GAAP measure.

ACV % and Historical Contract Terms



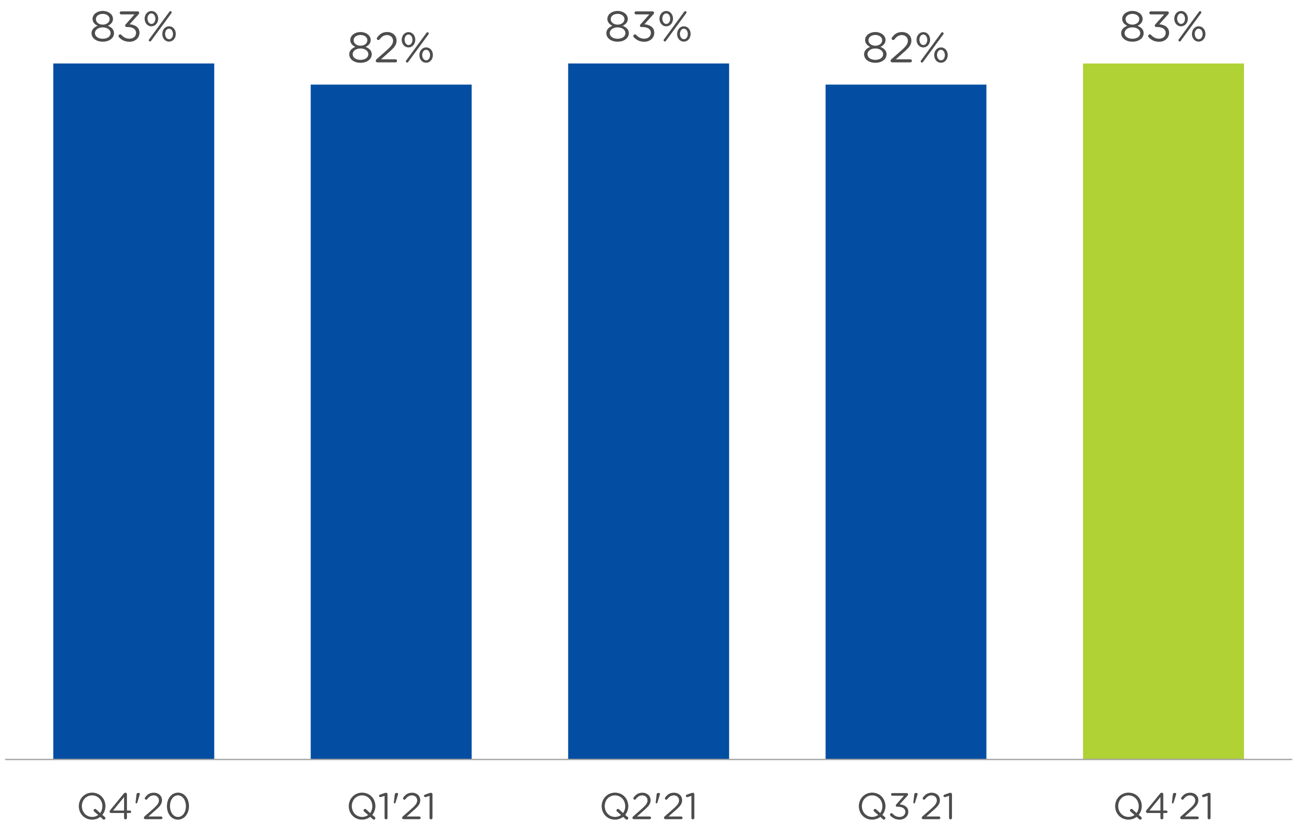
Average Contract Term (Years)

Q4'19	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21
3.9	3.9	3.9	3.8	3.8	3.5	3.4	3.3	3.4

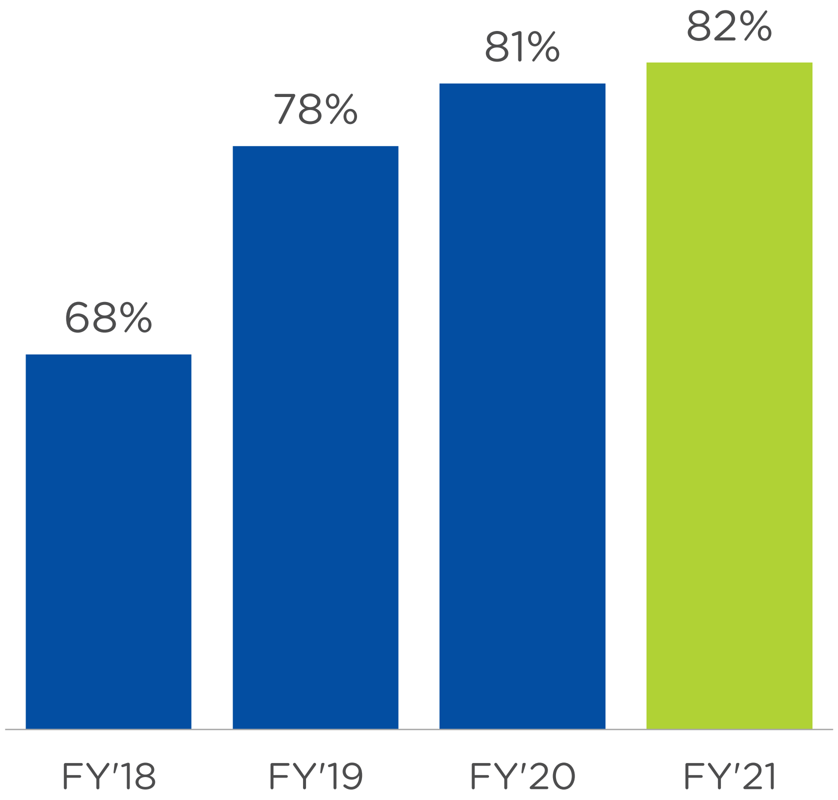
Note: See previous page for calculation of ACV % by term highlighted in light blue column. See Appendix for definitions of ACV, ACV Billings, and Average Contract Term.
(1) Other includes less than 1-, 2-, 4-, 6- and 7-year contract terms

Gross Margin

By Quarter



By Fiscal Year



Note: Margins shown on a Non-GAAP basis. See Appendix for a reconciliation of GAAP to Non-GAAP measures.

FY'21 Retention Highlights

96%
Customer Retention Rate for LoD and Subscription

>90%
Gross Retention Rate (Excluding LoD)

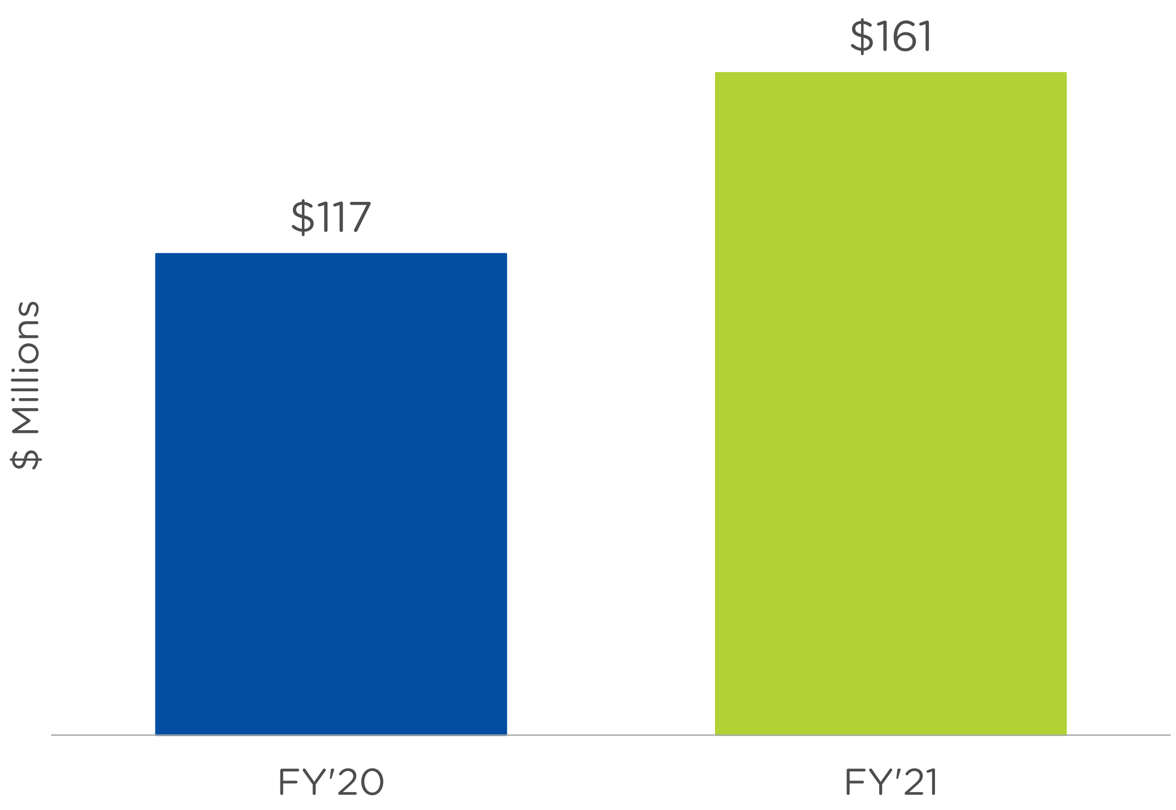
124%
Net Dollar Retention Rate (Including LoD)

158%
Net Dollar Retention Rate (Excluding LoD)

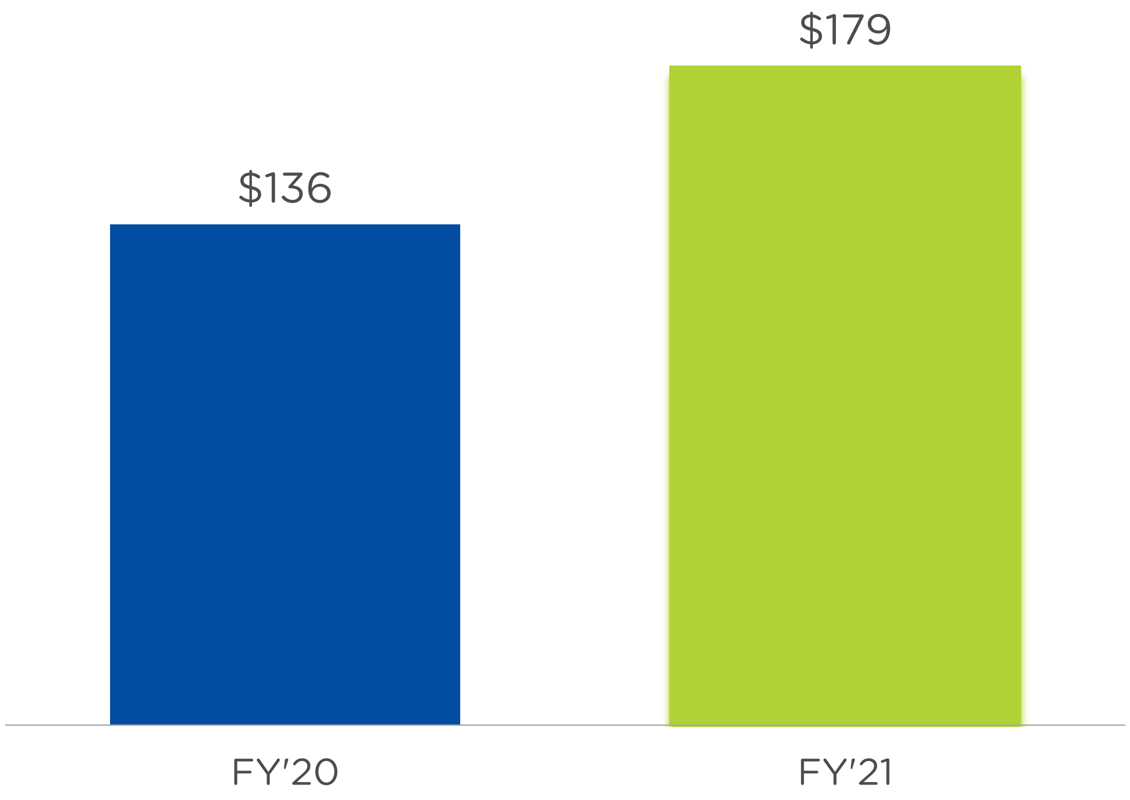
Note: Data is as of July 31, 2021. See Appendix for definitions of Customer Retention Rate, Gross Retention Rate (Excluding LoD), Net Dollar Retention Rate (Including LoD) and Net Dollar Retention Rate (Excluding LoD).

Renewals ACV and TCV Billings

Renewals ACV Billings



Renewals TCV Billings



Note: See Appendix for definitions of Renewals ACV Billings, ACV, and Renewals TCV Billings.

Q4'21 Hybrid Multicloud Platform

53%

AHV Adoption as a % of NX Cores(1)

+5pts Y/Y

41%

% of Deals Involving at Least One Emerging Product(1)

+8pts Y/Y

100+%

Y/Y Growth of New ACV Bookings from Emerging Products

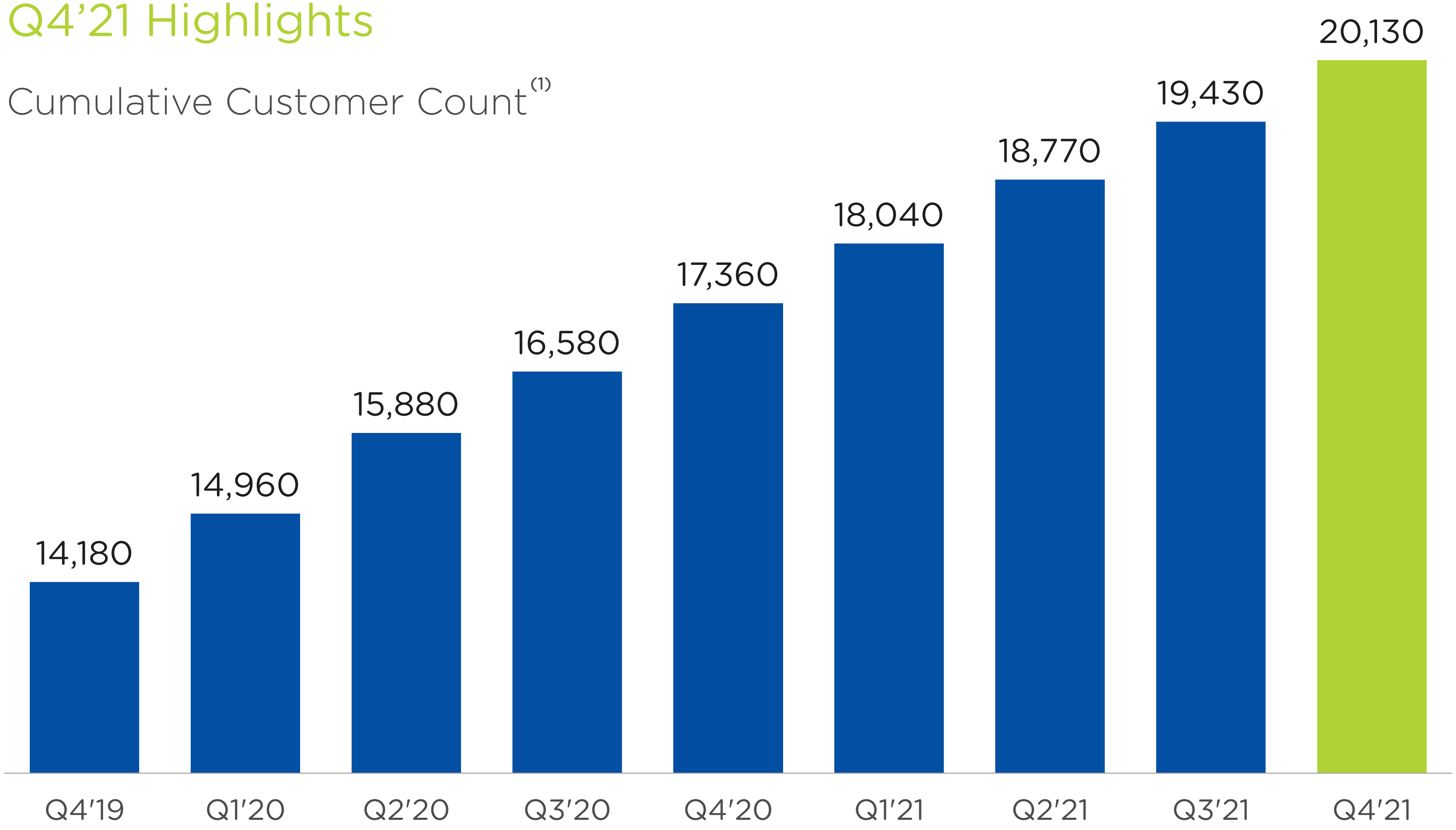
(1) Calculated on a rolling four-quarter average

Note: See Appendix for definitions of ACV and New ACV Bookings.

Customer Growth Momentum

Q4'21 Highlights

Cumulative Customer Count[(1)]



16%
Total Customers Y/Y Growth

980[(1)]
G2K Customers

16.4x[(2)]
G2K Lifetime ACV Repeat Purchase Multiple

81
Forbes Global 100 Customers

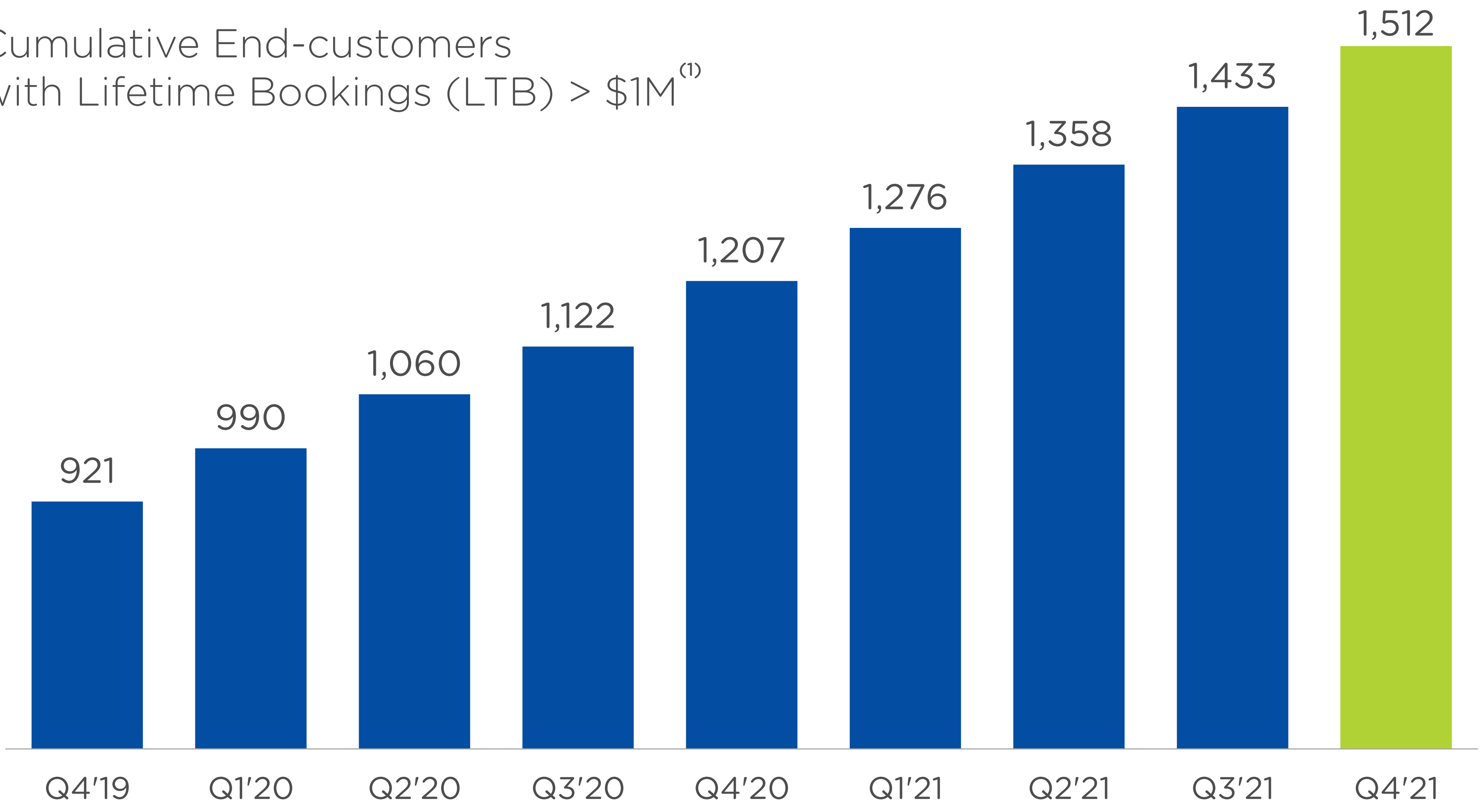
90 NPS
7-Year Average

(1) The cumulative total customer and G2K customer counts reflect standard adjustments/consolidation to certain customer accounts within our system of record and are rounded to the nearest 10. See endnote 1 in the Appendix.
(2) See endnote 2 in the Appendix. See Appendix for definition of ACV.

Over $1M Customer Growth

Q4'21 Highlights

Cumulative End-customers
with Lifetime Bookings (LTB) > $1M(1)



+24% Y/Y — 1,066 Customers $1-$3M in LTB

+27% Y/Y — 209 Customers $3-$5M in LTB

+20% Y/Y — 143 Customers $5-$10M in LTB

+42% Y/Y — 94 Customers >$10M in LTB

(1) Measured in TCV Bookings. See Appendix for definition of TCV Bookings. There is no GAAP measure that is comparable to TCV Bookings, so the Company has not reconciled the TCV Bookings numbers in this presentation to any GAAP measure.

Q1’22 Financial Guidance

	Q1’22 Guidance
ACV Billings	$172 - $177M
Non-GAAP Gross Margin	Approximately 81.5%
Non-GAAP Operating Expenses	$365 - $370M
Weighted Average Shares Outstanding	Approximately 216M

Modeling Assumptions:

1. The Company expects average contract term lengths to trend back down in Q1’22, most likely in the low 3-year range, as Q1 usually carries a significant amount of federal business, and the Company’s federal customers typically have much shorter average contract term lengths.
2. Assuming contract term lengths do approach the low 3-year range in Q1’22, the Company would approximate the TCV billings to ACV billings ratio to be somewhere around 2.25 vs. 2.4 in Q4’21.
3. Due to the Company’s growing mix of renewals, for the second half of FY’22, the Company would expect a higher amount of ACV Billings in Q4’22 vs. Q3’22, than what is currently reflected in the consensus estimates. This mix shift is a direct result of the Company’s growing ATR, or Available to Renew, base of renewals that show a proportionally larger increase in Q4’22 vs. Q3’22.

Note: Q1’22 guidance is as of September 1, 2021. See Appendix for definitions of ACV Billings, ACV, Available to Renew (ATR), Average Contract Term, and TCV Billings. There is no GAAP measure that is comparable to ACV Billings, so the Company has not reconciled the ACV Billings numbers in this presentation to any GAAP measure.

Appendix

Nutanix Reporting Model

Product Type	Product Mix	Term	Revenue Recognized
Subscription	Term-based Subscription	1, 3, or 5 Years	Upfront
	SaaS Subscription	Monthly Up to 5 Years	Ratable
	Support and Entitlements	1, 3, or 5 Years	Ratable
Non-portable Software	Software License Attached to Appliance	Life of the Device (LoD)	Upfront
Professional Services	Professional Services for all Nutanix Offerings	Various	As Performed
Pass-through Hardware	Pass-through Hardware Cost	N/A	Upfront

Endnotes and Definitions

Endnotes

1. Global 2000 (G2K) and Forbes 100 customer counts reflect yearly update to the members of both lists as reported by Forbes. Cumulative total customer and G2K customer counts reflect standard adjustments/consolidation to certain customer accounts within our system of record, and are rounded to the nearest 10.
2. G2K lifetime ACV purchase multiple is defined as ACV of total lifetime purchase divided by ACV of initial purchase, for G2K customers that have been customers for over 18 months.

Definitions

ACV Billings, for any given period, is defined as the sum of the ACV for all contracts billed during the given period. ACV Billings is the sum of New ACV Billings and Renewals ACV Billings. Annual Contract Value, or ACV, is defined as the total annualized value of a contract, excluding amounts related to professional services and hardware. The total annualized value for a contract is calculated by dividing the total value of the contract by the number of years in the term of such contract, using, where applicable, an assumed term of five years for contracts that do not have a specified term.

ACV Bookings, for any given period, is defined as the sum of the ACV for all contracts booked during the given period.

Annual Recurring Revenue, or ARR, for any given period, is defined as the sum of ACV for all non life-of-device contracts in effect as of the end of a specific period. For the purposes of this calculation, we assume that the contract term begins on the date a contract is booked, unless the terms of such contract prevent us from fulfilling our obligations until a later period, and irrespective of the periods in which we would recognize revenue for such contract.

Available to Renew, or ATR, represents the total value of contracts up for renewal across our customer base in any given period.

Average Contract Term, represents the dollar-weighted term, calculated on a billings basis, across all subscription and life-of-device contracts, using an assumed term of five years for life-of-device licenses, executed in the period.

Customer Retention Rate. We define our customer retention rate by subtracting our attrition rate from 100%. We calculate our attrition rate for a period by dividing the number of customers lost during the period by the sum of the number of customers at the beginning of the period and the number of new customers acquired during the period.

Gross Retention Rate (Excluding LoD), or GRR, for any given period, is calculated by dividing ARR at the end of the period excluding any up-sell/expansion by the ARR of the same group of customers at the beginning of that 12-month period.

Net Dollar Retention Rate (Excluding LOD) is calculated on an annual basis by dividing ARR at the end of the period by the ARR of the same group of customers at the beginning of that 12-month period.

Endnotes and Definitions

Definitions

Net Dollar Retention Rate (Including LOD) is calculated on an annual basis by dividing the aggregate Retained ACV at the end of the period by the aggregate Retained ACV from the same group of customers at the end of the prior period on a dollar-weighted basis across the cohort. We compare the aggregate Retained ACV of our customer base at the end of the prior fiscal year to the aggregate Retained ACV from the same group of customers at the end of the current fiscal year. **Retained ACV**, for any given period, is defined as the ACV of contracts with a specified term of a customer cohort net of churn, assuming any active contract expiring during the period is renewed and continues on its existing terms and at its prevailing rate of utilization.

New ACV Bookings, for any given period, is defined as the sum of the New ACV booked during the given period. **New ACV** is defined as the ACV pertaining to sales to a new customer, or any up-sell / expansion sales to an existing customer.

Renewals ACV Billings, for any given period, is defined as the sum of the ACV of all renewal contracts billed during the given period.

Renewals TCV Billings, for any given period, is defined as the sum of the TCV of all renewal contracts billed during the given period.

Run-rate ACV, at the end of any period, is the sum of ACV for all contracts that are in effect as of the end of that period. For the purposes of this calculation, the Company assumes that the contract term begins on the date a contract is booked, irrespective of the periods in which the Company would recognize revenue for such contract.

Total Contract Value Billings, or **TCV Billings,** for any given period is defined as the total software and support billings during such period, which excludes amounts associated with pass-through hardware sales during the period.

Total Contract Value Bookings, or **TCV Bookings,** for any given period is defined as the total software and support contracts booked during such period, which excludes amounts associated with pass-through hardware sales during the period.

Note: ACV, ACV Billings, and Run-rate ACV are performance measures that the Company believes provides useful information to its management and investors as they allow the Company to better track the topline growth of its business during its transition to a subscription-based business model because it takes into account variability in term lengths. ARR is a performance measure that the Company believes provides useful information to its management and investors as it allows the Company to better track the topline growth of its subscription business because it takes into account variability in term lengths. There is no GAAP measure that is comparable to ACV, ACV Billings, ACV Bookings, ARR, New ACV, New ACV Bookings, Renewals ACV Billings, Renewals TCV Billings, Run-rate ACV, or TCV Bookings so the Company has not reconciled the ACV, ACV Billings, ACV Bookings, ARR, New ACV, New ACV Bookings, Renewals ACV Billings, Renewals TCV Billings, Run-rate ACV, or TCV Bookings numbers included in this presentation to any GAAP measure.

GAAP to Non-GAAP Reconciliations and Calculation of Billings

	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21
Gross margin (GAAP)	79.6%	78.3%	79.5%	78.4%	79.9%
Stock-based compensation expense	2.3	2.3	2.1	2.2	2.1
Amortization of intangible assets	1.1	1.2	1.1	1.1	1.0
Impairment (recovery) of lease-related assets	-	0.1	-	-	(0.1)
Gross margin (Non-GAAP)	**83.0%**	**81.9%**	**82.7%**	**81.7%**	**82.9%**
Operating expenses (GAAP)	$(432.3)	$(426.9)	$(431.7)	$(450.6)	$(454.1)
Stock-based compensation expense	85.3	81.9	77.0	87.6	81.4
Amortization of intangible assets	0.7	0.7	0.7	0.7	0.7
Impairment (recovery) of lease-related assets	-	2.5	-	-	(1.1)
Other	0.5	0.6	0.5	0.8	0.6
Operating expenses (Non-GAAP)	**$(345.8)**	**$(341.2)**	**$(353.5)**	**$(361.5)**	**$(372.5)**
Net loss per share (GAAP)	$(0.93)	$(1.31)	$(1.42)	$(0.60)	$(1.68)
Stock-based compensation expense	0.47	0.44	0.42	0.46	0.42
Amortization of intangible assets	0.02	0.02	0.02	0.02	0.02
Impairment (recovery) of lease-related assets	-	0.02	-	-	(0.01)
Amortization of debt discount and issuance costs	0.04	0.07	0.11	0.11	0.11
Change in fair value of derivative liability	-	0.32	0.50	(0.41)	0.88
Income tax-related adjustments	0.01	-	-	-	-
Other	-	-	-	0.01	-
Net loss per share (Non-GAAP)	**$(0.39)**	**$(0.44)**	**$(0.37)**	**$(0.41)**	**$(0.26)**
Net cash provided by (used in) operating activities	$3.6	$(4.1)	$(15.6)	$(55.6)	$(24.6)
Purchases of property and equipment	(17.4)	(12.2)	(12.9)	(15.9)	(17.6)
Free cash flow (Non-GAAP)	**$(13.8)**	**$(16.3)**	**$(28.5)**	**$(71.5)**	**$(42.2)**

	FY'18	FY'19	FY'20	FY'21
Gross margin (GAAP)	66.6%	75.4%	78.1%	79.1%
Stock-based compensation expense	1.0	1.5	2.1	2.2
Amortization of intangible assets	0.5	1.2	1.1	1.0
Impairment (recovery) of lease-related assets	-	-	-	-
Gross margin (Non-GAAP)	**68.1%**	**78.1%**	**81.3%**	**82.3%**

	Q4'20	Q4'21
Revenue	$327.9	$390.7
Change in deferred revenue	60.6	38.8
Total billings	$388.5	$429.5

Note: All amounts in millions, except per share amounts and percentages

Disaggregation of Billings and Revenue

$ Millions	FY'19	FY'20	FY'21	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21
Subscription revenue	$648.4	$1,030.2	$1,243.6	$284.8	$278.2	$305.9	$307.3	$352.2
Change in subscription deferred revenue, net of acquisitions	267.6	246.2	110.5	55.9	15.7	33.2	23.5	38.1
Subscription billings	$916.0	$1,276.4	$1,354.1	$340.7	$293.9	$339.1	$330.8	$390.3
Non-portable software revenue	$449.1	$208.1	$71.4	$29.5	$20.0	$21.7	$16.7	$12.9
Change in non-portable software deferred revenue	-	-	-	-	-	-	-	-
Non-portable software billings	$449.1	$208.1	$71.4	$29.5	$20.0	$21.7	$16.7	$12.9
Professional services revenue	$33.3	$45.9	$73.1	$12.2	$13.8	$17.5	$19.5	$22.4
Change in professional services deferred revenue	$11.0	$26.2	$16.2	4.7	6.5	5.9	3.2	0.7
Professional services billings	$44.3	$72.1	$89.3	$16.9	$20.3	$23.4	$22.7	$23.1
Pass-through hardware revenue	$105.3	$23.5	$6.3	$1.4	$0.7	$1.3	$1.0	$3.2
Change in pass-through hardware deferred revenue	-	-	-	-	-	-	-	-
Pass-through hardware billings	$105.3	$23.5	$6.3	$1.4	$0.7	$1.3	$1.0	$3.2
Subscription revenue mix	52%	79%	90%	87%	89%	89%	89%	90%
Non-portable software revenue mix	36%	16%	5%	9%	7%	6%	5%	3%
Professional services revenue mix	3%	3%	5%	4%	4%	5%	6%	6%
Pass-through hardware revenue mix	9%	2%	0%	0%	0%	0%	0%	1%
Total	100%	100%	100%	100%	100%	100%	100%	100%
Subscription billings mix	60%	81%	89%	88%	88%	88%	89%	91%
Non-portable software billings mix	30%	13%	5%	8%	6%	6%	5%	3%
Professional services billings mix	3%	5%	6%	4%	6%	6%	6%	5%
Pass-through hardware billings mix	7%	1%	0%	0%	0%	0%	0%	1%
Total	100%	100%	100%	100%	100%	100%	100%	100%