



Guidewire Software, Inc. Announces Proposed Public Offerings of \$200 million of Common Stock and \$300 million of Convertible Senior Notes

March 7, 2018

FOSTER CITY, Calif.--(BUSINESS WIRE)--Mar. 7, 2018-- Guidewire Software, Inc. (NYSE: GWRE) ("Guidewire") today announced that it intends to commence concurrent underwritten public offerings of \$200 million of shares of its common stock (the "Shares") and \$300 million aggregate principal amount of its convertible senior notes due 2025 (the "Notes"). In addition, Guidewire expects to grant the underwriters of the offering of Shares (the "Shares Offering") a 30-day option to purchase up to \$30 million of additional Shares and the underwriters of the offering of Notes (the "Notes Offering") a 30-day option to purchase up to \$45 million aggregate principal amount of additional Notes, in each case, solely to cover over-allotments. Neither offering is contingent on the completion of the other offering.

The Notes will be senior, unsecured obligations of Guidewire, and interest will be payable semi-annually in arrears. The Notes will be convertible into cash, shares of Guidewire's common stock or a combination thereof, at Guidewire's election. The interest rate, conversion rate and other terms of the Notes are to be determined upon pricing of the offering. The Notes will also be redeemable at the option of Guidewire after a specified date if certain conditions are met.

In connection with the pricing of the Notes, Guidewire expects to enter into capped call transactions with one or more of the underwriters of the Notes Offering and/or their respective affiliates and/or other financial institutions (the "option counterparties"). The capped call transactions are expected generally to reduce or offset the potential dilution to Guidewire's common stock upon any conversion of Notes with such reduction and/or offset subject to a cap based on the cap price. If the underwriters of the Notes Offering exercise their option to purchase additional Notes, Guidewire expects to enter into additional capped call transactions with the option counterparties.

Guidewire expects that, in connection with establishing their initial hedges of the capped call transactions, the option counterparties or their respective affiliates will enter into various derivative transactions with respect to Guidewire's common stock concurrently with or shortly after the pricing of the Notes. This activity could increase (or reduce the size of any decrease in) the market price of the common stock or the Notes at that time. In addition, Guidewire expects that the option counterparties or their respective affiliates may modify their hedge positions by entering into or unwinding various derivatives with respect to the common stock and/or by purchasing or selling shares of the common stock or other securities of Guidewire in secondary market transactions following the pricing of the Notes and prior to the maturity of the Notes (and are likely to do so during any observation period related to a conversion of the Notes). This activity could also cause or avoid an increase or a decrease in the market price of the common stock or the Notes, which could affect the ability of holders of Notes to convert the Notes and, to the extent the activity occurs during any observation period related to a conversion of the Notes, it could affect the number of shares of common stock and value of the consideration that holders of Notes will receive upon conversion of the Notes.

Guidewire expects to use a portion of the net proceeds of the Notes Offering to pay the cost of the capped call transactions described above and the remaining net proceeds from the Notes Offering, together with the net proceeds from the Shares Offering, for working capital and other general corporate purposes. In addition, Guidewire may use a portion of the net proceeds to acquire or invest in complementary companies, product lines, products or technologies. However, Guidewire has no understandings or agreements with respect to any such acquisition or investment.

Goldman Sachs & Co. LLC, J.P. Morgan Securities LLC and Citigroup Global Markets Inc. are acting as joint book-running managers for the Shares Offering and the Notes Offering. BofA Merrill Lynch and Deutsche Bank Securities Inc. are acting as lead managers for the Shares Offering and the Notes Offering. Piper Jaffray & Co., William Blair, KeyBanc Capital Markets Inc., Stifel and JMP Securities LLC are acting as co-managers for the Shares Offering and the Notes Offering. D.A. Davidson & Co. is also acting as co-manager for the Shares Offering.

The Shares Offering and the Notes Offering will be made pursuant to Guidewire's shelf registration statement (including a base prospectus), a preliminary prospectus supplement related to the Shares Offering (together with such base prospectus, the "Shares Prospectus") and a preliminary prospectus supplement related to the Notes Offering (together with such base prospectus, the "Notes Prospectus"), all of which Guidewire filed with the Securities and Exchange Commission ("SEC") today. Before investing in the Shares and the Notes, investors should read the Shares Prospectus and the Notes Prospectus, respectively, in each case, including the documents incorporated by reference therein, and any free writing prospectus related to the Shares Offering and the Notes Offering, as the case may be. These documents may be obtained for free by visiting EDGAR on the SEC website at www.sec.gov. Alternatively, copies may be obtained from Goldman Sachs & Co. LLC, Attention: Prospectus Department, 200 West Street, New York, New York 10282 (telephone: (866) 471-2526 or email: prospectus-ny@ny.email.gs.com); J.P. Morgan Securities LLC, c/o Broadridge Financial Solutions, 1155 Long Island Avenue, Edgewood, NY 11717 (telephone: (866) 803-9204 or email: prospectus-eq_fi@jpmchase.com); or Citigroup Global Markets Inc., c/o Broadridge Financial Solutions, 1155 Long Island Avenue, Edgewood, NY 11717 (telephone: (800) 831-9146 or email: prospectus@citi.com).

This press release does not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any offer or sale of, the Shares or the Notes (or any shares of Guidewire's common stock issuable upon conversion of the Notes) in any state or jurisdiction in which the offer, solicitation, or sale of the notes would be unlawful prior to the registration or qualification thereof under the securities laws of any such state or jurisdiction.

Forward-Looking Statements

This press release 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, whether Guidewire will be able to consummate the Shares Offering or the Notes Offering, the final terms of the Shares Offering, the Notes Offering and the capped call transactions, the satisfaction of customary closing conditions with respect to the Shares Offering and the Notes Offering, prevailing market conditions, the anticipated use of net proceeds of the Shares Offering and the Notes Offering, which could change as a result of market conditions or for other reasons, whether the capped call transactions will become effective, and the impact of

general economic, industry or political conditions in the United States or internationally. These forward-looking statements are made as of the date they were first issued and were based on current expectations, estimates, forecasts and projections as well as the beliefs and assumptions of management. Words such as “expect,” “anticipate,” “should,” “believe,” “hope,” “target,” “project,” “goals,” “estimate,” “potential,” “predict,” “may,” “will,” “might,” “could,” “intend,” variations of these terms or the negative of these terms and similar expressions are intended to identify these forward-looking statements. Forward-looking statements are subject to a number of risks and uncertainties, many of which involve factors or circumstances that are beyond Guidewire’s control. Actual results could differ materially from those stated or implied in forward-looking statements due to a number of factors, including but not limited to, risks detailed in Guidewire’s most recent Forms 10-K and 10-Q filed with the SEC as well as other documents that may be filed by Guidewire from time to time with the SEC. The forward-looking statements included in this press release represent Guidewire’s views as of the date of this press release. Guidewire anticipates that subsequent events and developments will cause its views to change. Guidewire undertakes no intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. These forward-looking statements should not be relied upon as representing Guidewire’s views as of any date subsequent to the date of this press release.



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