

Guidewire Software, Inc. and subsidiaries
Condensed Consolidated Statement of Operations - GAAP
(unaudited, in thousands except share and per share amounts)

Description	Q1 2018 As Revised	Q2 2018 As Revised	Q3 2018 As Revised	Q4 2018 As Restated	FY 2018 As Restated	Q1 2019 As Revised	Q2 2019 As Revised	Q3 2019	FY 2019
Revenue:									
License and subscription	\$ 32,136	\$ 80,782	\$ 52,392	\$ 143,697	\$ 309,007	\$ 94,680	\$ 86,713	\$ 76,218	\$ 257,611
Maintenance	18,930	19,110	18,749	20,548	77,337	21,003	21,264	21,335	63,602
Services	59,148	60,334	71,008	76,015	266,505	64,572	60,557	65,314	190,443
Total revenue	110,214	160,226	142,149	240,260	652,849	180,255	168,534	162,867	511,656
Cost of revenue:									
License and subscription	6,715	9,040	9,742	9,955	\$ 35,452	13,330	14,739	15,781	\$ 43,850
Maintenance	3,467	3,593	3,828	3,895	14,783	3,868	3,954	3,924	11,746
Services	52,924	54,883	62,111	76,630	246,548	64,410	60,987	60,573	185,970
Total cost of revenue	63,106	67,516	75,681	90,480	296,783	81,608	79,680	80,278	241,566
Gross profit:									
License and subscription	25,421	71,742	42,650	133,742	\$ 273,555	81,350	71,974	60,437	\$ 213,761
Maintenance	15,463	15,517	14,921	16,653	62,554	17,135	17,310	17,411	51,856
Services	6,224	5,451	8,897	(615)	19,957	162	(430)	4,741	4,473
Total gross profit	47,108	92,710	66,468	149,780	356,066	98,647	88,854	82,589	270,090
Operating expenses:									
Research and development	35,711	43,657	46,787	45,502	\$ 171,657	45,496	46,471	47,102	\$ 139,069
Sales and marketing	23,610	31,961	30,378	38,168	124,117	32,319	31,173	33,301	96,793
General and administrative	18,671	21,066	18,170	18,009	75,916	18,345	17,541	17,953	53,839
Total operating expenses	77,992	96,684	95,335	101,679	371,690	96,160	95,185	98,356	289,701
Income (loss) from operations	(30,884)	(3,974)	(28,867)	48,101	(15,624)	2,487	(6,331)	(15,767)	(19,611)
Interest income	1,912	1,573	3,762	6,034	13,281	6,851	7,553	7,748	22,152
Interest expense	(4)	(7)	(2,228)	(4,203)	(6,442)	(4,244)	(4,287)	(4,327)	(12,858)
Other income (expense), net	(262)	1,658	(356)	(531)	509	(1,489)	1,148	(617)	(958)
Income (loss) before provision for (benefit from) income taxes	(29,238)	(750)	(27,689)	49,401	(8,276)	3,605	(1,917)	(12,963)	(11,275)
Provision for (benefit from) income taxes	(26,488)	50,870	3,461	(9,376)	18,467	(2,704)	(1,916)	(4,382)	(9,002)
Net income (loss)	\$ (2,750)	\$ (51,620)	\$ (31,150)	\$ 58,777	\$ (26,743)	\$ 6,309	\$ (1)	\$ (8,581)	\$ (2,273)
Earnings per share:									
Basic	\$ (0.04)	\$ (0.67)	\$ (0.40)	\$ 0.73	\$ (0.34)	\$ 0.08	\$ 0.73	\$ (0.11)	\$ (0.03)
Diluted	\$ (0.04)	\$ (0.67)	\$ (0.40)	\$ 0.72	\$ (0.34)	\$ 0.08	\$ 0.72	\$ (0.11)	\$ (0.03)
Shares used in computing net earnings per share :									
Basic	75,187,430	76,859,040	78,777,484	80,433,450	77,709,592	80,821,227	81,217,511	81,606,088	81,252,993
Diluted	75,187,430	76,859,040	78,777,484	82,162,624	77,709,592	82,209,988	82,191,668	81,606,088	81,252,993
Stock-based compensation	\$ 19,623	\$ 25,032	\$ 23,839	\$ 21,120	\$ 89,614	\$ 23,333	\$ 24,353	\$ 21,050	\$ 68,736

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Guidewire Software, Inc. and subsidiaries
Condensed Consolidated Statement of Operations - Non-GAAP Adjustments
(unaudited, in thousands)

Description	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019	Q2 2019	Q3 2019	FY 2019
Amortization of intangibles acquired in business combinations	\$ 3,885	\$ 5,305	\$ 5,305	\$ 4,984	\$ 19,479	\$ 4,945	\$ 4,945	\$ 4,945	\$ 14,835
Stock-based compensation	174	258	274	296	1,002	334	535	589	1,458
Total adjustment to cost of revenue - license	4,059	5,563	5,579	5,280	20,481	5,279	5,480	5,534	16,293
Stock-based compensation	455	481	462	488	1,886	534	558	273	1,365
Total adjustment to cost of revenue - maintenance	455	481	462	488	1,886	534	558	273	1,365
Stock-based compensation	5,226	5,446	5,310	5,874	21,857	5,968	6,191	5,720	17,879
Total adjustment to cost of revenue - services	5,226	5,446	5,310	5,874	21,857	5,968	6,191	5,720	17,879
Stock-based compensation	4,912	7,697	7,236	5,595	25,440	6,404	6,440	4,919	17,763
Total adjustment to research and development	4,912	7,697	7,236	5,595	25,440	6,404	6,440	4,919	17,763
Stock-based compensation	4,217	5,024	4,527	4,619	18,387	4,621	5,074	4,732	14,427
Amortization of intangibles acquired in business combinations	891	2,364	2,364	2,364	7,983	2,364	2,364	2,333	7,061
Total adjustment to sales and marketing	5,108	7,388	6,891	6,983	26,370	6,985	7,438	7,065	21,488
Stock-based compensation	4,639	6,126	6,030	4,248	21,043	5,472	5,555	4,817	15,844
Total adjustment to general and administrative	4,639	6,126	6,030	4,248	21,043	5,472	5,555	4,817	15,844
Amortization of debt discount and issuance costs	—	—	1,568	2,944	4,512	2,986	3,070	3,070	9,126
Total adjustment to interest expense	—	—	1,568	2,944	4,512	2,986	3,070	3,070	9,126
Non-GAAP tax impact	(25,224)	42,138	2,228	(28,919)	(9,777)	(8,863)	(7,411)	(7,586)	(23,860)
Total adjustment to provision for (benefit from) income taxes	(25,224)	42,138	2,228	(28,919)	(9,777)	(8,863)	(7,411)	(7,586)	(23,860)

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Guidewire Software, Inc. and subsidiaries
Condensed Consolidated Statement of Operations - Other Reconciliations

Description	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019	Q2 2019	Q3 2019	FY 2019
	As Revised	As Revised	As Revised	As Restated	As Restated	As Revised	As Revised		
Reconciliation of GAAP to Non-GAAP earnings per share:									
GAAP diluted earnings per share	\$ (0.04)	\$ (0.67)	\$ (0.40)	\$ 0.72	\$ (0.34)	\$ 0.08	\$ (0.11)	\$ (0.11)	\$ (0.03)
Amortization of intangibles acquired in business combinations	0.06	0.10	0.10	0.09	0.35	0.09	0.09	0.09	0.27
Stock-based compensation	0.26	0.33	0.30	0.26	1.15	0.28	0.30	0.26	0.85
Amortization of debt discount and issuance costs	—	—	0.02	0.04	0.06	0.04	0.04	0.04	0.11
Non-GAAP tax impact	(0.34)	0.54	0.02	(0.37)	(0.14)	(0.11)	(0.10)	(0.09)	(0.29)
Non-GAAP dilutive shares excluded from GAAP EPS calculation	0.01	—	0.01	0.01	(0.01)	—	—	(0.01)	—
Non-GAAP diluted earnings per share	\$ (0.05)	\$ 0.30	\$ 0.05	\$ 0.75	\$ 1.07	\$ 0.38	\$ 0.33	\$ 0.18	\$ 0.91
Diluted weighted average shares outstanding	75,187,430	76,859,040	78,777,484	82,162,624	77,709,592	82,209,988	82,191,668	81,606,088	81,252,993
Non-GAAP dilutive shares excluded from GAAP EPS calculation	—	1,460,188	1,581,552	—	1,785,533	—	—	1,031,086	1,245,769
Diluted pro forma shares outstanding	75,187,430	78,319,228	80,359,036	82,162,624	79,495,125	82,209,988	82,191,668	82,637,174	82,498,762
Gross margin:									
Licensing:									
GAAP gross margin	79.1%	88.8%	81.4%	93.1 %	88.5%	85.9%	83.0 %	79.3%	83.0%
Stock-based compensation	0.5%	0.3%	0.5%	0.2 %	0.3%	0.4%	0.6 %	0.8%	0.6%
Amortization of acquired intangibles	12.1%	6.6%	10.2%	3.4 %	6.4%	5.2%	5.7 %	6.5%	5.8%
Non-GAAP gross margin	91.7%	95.7%	92.1%	96.7 %	95.2%	91.5%	89.3 %	86.6%	89.4%
Maintenance:									
GAAP gross margin	81.7%	81.2%	79.5%	81.0 %	80.9%	81.6%	81.4 %	81.6%	81.5%
Stock-based compensation	2.4%	2.5%	2.5%	2.4 %	2.4%	2.5%	2.6 %	1.3%	2.1%
Non-GAAP gross margin	84.1%	83.7%	82.0%	83.4 %	83.3%	84.1%	84.0 %	82.9%	83.6%
Services:									
GAAP gross margin	10.6%	9.1%	12.5%	(0.8)%	7.5%	0.3%	(0.7)%	7.2%	2.3%
Stock-based compensation	8.8%	9.0%	7.5%	7.7 %	8.2%	9.2%	10.2 %	8.8%	9.4%
Non-GAAP gross margin	19.4%	18.1%	20.0%	6.9 %	15.7%	9.5%	9.5 %	16.0%	11.7%
Overall:									
GAAP gross margin	42.8%	57.8%	46.7%	62.3 %	54.5%	54.8%	52.8 %	50.8%	52.8%
Amortization of acquired intangibles	3.5%	3.3%	3.7%	2.1 %	3.0%	2.7%	2.9 %	3.0%	2.9%
Stock-based compensation	5.3%	3.9%	4.3%	2.8 %	3.8%	3.8%	4.3 %	4.0%	4.0%
Non-GAAP gross margin	51.6%	65.0%	54.7%	67.2 %	61.3%	61.3%	60.0 %	57.8%	59.7%

(1) Due to the occurrence of a net loss on a GAAP basis in certain periods, potentially dilutive securities were excluded from the calculation of GAAP earnings per share, as they would have an antidilutive effect. However, as net income was earned on a Non-GAAP basis, these shares have a dilutive effect on Non-GAAP earnings per share and are included here.

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Guidewire Software, Inc. and subsidiaries
Condensed Consolidated Statement of Operations - Key Metrics
(unaudited, in thousands)

Description	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019	Q2 2019	Q3 2019	FY 2019
	As Revised	As Revised	As Revised	As Restated	As Restated	As Revised	As Revised		
License revenue breakdown:									
Term license revenue	\$ 28,818	\$ 70,299	\$ 38,107	\$128,714	\$265,938	\$ 79,362	\$ 71,591	\$ 60,252	\$211,205
Subscription revenue	3,195	7,666	8,575	11,820	31,256	15,318	14,770	14,691	44,779
Perpetual license revenue	123	2,817	5,710	3,163	11,813	—	352	1,275	1,627
Total license and subscription revenue	\$ 32,136	\$ 80,782	\$ 52,392	\$143,697	\$309,007	\$ 94,680	\$ 86,713	\$ 76,218	\$257,611

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Guidewire Software, Inc. and subsidiaries
Condensed Consolidated Statement of Operations - Non-GAAP Gross Profit Reconciliations
(unaudited, in thousands except percentage)

Description	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019	Q2 2019	Q3 2019	FY 2019
	As Revised	As Revised	As Revised	As Restated	As Restated	As Revised	As Revised		
Gross profit reconciliation:									
GAAP gross profit	\$ 47,108	\$ 92,710	\$ 66,468	\$149,780	\$356,066	\$ 98,647	\$ 88,854	\$ 82,589	\$270,090
Non-GAAP adjustments:									
Stock-based compensation	5,855	6,185	6,046	6,658	24,744	6,836	7,284	6,582	20,702
Amortization of intangibles	3,885	5,305	5,305	4,984	19,479	4,945	4,945	4,945	14,835
Non-GAAP tax impact	—	—	—	—	—	—	—	—	—
Non-GAAP gross profit	\$ 56,848	\$104,200	\$ 77,819	\$161,422	\$400,289	\$110,428	\$101,083	\$ 94,116	\$305,627
Non-GAAP gross margin	51.6%	65.0%	54.7%	67.2%	61.3%	61.3%	60.0%	57.8%	59.7%
Gross profit reconciliation - license revenue:									
GAAP gross profit - license revenue	\$ 25,421	\$ 71,742	\$ 42,650	\$133,742	\$273,555	\$ 81,350	\$ 71,974	\$ 60,437	\$213,761
Non-GAAP adjustments:									
Stock-based compensation	174	258	274	296	1,002	334	535	589	1,458
Amortization of intangibles	3,885	5,305	5,305	4,984	19,479	4,945	4,945	4,945	14,835
Non-GAAP tax impact	—	—	—	—	—	—	—	—	—
Non-GAAP gross profit - license revenue	\$ 29,480	\$ 77,305	\$ 48,229	\$139,022	\$294,036	\$ 86,629	\$ 77,454	\$ 65,971	\$230,054
Non-GAAP gross margin - license revenue	91.7%	95.7%	92.1%	96.7%	95.2%	91.5%	89.3%	86.6%	89.3%
Gross profit reconciliation - maintenance revenue:									
GAAP gross profit - maintenance revenue	\$ 15,463	\$ 15,517	\$ 14,921	\$ 16,653	\$ 62,554	\$ 17,135	\$ 17,310	\$ 17,411	\$ 51,856
Non-GAAP adjustments:									
Stock-based compensation	455	481	462	488	1,886	534	558	273	1,365
Amortization of intangibles	—	—	—	—	—	—	—	—	—
Non-GAAP tax impact	—	—	—	—	—	—	—	—	—
Non-GAAP gross profit - maintenance revenue	\$ 15,918	\$ 15,998	\$ 15,383	\$ 17,141	\$ 64,440	\$ 17,669	\$ 17,868	\$ 17,684	\$ 53,221
Non-GAAP gross margin - maintenance revenue	84.1%	83.7%	82.0%	83.4%	83.3%	84.1%	84.0%	82.9%	83.7%
Gross profit reconciliation - service revenue:									
GAAP gross profit - service revenue	\$ 6,224	\$ 5,451	\$ 8,897	\$ (615)	\$ 19,957	\$ 162	\$ (430)	\$ 4,741	\$ 4,473
Non-GAAP adjustments:									
Stock-based compensation	5,226	5,446	5,310	5,874	21,856	5,968	6,191	5,720	17,879
Amortization of intangibles	—	—	—	—	—	—	—	—	—
Non-GAAP tax impact	—	—	—	—	—	—	—	—	—
Non-GAAP gross profit - service revenue	\$ 11,450	\$ 10,897	\$ 14,207	\$ 5,259	\$ 41,813	\$ 6,130	\$ 5,761	\$ 10,461	\$ 22,352
Non-GAAP gross margin - service revenue	19.4%	18.1%	20.0%	6.9%	15.7%	9.5%	9.5%	16.0%	11.7%

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Guidewire Software, Inc. and subsidiaries
Condensed Consolidated Statement of Operations - Non-GAAP Reconciliations
(unaudited, in thousands)

Description	Q1 2018 As Revised	Q2 2018 As Revised	Q3 2018 As Revised	Q4 2018 As Restated	FY 2018 As Restated	Q1 2019 As Revised	Q2 2019 As Revised	Q3 2019	FY 2019
Income (loss) from operations reconciliation:									
GAAP income (loss) from operations	\$(30,884)	\$ (3,974)	\$(28,867)	\$ 48,101	\$(15,624)	\$ 2,487	\$ (6,331)	\$(15,767)	\$(19,611)
Non-GAAP adjustments:									
Stock-based compensation	19,623	25,032	23,839	21,120	89,614	23,333	24,353	21,050	\$ 68,736
Amortization of intangibles	4,776	7,669	7,669	7,348	27,462	7,309	7,309	7,278	\$ 21,896
Non-GAAP income (loss) from operations	\$ (6,485)	\$ 28,727	\$ 2,641	\$ 76,569	\$101,452	\$ 33,129	\$ 25,331	\$ 12,561	\$ 71,021
Net income (loss) reconciliation:									
GAAP net income (loss)	\$ (2,750)	\$(51,620)	\$(31,150)	\$ 58,777	\$(26,743)	\$ 6,309	\$ (1)	\$ (8,581)	\$ (2,273)
Non-GAAP adjustments:									
Stock-based compensation	19,623	25,032	23,839	21,120	89,614	23,333	24,353	21,050	\$ 68,736
Amortization of intangibles	4,776	7,669	7,669	7,348	27,462	7,309	7,309	7,278	\$ 21,896
Amortization of debt discount and issuance costs	—	—	1,568	2,944	4,512	2,986	3,070	3,070	\$ 9,126
Non-GAAP tax impact	(25,224)	42,138	2,228	(28,919)	(9,777)	(8,863)	(7,411)	(7,586)	\$(23,860)
Non-GAAP net income (loss)	\$ (3,575)	\$ 23,219	\$ 4,154	\$ 61,270	\$ 85,068	\$ 31,074	\$ 27,320	\$ 15,231	\$ 73,625

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